

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Community & Human Development  
**AGENDA DATE:** March 27, 2012  
**CONTACT PERSON NAME AND PHONE NUMBER:** William L. Lilly, 541-4643  
**DISTRICT(S) AFFECTED:** 2

**SUBJECT:**

That the City Manager be authorized to sign a Reaffirmation Agreement between the City of El Paso and Ms. Guadalupe Camacho Gamez, which reaffirms the Single Family Housing Rehabilitation loan and grant secured by the property located at 1308 Wainwright, El Paso, Texas.

**BACKGROUND / DISCUSSION:**

In August of 1999, Guadalupe Camacho Gamez and her husband Raul Gamez, now deceased, received a \$ 24,000.00 Housing Rehabilitation Loan as well as a \$ 12,918.00 Secured Grant to pay for essential home improvements for the property located at 1308 Wainwright. Ms. Gamez filed for Chapter 7 bankruptcy on December 28, 2011 and included the City's loan in the schedule of debts. Through her legal counsel, Ms. Gamez is requesting that the City enter into a reaffirmation agreement with her in which she reaffirms the outstanding debt (including grant, fees and costs) and agrees to continue repayment under the terms of the loan note and secured grant note. According to current records of the Community and Human Development Department, Housing Programs Division, Ms. Gamez is not delinquent at this time on the loan note and secured grant note and a Builder's & Mechanic's Lien in favor of the City secures both notes.

**PRIOR COUNCIL ACTION:**

June 10, 2003 and June 24, 2003, Council authorized the Mayor to sign reaffirmation agreements with CD loan borrowers in Chapter 7 bankruptcy.

**AMOUNT AND SOURCE OF FUNDING:**

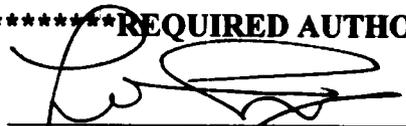
N/A

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\***REQUIRED AUTHORIZATION**\*\*\*\*\*

**DEPARTMENT HEAD:**

  
\_\_\_\_\_  
(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

*Information copy to appropriate Deputy City Manager*

# RESOLUTION

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the City Manager be authorized to sign a Reaffirmation Agreement between the City of El Paso and Guadalupe Camacho Gamez, which reaffirms the Housing Rehabilitation loan and grant secured by the property located at 1308 Wainwright, El Paso, Texas.

**ADOPTED** this                      day of **March, 2012**.

**THE CITY OF EL PASO**

---

**John F. Cook**  
Mayor

**ATTEST:**

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**Richarda Duffy Momsen, City Clerk**

**APPROVED AS TO FORM:**



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**Marie A. Taylor**  
Assistant City Attorney

**APPROVED AS TO CONTENT:**



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**William Lilly, Director**  
Community and Human Development

RECEIVED  
FEB 2 2012

# DAVIS LAW FIRM

Personal Injury □ Bankruptcy □ Employment □ Social Security Disability

BY: \_\_\_\_\_

4530 Montana Ave., Suite B □ El Paso, TX □ 79903 □ 915-565-4669 □ www.jeffdavislawfirm.com

January 25, 2012

Amerinational Community Serv.  
P.O. Box 7  
Albert Lea, MN 56007

Re: **Gamez, Guadalupe Camacho**  
Chapter 7 - Case No. 08-31211  
Our File No. 20160

Dear Creditor:

As you are aware from previous correspondence, I represent Ms. Guadalupe Camacho Gamez in a Chapter 7 Bankruptcy which was filed on Decemeber 28, 2011. My client has elected to retain the **1308 Wainwright, El Paso, TX**, and reaffirm on the account. Enclosed you will find a proposed **Reaffirmation Agreement**. Since we do not have all the detailed information that is on the original Contract, we request that you complete the document where highlighted, sign, and return to us with a copy of the Security Agreement no later than March 2, 2012. Once we receive the documents, we will obtain our clients' signature and file them with the United States Bankruptcy Court. **The deadline to file the Reaffirmation Agreement is April 3, 2012. To expedite the filing, you may fax us signed copies and we can electronically file it with the Bankruptcy Court.**

If we do not receive the signed Reaffirmation Agreement prior to the Discharge date of United States Bankruptcy Court. **The deadline to file the Reaffirmation Agreement is April 3, 2012**, we will assume that you do not require a Reaffirmation Agreement.

If you have any questions, please do not hesitate to contact our office. Thank you.

Best wishes,

*Eric M. Martinez, M.D.*

Eric M. Martinez, Attorney  
E-mail: ericm@jeffdavislawfirm.com  
Fax: 915-562-7032  
EMM:md  
Enclosure  
cc: Ms. Guadalupe Camacho Gamez  
w/copy of enclosure

100 4742

United States Bankruptcy Court  
WESTERN District Of TEXAS

In re GAMEZ, GUADALUPE CAMACHO  
Debtor

Case No. 08-31211  
Chapter 7

**REAFFIRMATION AGREEMENT COVER SHEET**

This form must be completed in its entirety and filed, with the reaffirmation agreement attached, within the time set under Rule 4008. It may be filed by any party to the reaffirmation agreement.

