

**CITY OF EL PASO, TEXAS
REQUEST FOR COUNCIL ACTION (RCA)**

DEPARTMENT: Community and Human Development

AGENDA DATE: July 24, 2007

CONTACT PERSON/PHONE: Jaime Herrera – 541-4340

DISTRICT(S) AFFECTED: 7

SUBJECT: 8556 Dorbandt, El Paso, TX 79907 / YWCA Community Development Corporation – YWCA Senior Housing

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

City Council is asked to authorize the City Manager to sign a First Amendment to the CHDO HOME Financial Terms Contract between the City and YWCA Community Development Corporation, and to authorize amendment of the Loan and Secured Grant Notes, correction of any previous clerical errors, and execution of any related documents and/or property covenants to secure the extension of the affordability period for the above project, originally approved on September 14, 2004.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have a reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

At the time of approval of this CHDO project (September, 2004), the cost projection was \$722,000.00, including acquisition (\$40,000.00), architectural, engineering, consulting, and closing fees (\$101,000.00), and construction costs (\$581,000.00). After the project was bid out, on or about November 1, 2006, construction material costs had gone up considerably (post Katrina) and the lowest, responsive bid received was about \$102,000.00 higher than originally estimated. Shortly after bid opening, having considered various alternatives, the YWCA's Board of Directors, made a decision to proceed with the bid at hand, committing itself to procure the financing for the shortfall. Accordingly, the YWCA secured a loan of \$150,000.00 to cover all additional expenses plus any foreseeable contingencies. This additional debt burden then caused the project to become financially precarious unless there might be some way to reduce the debt service to the City by either forgiving a substantial sum of debt (\$125,000.00) or by extending the term of the loan to allow for reduced debt service to the City's financing. After due consideration, the City's Community Development Department proposed extending the term from twenty to thirty years. This adjustment allowed for a reduction in the payment to the City and increased cash flow to the YWCA CDC which then made possible additional debt service to the secondary financing (the \$150,000.00) without jeopardizing the operation of the project as originally intended. The YWCA CDC accepted this proposal in June 2007.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes. The Loan term for TVP Non-profit Corporation was extended (from twenty to thirty years) on or about February 6, 2001. That was for their 16-unit housing project at 1307-1313 Magoffin, for similar reasons.

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AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

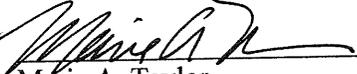
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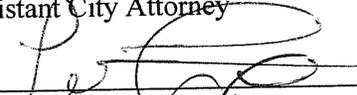
BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

The Director of Community & Human Development recommends favorable approval by City Council.

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required)  **FINANCE:** (if required) _____
Marie A. Taylor,
Assistant City Attorney

DEPARTMENT HEAD:  _____
William L. Lilly, Director

(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

EXR.1094-I-O

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RESOLUTION

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

That the City Manager be authorized to sign a First Amendment to CHDO-HOME Financial Terms Contract between the City of El Paso and YWCA Community Development Corporation, to amend the repayment term(s) from twenty to thirty years on the Loan and Secured Grant Notes securing the financial obligation by the YWCA to the City of El Paso for the below-referenced CHDO project, to correct any previous clerical errors in said Contract, and to execute any related documents and/or property covenants to secure the extension of the affordability period for the project.

YWCA Community Development Corporation
YWCA Senior Housing
Acquisition, Design, and Construction - \$722,000.00

ADOPTED this 24th day of July 2007.

THE CITY OF EL PASO

ATTEST:

John F. Cook,
Mayor

Richarda Duffy Momsen,
City Clerk

APPROVED AS TO FORM:



Marie A. Taylor,
Assistant City Attorney

APPROVED AS TO CONTENT:



William L. Lilly, Director,
Community and Human Development

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FIRST AMENDMENT TO CHDO - HOME FINANCIAL TERMS CONTRACT

This First Amendment to CHDO- Home Financial Terms Contract is made this ____ day of _____, 2007, by and between CITY OF EL PASO ("City") and YWCA Community Development Corporation ("Borrower").