1. Creditor's Name: CITY OF EL PASO, TEXAS
2. Amount of the debt subject to this reaffirmation agreement:  
\$ 15459.26 on the date of bankruptcy      \$ 15459.26 to be paid under reaffirmation agreement
3. Annual percentage rate of interest: 1% prior to bankruptcy  
1% under reaffirmation agreement (  Fixed Rate  Adjustable Rate)
4. Repayment terms (if fixed rate): \$ 110.37 per month for 97 months
5. Collateral, if any, securing the debt: Current market value: \$ 72,886.00  
Description: 1308 WAINWRIGHT, EL PASO, TEXAS
6. Does the creditor assert that the debt is nondischargeable?  Yes  No  
(If yes, attach a declaration setting forth the nature of the debt and basis for the contention that the debt is nondischargeable.)

Debtor's Schedule I and J Entries

Debtor's Income and Expenses  
as Stated on Reaffirmation Agreement

7A. Total monthly income from \$2197.97  
Schedule I, line 16

7B. Monthly income from all \$2197.97  
sources after payroll deductions

8A. Total monthly expenses \$2197.97  
from Schedule J, line 18

8B. Monthly expenses \$2197.97

9A. Total monthly payments on \$0  
reaffirmed debts not listed on  
Schedule J

9B. Total monthly payments on \$0  
reaffirmed debts not included in  
monthly expenses

Net monthly income \$0  
(Subtract sum of lines 8B and 9B from  
line 7B. If total is less than zero, put the  
number in brackets.)

Explain with specificity any difference between the income amounts (7A and 7B):

12. Explain with specificity any difference between the expense amounts (8A and 8B):

If line 11 or 12 is completed, the undersigned debtor, and joint debtor if applicable, certifies that any explanation contained on those lines is true and correct.

\_\_\_\_\_  
Signature of Debtor (only required if line 11 or 12 is completed)

\_\_\_\_\_  
Signature of Joint Debtor (if applicable, and only required if line 11 or 12 is completed)

**Other Information**

Check this box if the total on line 10B is less than zero. If that number is less than zero, a presumption of undue hardship arises (unless the creditor is a credit union) and you must explain with specificity the sources of funds available to the Debtor to make the monthly payments on the reaffirmed debt: \_\_\_\_\_

Was debtor represented by counsel during the course of negotiating this reaffirmation agreement?

Yes                       No

If debtor was represented by counsel during the course of negotiating this reaffirmation agreement, has counsel executed a certification (affidavit or declaration) in support of the reaffirmation agreement?

Yes                       No

**FILER'S CERTIFICATION**

I hereby certify that the attached agreement is a true and correct copy of the reaffirmation agreement between the parties identified on this Reaffirmation Agreement Cover Sheet.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print/Type Name & Signer's Relation to Case

Check one.	
<input type="checkbox"/>	Presumption of Undue Hardship
<input checked="" type="checkbox"/>	No Presumption of Undue Hardship
See Debtor's Statement in Support of Reaffirmation, Part II below, to determine which box to check.	

# UNITED STATES BANKRUPTCY COURT

Western District of Texas

GAMEZ, GUADALUPE CAMACHO

In re \_\_\_\_\_  
Debtor

Case No. 08-31211

Chapter 7

## REAFFIRMATION DOCUMENTS

Name of Creditor: CITY OF EL PASO, TEXAS

Check this box if Creditor is a Credit Union

### PART I. REAFFIRMATION AGREEMENT

Reaffirming a debt is a serious financial decision. Before entering into this Reaffirmation Agreement, you must review the important disclosures, instructions, and definitions found in Part V of this form.

A. Brief description of the original agreement being reaffirmed: HOME LOAN (REHAB)  
*For example, auto loan*

B. **AMOUNT REAFFIRMED:** \$ 15,459.26

The Amount Reaffirmed is the entire amount that you are agreeing to pay. This may include unpaid principal, interest, and fees and costs (if any) arising on or before \_\_\_\_\_ which is the date of the Disclosure Statement portion of this form (Part V).

*See the definition of "Amount Reaffirmed" in Part V, Section C below.*

C. The **ANNUAL PERCENTAGE RATE** applicable to the Amount Reaffirmed is 1.0000 %.

*See definition of "Annual Percentage Rate" in Part V, Section C below.*

This is a (check one)  Fixed rate  Variable rate

If the loan has a variable rate, the future interest rate may increase or decrease from the Annual Percentage Rate disclosed here.

D. Reaffirmation Agreement Repayment Terms (check and complete one):

\$ 110.37 per month for 97 months starting on 04/01/2012

Describe repayment terms, including whether future payment amount(s) may be different from the initial payment amount.

Amortized loan balance is \$10,248.30; forgivable grant balance is \$5,1267.20 - to be forgiven with timely repayment of amortized loan.

E. Describe the collateral, if any, securing the debt:

Description: 1308 WAINWRIGHT, EL PASO, TEX  
Current Market Value \$ 72,886.00

F. Did the debt that is being reaffirmed arise from the purchase of the collateral described above?

Yes. What was the purchase price for the collateral? \$ \_\_\_\_\_

No. What was the amount of the original loan? \$ 36,918.00

G. Specify the changes made by this Reaffirmation Agreement to the most recent credit terms on the reaffirmed debt and any related agreement:

	Terms as of the Date of Bankruptcy	Terms After Reaffirmation
Balance due (including fees and costs)	\$ _____	\$ _____
Annual Percentage Rate	_____ %	_____ %
Monthly Payment	\$ _____	\$ _____

H.  Check this box if the creditor is agreeing to provide you with additional future credit in connection with this Reaffirmation Agreement. Describe the credit limit, the Annual Percentage Rate that applies to future credit and any other terms on future purchases and advances using such credit:

PART II. DEBTOR'S STATEMENT IN SUPPORT OF REAFFIRMATION AGREEMENT

A. Were you represented by an attorney during the course of negotiating this agreement?

Check one.  Yes  No

B. Is the creditor a credit union?

Check one.  Yes  No

C. If your answer to EITHER question A. or B. above is "No," complete 1. and 2. below.

Your present monthly income and expenses are

- |  |                    |
|--|--------------------|
| a. Monthly income from all sources after payroll deductions<br>(take-home pay plus any other income) | \$ <u>2,197.97</u> |
| b. Monthly expenses (including all reaffirmed debts except<br>this one)                              | \$ <u>1,752.97</u> |
| c. Amount available to pay this reaffirmed debt (subtract b. from a.)                                | \$ <u>445.00</u>   |
| d. Amount of monthly payment required for this reaffirmed debt                                       | \$ <u>110.37</u>   |

*If the monthly payment on this reaffirmed debt (line d.) is greater than the amount you have available to pay this reaffirmed debt (line c.), you must check the box at the top of page one that says "Presumption of Undue Hardship." Otherwise, you must check the box at the top of page one that says "No Presumption of Undue Hardship."*

2. You believe that this reaffirmation agreement will not impose an undue hardship on you or your dependents because:

Check one of the two statements below, if applicable:

You can afford to make the payments on the reaffirmed debt because your monthly income is greater than your monthly expenses even after you include in your expenses the monthly payments on all debts you are reaffirming, including this one.

You can afford to make the payments on the reaffirmed debt even though your monthly income is less than your monthly expenses after you include in your expenses the monthly payments on all debts you are reaffirming, including this one, because:

Use an additional page if needed for a full explanation.

D. If your answers to BOTH questions A. and B. above were "Yes," check the following statement, if applicable:

You believe this Reaffirmation Agreement is in your financial interest and you can afford to make the payments on the reaffirmed debt.

*Also, check the box at the top of page one that says "No Presumption of Undue Hardship."*



## **PART V. DISCLOSURE STATEMENT AND INSTRUCTIONS TO DEBTOR(S)**

**Before agreeing to reaffirm a debt, review the terms disclosed in the Reaffirmation Agreement (Part I above) and these additional important disclosures and instructions.**

**Reaffirming a debt is a serious financial decision.** The law requires you to take certain steps to make sure the decision is in your best interest. If these steps, which are detailed in the Instructions provided in Part V, Section B below, are not completed, the Reaffirmation Agreement is not effective, even though you have signed it.

### **A. DISCLOSURE STATEMENT**

**What are your obligations if you reaffirm a debt?** A reaffirmed debt remains your personal legal obligation to pay. Your reaffirmed debt is not discharged in your bankruptcy case. That means that if you default on your reaffirmed debt after your bankruptcy case is over, your creditor may be able to take your property or your wages. Your obligations will be determined by the Reaffirmation Agreement, which may have changed the terms of the original agreement. If you are reaffirming an open end credit agreement, that agreement or applicable law may permit the creditor to change the terms of that agreement in the future under certain conditions.

- 2. Are you required to enter into a reaffirmation agreement by any law?** No, you are not required to reaffirm a debt by any law. Only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments that you agree to make.
- 3. What if your creditor has a security interest or lien?** Your bankruptcy discharge does not eliminate any lien on your property. A "lien" is often referred to as a security interest, deed of trust, mortgage, or security deed. The property subject to a lien is often referred to as collateral. Even if you do not reaffirm and your personal liability on the debt is discharged, your creditor may still have a right under the lien to take the collateral if you do not pay or default on the debt. If the collateral is personal property that is exempt or that the trustee has abandoned, you may be able to redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the collateral, as the parties agree or the court determines.
- 4. How soon do you need to enter into and file a reaffirmation agreement?** If you decide to enter into a reaffirmation agreement, you must do so before you receive your discharge. After you have entered into a reaffirmation agreement and all parts of this form that require a signature have been signed, either you or the creditor should file it as soon as possible. The signed agreement must be filed with the court no later than 60 days after the first date set for the meeting of creditors, so that the court will have time to schedule a hearing to approve the agreement if approval is required. However, the court may extend the time for filing, even after the 60-day period has ended.
- 5. Can you cancel the agreement?** You may rescind (cancel) your Reaffirmation Agreement at any time before the bankruptcy court enters your discharge, or during the 60-day period that begins on the date your Reaffirmation Agreement is filed with the court, whichever occurs later. To rescind (cancel) your Reaffirmation Agreement, you must notify the creditor that your Reaffirmation Agreement is rescinded (or canceled). Remember that you can rescind the agreement, even if the court approves it, as long as you rescind within the time allowed.

**6 When will this Reaffirmation Agreement be effective?****a. If you *were* represented by an attorney during the negotiation of your Reaffirmation Agreement and**

**i. if the creditor is not a Credit Union**, your Reaffirmation Agreement becomes effective when it is filed with the court unless the reaffirmation is presumed to be an undue hardship. If the Reaffirmation Agreement is presumed to be an undue hardship, the court must review it and may set a hearing to determine whether you have rebutted the presumption of undue hardship.

**ii. if the creditor is a Credit Union**, your Reaffirmation Agreement becomes effective when it is filed with the court.