WHEREAS, a CHDO-Home Financial Terms Contract was entered into between City and Borrower on September 14, 2004, hereinafter referred to as "Contract," a copy of which is made a part hereof for all purposes and incorporated herein as Exhibit "A", and which is on file in the City Clerk's Office, for the purpose of construction of the property located at 8856 Dorbandt Street, El Paso, Texas 79907 to be rented by Borrower to low and moderate income families in El Paso, hereinafter referred to as "Project"; and

WHEREAS, the City and Borrower agree that certain provisions of the Contract are required to be amended in order to facilitate the completion of the Project.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter set forth and for value received by Borrower from City, the parties hereto do mutually agree to amend the Contract as follows:

1. On page 1, the first introductory paragraph of Section I. DESCRIPTION OF PROPERTY AND PROJECT, shall be deleted in its entirety and replaced with the following language:

The subject matter property is legally described as:

Leasehold rights pursuant to that certain Lease effective 09/01/2004, between YOUNG WOMEN'S CHRISTIAN ASSOCIATION EL PASO DEL NORTE REGION, Lessor, and YWCA COMMUNITY DEVELOPMENT CORPORATION, Lessee, as referenced by a Memorandum of Lease dated 09/07/2004, filed, 09/10/2004, in Clerk's File #20040085285, Real Property Records, El Paso County, Texas, covering a portion of Lot 11 and all of Lot 12, Block 20, SECOND AMENDED MAP OF WEST YSLETA, an Addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Volume 13, Page 29, Real Property Records of El Paso County, Texas, also known as 8556 Dorbandt Street, El Paso, Texas, and being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

2. On page 2, paragraph A. of Section I. DESCRIPTION OF PROPERTY AND PROJECT, shall be revised as follows:

a. Reference to the Deed of Trust (With Power of Sale) shall be revised to read "the Deed of Trust (With Power of Sale), as amended."

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3. On page 2, paragraph B. of Section I. DESCRIPTION OF PROPERTY AND PROJECT, shall be deleted in its entirety and replaced with the following language:

B. City hereby agrees to provide HOME financing for the eligible construction costs according to all terms and conditions as herein specified, including, but not limited to, the following terms and conditions: The City hereby agrees to provide HOME funds allocated to this project as a Grant of THREE HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$370,000.00) using HOME Program Grant funds, as evidenced by a Secured Grant Note as amended of even date herewith, attached as Exhibit "C" and incorporated by reference herein. Provided Borrower complies with the terms of this Contract, this grant shall be forgiven over a thirty (30) year period if Borrower remains in compliance with all terms and conditions as herein specified. The City hereby further agrees to provide the remainder of the financing required to fund the eligible construction cost to be financed through public financing in a loan at zero percent (0%) interest. Such loan shall be in the amount of THREE HUNDRED FIFTY TWO THOUSAND AND NO/100 DOLLARS (\$352,000.00) at zero percent (0%) for thirty (30) years with a monthly payment of Nine Hundred Seventy Seven and 78/100 Dollars (\$977.78), evidenced by Loan Note, as amended, which is attached hereto as Exhibits "D" beginning on the first day of the month as specified in the Loan Note. The City will provide such public financing, as specified above, upon the following additional terms and conditions:

(1) HOME financing shall be approved and funds shall be advanced to Borrower, subject to the terms described herein, to include but not limited to those contained in Sections III. and IV. below, and any other terms and conditions specified herein.

(2)(a) Disbursement of public funds shall be made upon Receipt by City of Borrower's written request for such, the documentation as required in B (1) above has been provided and upon the approval of the Director of the Department of Community and Human Development. Such disbursement may be withheld by the Director if, in the reasonable exercise of Director's discretion, the Borrower has failed to fulfill the requirements of this Contract.

(b) Loan payments on the note in the face amount of THREE HUNDRED FIFTY TWO THOUSAND AND NO/100 DOLLARS (\$352,000.00) shall be due on the first day of the month with the first payment due on the first day of the month as specified in the Loan Note. The monthly payment shall be \$977.78. Interest on the loan shall accrue at the rate of zero percent (0%) per annum from the date of disbursement. Borrower shall make 360 consecutive monthly loan payments.

(c) Borrower shall have not more than thirty (30) years from the due date of the first payment in which to repay in full all principal and interest due and owing on such loans, in accordance with the terms and conditions of the Loan Note.

(d) The purpose of this loan is to provide Borrower with funds to construct Borrower's property located at 8556 Dorbandt Street, El Paso, Texas 79907 as more fully described in the Deed of Trust (With Power of Sale) as amended, attached hereto as Exhibit "B", and incorporated by reference herein. Borrower agrees that within eighteen (18) months from

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the date of this Contract the twelve (12) rental units shall be completed and further, nine (9) of the rental units shall be occupied by tenant households with incomes that do not exceed sixty percent (60%) of the area median income and paying no more than the HIGH HOME rent established by federal regulations and three (3) of the rental units shall be occupied by tenant households with incomes that do not exceed fifty percent (50%) of the area median income and paying no more than the LOW HOME rent established by federal regulation. There is no other use of said funds authorized by City, and the use of the City's funds by Borrower for any other purpose shall constitute a breach of contract by Borrower for which City may pursue any and all remedies, whether at law or equity, which are available to City.