**b. If you *were not* represented by an attorney during the negotiation of your Reaffirmation Agreement**, the Reaffirmation Agreement will not be effective unless the court approves it. To have the court approve your agreement, you must file a motion. See Instruction 5, below. The court will notify you and the creditor of the hearing on your Reaffirmation Agreement. You must attend this hearing, at which time the judge will review your Reaffirmation Agreement. If the judge decides that the Reaffirmation Agreement is in your best interest, the agreement will be approved and will become effective. However, if your Reaffirmation Agreement is for a consumer debt secured by a mortgage, deed of trust, security deed, or other lien on your real property, like your home, you do not need to file a motion or get court approval of your Reaffirmation Agreement.

**7. What if you have questions about what a creditor can do?** If you have questions about reaffirming a debt or what the law requires, consult with the attorney who helped you negotiate this agreement. If you do not have an attorney helping you, you may ask the judge to explain the effect of this agreement to you at the hearing to approve the Reaffirmation Agreement. When this disclosure refers to what a creditor “may” do, it is not giving any creditor permission to do anything. The word “may” is used to tell you what might occur if the law permits the creditor to take the action.

**B. INSTRUCTIONS**

Review these Disclosures and carefully consider your decision to reaffirm. If you want to reaffirm, review and complete the information contained in the Reaffirmation Agreement (Part I above). If your case is a joint case, both spouses must sign the agreement if both are reaffirming the debt.

**2. Complete the Debtor’s Statement in Support of Reaffirmation Agreement (Part II above).** Be sure that you can afford to make the payments that you are agreeing to make and that you have received a copy of the Disclosure Statement and a completed and signed Reaffirmation Agreement.

If you were represented by an attorney during the negotiation of your Reaffirmation Agreement, your attorney must sign and date the Certification By Debtor’s Attorney (Part IV above).

**4. You or your creditor must file with the court the original of this Reaffirmation Documents packet and a completed Reaffirmation Agreement Cover Sheet (Official Bankruptcy Form 27).**

*If you are not represented by an attorney, you must also complete and file with the court a separate document entitled “Motion for Court Approval of Reaffirmation Agreement” unless your Reaffirmation Agreement is for a consumer debt secured by a lien on your real property, such as your home. You can use Form B240B to do this.*

**C. DEFINITIONS**

1. **“Amount Reaffirmed”** means the total amount of debt that you are agreeing to pay (reaffirm) by entering into this agreement. The total amount of debt includes any unpaid fees and costs that you are agreeing to pay that arose on or before the date of disclosure, which is the date specified in the Reaffirmation Agreement (Part I, Section B above). Your credit agreement may obligate you to pay additional amounts that arise after the date of this disclosure. You should consult your credit agreement to determine whether you are obligated to pay additional amounts that may arise after the date of this disclosure.
2. **“Annual Percentage Rate”** means the interest rate on a loan expressed under the rules required by federal law. The annual percentage rate (as opposed to the “stated interest rate”) tells you the full cost of your credit including many of the creditor’s fees and charges. You will find the annual percentage rate for your original agreement on the disclosure statement that was given to you when the loan papers were signed or on the monthly statements sent to you for an open end credit account such as a credit card.
3. **“Credit Union”** means a financial institution as defined in 12 U.S.C. § 461(b)(1)(A)(iv). It is owned and controlled by and provides financial services to its members and typically uses words like “Credit Union” or initials like “C.U.” or “F.C.U.” in its name.

# UNITED STATES BANKRUPTCY COURT

Western District of Texas

In re: GAMEZ, GUADALUPE CAMACHO,

*Debtor*

Case No. 08-31211

Chapter 7

## MOTION FOR APPROVAL OF REAFFIRMATION AGREEMENT

I (we), the debtor(s), affirm the following to be true and correct:

I am not represented by an attorney in connection with this reaffirmation agreement.

I believe this reaffirmation agreement is in my best interest based on the income and expenses I have disclosed in my Statement in Support of Reaffirmation Agreement, and because *(provide any additional relevant reasons the court should consider)*:

Therefore, I ask the court for an order approving this reaffirmation agreement under the following provisions *(check all applicable boxes)*:

11 U.S.C. § 524(c)(6) (debtor is not represented by an attorney during the course of the negotiation of the reaffirmation agreement)

11 U.S.C. § 524(m) (presumption of undue hardship has arisen because monthly expenses exceed monthly income, as explained in Part II of Form B240A, Reaffirmation Documents)

Signed \_\_\_\_\_  
*(Debtor)*

\_\_\_\_\_  
*(Joint Debtor, if any)*

Date:

United States Bankruptcy Court  
WESTERN District of TEXAS

In re GAMEZ, GUADALUPE CAMACHO,  
Debtor

Case No. 08-31211  
Chapter 7

**ORDER ON REAFFIRMATION AGREEMENT**

The debtor(s) GAMEZ, GUADALUPE CAMACHO has (have) filed a motion for approval of  
(Name(s) of debtor(s))  
the reaffirmation agreement dated \_\_\_\_\_ made between the debtor(s) and  
(Date of agreement)  
CITY OF EL PASO, TEXAS. The court held the hearing required by U.S.C. § 524(d)  
(Name of creditor)  
on notice to the debtor(s) and the creditor on \_\_\_\_\_  
(Date)

- COURT ORDER:
- The court grants the debtor's motion under 11 U.S.C. § 524(c)(6)(A) and approves the reaffirmation agreement described above as not imposing an undue hardship on the debtor(s) or a dependent of the debtor(s) and as being in the best interest of the debtor(s).
  - The court grants the debtor's motion under 11 U.S.C. § 524(k)(8) and approves the reaffirmation agreement described above.
  - The court does not disapprove the reaffirmation agreement under 11 U.S.C. § 524(m).
  - The court disapproves the reaffirmation agreement under 11 U.S.C. § 524(m).
  - The court does not approve the reaffirmation agreement.

BY THE COURT

Date: \_\_\_\_\_

\_\_\_\_\_  
*United States Bankruptcy Judge*

# AmeriNational Community Services

8121 E Florence Avenue  
Downey, CA 90240

## ACCOUNT PAYOFF QUOTATION

TO CITY OF EL PASO

Property Info 1308 WAINWRIGHT  
El Paso TX 79903

Attn CARL T. JOHNSON

Reference # 099144474

Loan 1024742

RAUL GAMEZ

In response to your request for a Demand/Beneficiary Statement for our records indicate the following

UNPAID PRINCIPAL BALANCE	<u>10,248.30</u>
UNPAID ACCRUED INTEREST	<u>0.00</u>
INTEREST TO 04/02/2012	<u>13.76</u>
LATE CHARGE DUE	<u>0.00</u>
DOCUMENT PREP FEE	<u>0.00</u>
FAX FEE	<u>0.00</u>
GRANT BAL	<u>5,167.20</u>
1 NSF FEE	<u>30.00</u>
	<u>0.00</u>
<b>TOTAL PAYOFF</b>	<b><u>15,459.26</u></b>

INTEREST RATE	1.0000
INTEREST PAID TO	02/13/2012
DAILY INTEREST	0.28
MONTHLY PAYMENT	110.37
NEXT DUE DATE	02/01/2012

MATURITY DATE	11/1/2019
AMOUNT GOOD TO	04/02/2012

- \* Make check or money order payable to Amerinational Community Services, Inc.
- \* Funds must be in the form of a cashier's check or money order or Title Company Check.
- \* Interest to accrue until the day payoff is received in this office.

NOTE PER YOUR REQUEST

PREPARED BY

  
GRACE LEBEZMA  
Amerinational Community Services, Inc.

03/02/2012

DATE

APPROVED BY

  
JAMES WAKEFIELD  
CITY OF EL PASO

3-5-12

DATE



improvements and assign and convey all liens in their favor created herein or arising by operation of law out of this contract to the aforesaid CITY, the payee named in said note, its successors and assigns.

To secure and enforce the payment of the INDEBTEDNESS and liens hereinabove created, OWNERS have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL and CONVEY unto the CITY CLERK OF EL PASO, as Trustee, the City of El Paso, El Paso County, Texas, and his/her substitutes or successors in this trust, all the hereinabove described real property and all improvements, additions, fixtures and appurtenances now thereon or hereafter to be placed thereon. TO HAVE AND TO HOLD the aforesaid property and premises aforesaid, and every part thereof, unto said Trustee or his/her successors, against every person whomsoever lawfully claiming or to claim the same or any part thereof, in trust, however, UPON THE FOLLOWING TRUSTS, TERMS AND CONDITIONS, TO-WIT:

Should OWNERS pay in full the INDEBTEDNESS hereby secured, then this conveyance shall become null and void and of no further force and effect, and the liens hereby created shall be released by the legal owner and holder thereof.

OWNERS covenant and agree as follows:

1. To pay when due all taxes and assessments now existing or hereafter levied or assessed under the laws of the State of Texas upon said property and to keep the improvements on said property in good repair and condition and not to permit or commit any waste thereof and to keep said buildings so as not to impair the insurance carried thereon.
2. To insure and keep insured, after completion and delivery of such improvements to OWNERS, all improvements now or hereafter created upon said property, against loss or damage by flood if the property is located in a designated Special Flood Hazards Area (SFHA) and additionally, against loss or damage by fire and windstorm, to the extent of the original amount of the INDEBTEDNESS hereby secured, in such form and with such Insurance Company as may be approved by CITY and to deliver to CITY the policies of such insurance having attached thereto such mortgage indemnity clause as the CITY shall direct; any sums which may become due under any such policy, or policies, may be applied at the option of the CITY to reduce said INDEBTEDNESS, or the CITY may permit OWNERS to use said proceeds to repair or replace all improvements damaged or destroyed and covered by said policy.
3. In the event OWNERS shall fail to keep the improvements on the property hereby conveyed in good repair and condition, or

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to pay promptly when due all taxes and assessments, or to keep the buildings and improvements insured, or to deliver the policy or policies of insurance or the renewal thereof to the CITY, then the CITY may at its option, but without being required to do so, make such repairs, purchase any tax title thereon, or insure and keep insured the improvements thereon and any sums which may be so used and paid out by the CITY and all sums paid for insurance premiums shall bear interest from the dates of such payments at ten percent (10%) per annum and shall be paid by OWNERS to CITY upon demand, at the place at which the above described note is payable, and shall be deemed a part of the debt hereby secured and recoverable as such in all respects.