4. On page 3, paragraph A. of Section II. REPRESENTATIONS AND WARRANTIES, shall be revised as follows:

a. The property location shall be revised to read "8556 Dorbandt Street, El Paso, El Paso County, Texas".

5. On page 4, paragraph C of Section III. CONDITIONS PRECEDENT, shall be deleted in its entirety and replaced with the following language:

C. Borrower agrees to grant to City the following collateral as security for the City loan and grant as agreed thereto:

(1) A first lien on the following described real property:

Leasehold rights pursuant to that certain Lease effective 09/01/2004, between YOUNG WOMEN'S CHRISTIAN ASSOCIATION EL PASO DEL NORTE REGION, Lessor, and YWCA COMMUNITY DEVELOPMENT CORPORATION, Lessee, as referenced by a Memorandum of Lease dated 09/07/2004, filed, 09/10/2004, in Clerk's File #20040085285, Real Property Records, El Paso County, Texas, covering a portion of Lot 11 and all of Lot 12, Block 20, SECOND AMENDED MAP OF WEST YSLETA, an Addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Volume 13, Page 29, Real Property Records of El Paso County, Texas, also known as 8556 Dorbandt Street, El Paso, Texas and being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

6. On page 5, paragraph E of Section IV. COVENANTS, shall be deleted in its entirety and replaced with the following language:

E. Borrower hereby further agrees that for a period of thirty (30) years from the date construction is completed, the constructed property will comply with Subpart F - Project Requirements of Part 92 of Title 24 of the Code of Federal Regulations, HOME Investment Partnership Program. Borrower further agrees to comply with CFR §92.250 regarding Maximum Per Unit Subsidy; §92.251 regarding Property Standards; §92.252(a)(b)(c)(d)(e)

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regarding Qualification as Affordable Housing, of Title 24 of the Code of Federal Regulations, and their subsections and amendments thereto regarding:

- a) rent limitations;
- b) rent schedules;
- c) increases in tenant income;
- d) adjustments of qualifying rent

It is the further intention of this contract that Borrower fulfill the HOME occupancy requirements by reserving 20% of the HOME units that are identified as low HOME rent units for tenants whose income is no more than 50% of the City's median income for their household size. The balance of the HOME units in the project will be rented to tenants whose income is no more than 60% of the City's median income for their household size. The City will provide Borrower with the HUD-approved median income limits for the City on an annual basis whenever the limits are revised by HUD. The City will also provide the Borrower with updated rent limits whenever the HOME rents are revised by HUD. Borrower will be allowed to make adjustments to the project rents in order to comply with rent limit revisions by HUD.

Borrower agrees to comply with §92.216 of Title 24 of the Code of Federal Regulations regarding Income Targeting:

1. Initial Occupancy - 80% of the HOME assisted rental units in this project must be occupied by tenants with annual incomes at 60% of median or less plus twenty percent (20%) of the units with tenants at fifty percent (50%) or less of median income.

2. Annual reexamination.

It is the further intention of this Contract that all applicable HOME requirements and conditions be fulfilled in order to assist low and very low income persons in obtaining suitable housing.

Borrower agrees to comply with §92.253 of Title 24 of the Code of Federal Regulations regarding Tenant and Participant Protections.

7. On page 7, paragraph F. (2) of Section IV. COVENANTS, shall be revised as follows:

a. The property location shall be revised to read "8556 Dorbandt Street".

8. On page 7, paragraph H of Section IV. COVENANTS, shall be deleted in its entirety and replaced with the following language:

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H. Furthermore, Borrower agrees for a period of thirty (30) years commencing on the date of completion of the constructed property that the property shall remain affordable to low and very low income individuals and/or families pursuant to deed restrictions without regard to term of mortgage or to transfer of ownership pursuant to §92.252(5) of Title 24 of the Code of Federal Regulations as evidenced by Covenants and Restrictions Running With the Land, as amended, attached hereto as Exhibit "E". A definition of low and very low income individuals and/or families is attached as Exhibit "F" and incorporated by reference herein.

9. On page 8, paragraph O. of Section IV. COVENANTS, shall be revised as follows:

a. The covenant period shall be revised to read, "thirty (30) year covenant period".