4. That in the event of a default in payment of an installment, principal or interest of the note(s) hereby secured, or any breach of the conveyance herein contained to be performed by OWNERS, the CITY may elect to declare the entire principal INDEBTEDNESS hereby secured, with all interest accrued hereon and all other sums hereby secured, immediately due and payable. The OWNERS hereby expressly waive presentment and demand for payment. In the event of default in the payment of said debt when due or declared due, it shall be thereupon or any time thereafter, the duty of the trustee or his/her successor or substitute as hereinafter provided, at the request of the CITY to enforce this trust, and after posting such notice for twenty-one days at the Courthouse or serving written notice by certified mail to the owners twenty-one days preceding the sale, to sell the above-described and conveyed real property at public auction in accordance with such notices at public sale between the hours of 10:00 a.m. and 4:00 p.m. of the first Tuesday in any month. Such sale shall be to the highest bidder for cash, and the CITY or its authorized representative shall make due conveyance to the purchaser or purchasers, with general warranty binding the OWNERS, their heirs and assigns; and of the money arising from such sale the CITY or its trustees shall first pay all expenses of advertising said sale and making the conveyance, including a commission of five percent (5%) to itself, which commission shall be due and owing in addition to the attorney's fees provided for in said note, and then to the CITY the full amount of principal, interest, attorney's fees and other charges due and unpaid on said note, rendering the balance of the sales price, if any, to the OWNERS, their heirs or assigns; and the recitals in the conveyance to said purchasers shall be full and conclusive evidence of the truth of the matter therein stated, and all prerequisites to said

sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the OWNERS, their heirs and assigns.

5. It is agreed that in the event a foreclosure hereunder shall be commenced by the Trustee, or his substitute or successor, the CITY may at any time before the sale of said property direct the Trustee to abandon said sale, and may then institute suit for the collection of said note, and for foreclosure of the liens herein created; and it is further agreed that if the CITY should institute suit for the collection thereof, and for a foreclosure of the liens herein created, that it may at any time before entry of final judgment in said suit dismiss the same, and require the said Trustee, his substitute or successor, to sell the property in accordance with the power of sale herein granted.
6. The City shall have the right to purchase at any sale of the property, being the highest bidder, and to have the amount for which said property is sold credited on the debt then owing.
7. The CITY in any event is hereby authorized to appoint a substitute Trustee, to act instead of the Trustee named herein without other formality than the designation in writing of a substitute or successor Trustee; and the authority hereby conferred shall extend to the appointment of other successor and substitute Trustees successively until the INDEBTEDNESS hereby secured has been paid in full, or until said property is sold hereunder and each substitute and successor Trustee shall succeed to all of the rights and powers of the original Trustee named herein.
8. In the event of a sale of the property herein described, or any portion thereof, under the terms of the power of sale herein created, OWNERS, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to do so they shall thereupon from and after the making of such sale be, and continue as, the tenants at will of such purchaser, and in the event of their failure to surrender possession of said property upon demand, the purchaser, his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which the said property is situated.

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- 9 As further security for the payment of the INDEBTEDNESS herein described, OWNERS hereby transfer, assign and convey unto CITY all rents issuing or to hereafter issue from said real property, and in the event of any default in the payment of said note, or other default hereunder, CITY, its agents or representatives, is hereby authorized, at its option, to collect said rents, or if such property is vacant to rent the same and collect the rents, and apply the same to the payment of said INDEBTEDNESS. The collection of said rents by CITY shall not constitute a waiver of the right to accelerate the maturity of said INDEBTEDNESS nor of the right to proceed with the enforcement of the power of sale hereby granted.
- 10 In the event any portion of the INDEBTEDNESS herein described cannot be lawfully secured by the liens herein given and created upon the herein described property, it is agreed that the first payments made on said INDEBTEDNESS shall be applied to the discharge of that portion of said INDEBTEDNESS.
- 11| If this instrument is executed by one person or by a corporation, the plural reference to OWNERS shall be held to include the singular and all of the covenants and agreements herein undertaken to be performed by and the rights conferred upon the respective OWNERS herein named shall be binding upon and inure to the benefit of not only said parties respectively but also their respective heirs, executors, administrators, grantees, successors and assigns.
- 12 If all or any part of the real property and improvements secured by this Builder's and Mechanic's Lien Contract and Deed of Trust (With Power of Sale), or any interest therein, is sold or transferred without the CITY'S prior written consent, excluding the creation of a lien or encumbrance subordinate to this Builder's and Mechanic's Lien Contract and Deed of Trust (With Power of Sale), or the creation of a purchase money security interest for household appliances, the CITY may, at the CITY'S option, declare all the sums secured hereby to be immediately due and payable. The CITY may require an increase in the rate of interest payable under the Note before giving its consent.

EXECUTED THIS 16 DAY OF August, 1999

IMPORTANT NOTICE: YOU AND YOUR CONTRACTOR ARE RESPONSIBLE FOR MEETING THE TERMS AND CONDITIONS OF THIS CONTRACT. IF YOU SIGN THIS CONTRACT AND YOU FAIL TO MEET THE TERMS AND CONDITIONS OF THIS CONTRACT, YOU MAY LOSE YOUR LEGAL OWNERSHIP RIGHTS IN YOUR HOME. KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW.

36451001

OWNERS HEREBY ACKNOWLEDGE THAT THEY HAVE RECEIVED A COPY OF THIS BUILDER'S AND MECHANIC'S LIEN CONTRACT AND DEED OF TRUST (WITH POWER OF SALE). OWNERS, AS AFFIANTS, FURTHER STATE UNDER OATH THAT UP TO AND INCLUDING THE TIME OF EXECUTION OF THIS CONTRACT NO MATERIALS HAVE BEEN PLACED UPON THE ABOVE-DESCRIBED PROPERTY AND NO LABOR HAS BEEN PERFORMED THEREON IN CONNECTION WITH SAID CONTRACT. THIS AFFIDAVIT IS MADE FOR THE PURPOSE OF INDUCING THE CITY TO RELY ON THE FACTS HEREIN STATED AND ADVANCE FUNDS IN CONNECTION THEREWITH AND ON THE VALIDITY OF THE LIENS CREATED HEREIN.

NOTICE TO OWNER: DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS BLANK SPACES. YOU MAY HAVE THE CONTRACT EXAMINED BY YOUR ATTORNEY, AT YOUR OWN EXPENSE IF YOU WISH. YOU ARE ENTITLED TO A COPY OF THE CONTRACT YOU SIGN. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND UNDER CERTAIN CONDITIONS MAY OBTAIN A PARTIAL REFUND OF THE INTEREST. KEEP THIS CONTRACT TO PROTECT YOUR LEGAL RIGHTS.

Raul Gamez  
Raul Gamez

Guadalupe C Gamez  
Guadalupe C Gamez

Efren Ordonez, President  
d/b/a Ordonez Remodeling, Inc

INDIVIDUAL ACKNOWLEDGEMENT

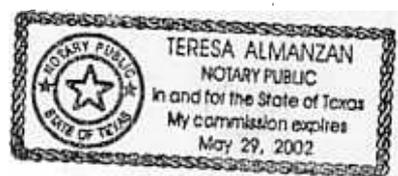
STATE OF TEXAS )

COUNTY OF EL PASO )

This instrument was acknowledged before me on the 16<sup>th</sup> day of August, 1999 by Raul Gamez.

Teresa Almanzan

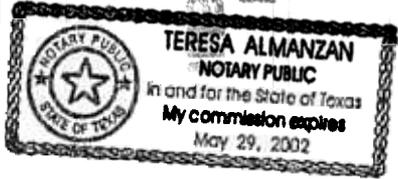
Notary Public, State of Texas  
Notary's Name (printed):  
My Commission Expires:



INDIVIDUAL ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on the 16 day  
of August, 1999 by Guadalupe C. Gamez.

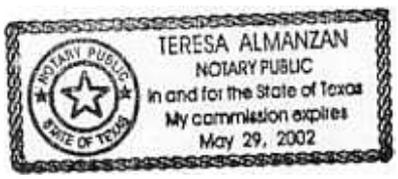


Teresa Almanzan  
Notary Public, State of Texas  
Notary's Name (printed):  
My Commission Expires:

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on the 20<sup>th</sup> day  
of August, 1999 by Efren Ordonez, President, d/b/a  
Ordonez Remodeling, Inc.



Teresa Almanzan  
Notary Public, State of Texas  
Notary's Name (printed):  
My Commission Expires:

AFTER RECORDING PLEASE RETURN TO  
CITY OF EL PASO  
DEPARTMENT OF COMMUNITY AND HUMAN DEVELOPMENT  
OFFICE OF HOUSING PROGRAMS  
TWO CIVIC CENTER PLAZA, NINTH FLOOR  
EL PASO TX 79901-1196

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LOAN NOTE

\$24,000.00 El Paso, Texas August 16, 1999

For value received, I, we, or either of us, as MAKERS, promise to pay to the order of THE CITY OF EL PASO at its office in El Paso, El Paso County, Texas, the sum of Twenty Four Thousand and 00/100 DOLLARS (\$24,000.00), in legal and lawful money of the United States of America, with interest on each installment from date due until paid at the rate one percent (1%) per annum.

This note, together with all interest and charges hereon, shall be due and payable in consecutive monthly installments as follows, to wit:

The principal and interest on this note is payable on the first day of each month in 240 monthly installments, commencing with a payment of \$140.37 on November 1, 1999, and of \$110.37(or more) payable on the first day of each month for the remaining 239 months, in lawful money of the United States at the principal office of THE CITY OF EL PASO, Two Civic Center Plaza, in El Paso, Texas, or at such other place as shall be designated by the City of El Paso.

If any installments herein provided for, either of principal or interest, is not paid at maturity, or if the owner or holder hereof deems payment hereof to be insecure, then such owner or holder may, at its or his option, declare the unpaid balance of the principal and accrued interest on this note at once mature and payable.

In the event I, we, or either of us, fail to pay this note at its maturity, and the same is placed in the hands of an attorney for collection or collected through any of the courts, including bankruptcy proceedings, or if suit is brought on this note, the maker or makers hereof agree and promise to pay a reasonable attorney's fee for collection, which in no event shall be less than ten percent (10%) of the principal and interest then owing.

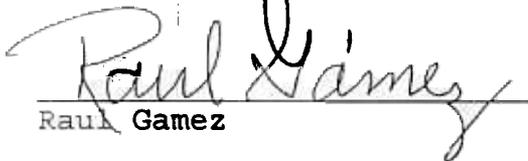
Each maker, surety and endorser of this note expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protest and notice of protest, as to this note and as to each, every and all installments hereof, and each agrees that the

time of payment hereof may be extended by the principals without further consent of any accommodation maker, endorser, guarantor or surety.

Any prepayment is to be applied toward the principal balance of the note and thereby reducing the term of the note accordingly. No penalty shall be charged for such prepayment.