Except as herein provided, all other terms and conditions of the September 14, 2004 CHDO-HOME Financial Terms Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to CHDO-HOME Financial Terms Contract as of the date first above written.

CITY OF EL PASO:

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



William L. Lilly, Director
Community and Human Development Department

BORROWER:

YWCA Community Development Corporation

By: _____
Dr. Sandra E. Braham, Chief Executive Officer

(Acknowledgments on Following Page)

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(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this ____ day of _____, 2007, by Joyce A. Wilson, City Manager of the City of El Paso, a home-rule municipal corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):

Notary's Commission Expires:

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this ____ day of _____, 2007, by Dr. Sandra E. Braham, Chief Executive Officer of YWCA Community Development Corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):

Notary's Commission Expires:

The City hereby agrees to lend Borrower funds not to exceed the amount of Three Hundred Fifty Two Thousand and No/100 Dollars (\$352,000.00) subject to the terms hereinafter specified, to be drawn from FY 2003 HOME funds.

A. Borrower agrees to fully and completely comply with all of the applicable terms and conditions of the Community Development Construction Contract, a copy of which is to be attached hereto as Exhibit "A" upon its execution between Borrower and the selected construction contractor. Borrower further agrees to take all necessary action to perfect and protect City's lien position as specified in Section III. of this Contract for the life of the Deed of Trust (With Power of Sale), attached as Exhibit "B" and incorporated by reference herein.

B. City hereby agrees to provide HOME financing for the eligible construction costs according to all terms and conditions as herein specified, including, but not limited to, the following terms and conditions: The City hereby agrees to provide HOME funds allocated to this project as a Grant of THREE HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$370,000.00) using HOME Program Grant funds, as evidenced by a Secured Grant Note of even date herewith, attached as Exhibit "C" and incorporated by reference herein. Provided Borrower complies with the terms of this Contract, this grant shall be forgiven over a twenty (20) year period if Borrower remains in compliance with all terms and conditions as herein specified. The City hereby further agrees to provide the remainder of the financing required to fund the eligible construction cost to be financed through public financing in a loan at zero percent (0%) interest. Such loan shall be in the amount of THREE HUNDRED FIFTY TWO THOUSAND AND NO/100 DOLLARS (\$352,000.00) at zero percent (0%) for twenty (20) years with a monthly payment of One Thousand Four Hundred Sixty Six and No/100 Dollars (\$1,466.67), evidenced by Loan Note which is attached hereto as Exhibits "D" beginning on the first day of the month as specified in the Loan Note. The City will provide such public financing, as specified above, upon the following additional terms and conditions:

(1) HOME financing shall be approved and funds shall be advanced to Borrower, subject to the terms described herein, to include but not limited to those contained in Sections III. and IV. below, and any other terms and conditions specified herein.

(2)(a) Disbursement of public funds shall be made upon Receipt by City of Borrower's written request for such, the documentation as required in B (1) above has been provided and upon the approval of the Director of the Department of Community and Human Development. Such disbursement may be withheld by the Director if, in the reasonable exercise of Director's discretion, the Borrower has failed to fulfill the requirements of this Contract.

(b) Loan payments on the note in the face amount of THREE HUNDRED FIFTY TWO THOUSAND AND NO/100 DOLLARS (\$352,000.00) shall be due on the first day of the month with the first payment due on the first day of the month as specified in the Loan Note. The monthly payment shall be \$1,466.67. Interest on the loan shall accrue at the rate of zero percent (0%) per annum from the date of disbursement. Borrower shall make 240 consecutive monthly loan payments.

(c) Borrower shall have not more than twenty (20) years from the due date of the first payment in which to repay in full all principal and interest due and owing on such loans, in accordance with the terms and conditions of the Loan Note.

(d) The purpose of this loan is to provide Borrower with funds to construct Borrower's property located at 115 N. Davis Street as more fully described in the Deed of Trust (With Power of Sale) of even date herewith, attached hereto as Exhibit "B", and incorporated by reference herein. Borrower agrees that within eighteen (18) months from the date of this Contract the twelve (12) rental units shall be completed and further, nine (9) of the rental units shall be occupied by tenant households with incomes that do not exceed sixty percent (60%) of the area median income and paying no more than the HIGH HOME rent established by federal regulations and three (3) of the rental units shall be occupied by tenant households with incomes that do not exceed fifty percent (50%) of the area median income and paying no more than the LOW HOME rent established by federal regulation. There is no other use of said funds authorized by City, and the use of