If all or any portion of the fee title of the property secured under this note becomes transferred without the prior, written consent of the CITY OF EL PASO, or if the owner ceases living on the premises, THE CITY OF EL PASO may, at its own option, declare all the balance of this note to be immediately due and payable. THE CITY OF EL PASO may require an increase in the rate of interest on the note as a condition of giving its consent to assumption.

This note is secured by a Builder's and Mechanic's Lien Contract and Deed of Trust (With Power of Sale) of the same date on property located 1308 Wainwright, El Paso, TX 79903 and reference is made to the Builder's and Mechanic's Lien Contract and Deed of Trust (With Power of Sale) for rights as to accelerate of the indebtedness evidenced by this note.

  
Raul Gamez

  
Guadalupe C. Gamez

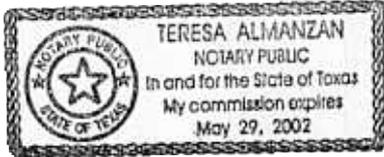
(Acknowledgments on following page)

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on the 16<sup>th</sup>  
of August, 1999 by Raul Gamez.

*Teresa Almanzan*



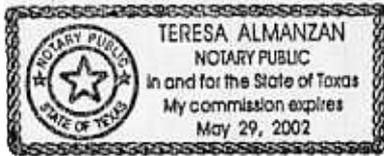
Notary Public, State of Texas  
Notary's Name (printed):  
Notary's Commission Expires:

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on the 16<sup>th</sup>  
of August, 1999 by Guadalupe C. Gamez.

*Teresa Almanzan*



Notary Public, State of Texas  
Notary's Name (printed):  
Notary's Commission Expires:

## SECURED GRANT NOTE

\$12,918.00 El Paso, Texas August 16, 1999

For value received, I, we, or either of us, as MAKERS, promise to pay to the order of THE CITY OF EL PASO at its office in El Paso, El Paso County, Texas, the sum of Twelve Thousand Nine Hundred and Eighteen and 00/100 DOLLARS (\$12,918.00), in legal and lawful money of the United States of America, without interest thereon.

The principal on this note is payable on the first day of each month in 240 monthly installments, commencing with a payment of \$52.63 on November 1, 1999 and of \$53.83 payable the first day of each month for the remaining 239 months, in lawful money of the United States at the principal office of THE CITY OF EL PASO, Two Civic Center Plaza, in El Paso, Texas, or at such other places as shall be designated by the City of El Paso.

Each maker, surety and endorser of this note expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protest and notice of protest, as to this note and as to each, every and all installments hereof, and each agrees that the time of payment hereof may be extended by the principals without further consent of any accommodation maker, endorser, guarantor or surety.

In the event this note is placed in the hands of an attorney for collection or collected through any of the courts, including bankruptcy proceedings, or suit is brought on this note, the maker(s) hereof agree and promise to pay a reasonable attorney's fee for collection.

If all or any portion of the fee title of the property secured under this note becomes transferred without the prior, written consent of the CITY OF EL PASO, or if the owner ceases living on the premises, THE CITY OF EL PASO may, at its own option, declare all the balance of this note to be immediately due and payable. THE CITY OF EL PASO may require an increase in the rate of interest on the note as a condition of giving its consent to assumption.

Provided that the maker of this grant note: (1) has remained current on the monthly payments due on his/her loan note of even date in the principal amount \$24,000.00 in favor of THE CITY OF EL PASO (the "Loan Note") and is not in default under any of the obligations securing

that Loan Note; (2) is not in default under any of the obligations securing this note; (3) and has not ceased living on the premises securing this note; then the obligations to make the monthly payments set forth in the second paragraph of this note shall be suspended and temporarily abated.

Provided that the maker of this grant note: (1) has remained current on the monthly payments due on the Loan Note and is not in default under any of the obligations securing that Loan Note; (2) is not in default under any of the obligations securing this note; (3) and has not ceased living on the premises securing this note; then one-tenth(1/20)of the principal amount of this grant note shall be forgiven for each year that the maker of this note has met each of the above obligations.

This note is secured by a Builder's and Mechanic's Lien Contract and Deed of Trust (With Power of Sale) of the same date on property located at 1308 Wainwright, El Paso, TX 79903 and reference is made to the Builder's and Mechanic's Lien Contract and Deed of Trust (With Power of Sale) for rights as to acceleration of the indebtedness evidenced by this note.

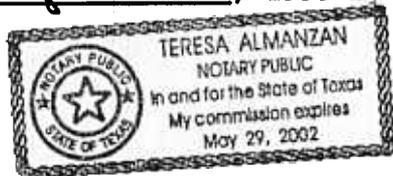
Raul Gamez  
Raul Gamez

Guadalupe C. Gamez  
Guadalupe C. Gamez

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on the 16<sup>th</sup> day of August, 1999 by Raul Gamez.

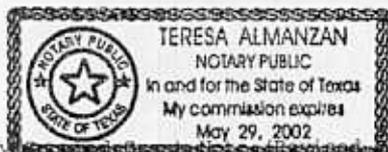


Teresa Almanzan  
Notary Public, State of Texas  
Notary's Name (printed):  
Notary's Commission Expires:

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on the 16<sup>th</sup> day of August, 1999 by Guadalupe C. Gamez.



Teresa Almanzan  
Notary Public, State of Texas  
Notary's Name (printed):  
Notary's Commission Expires: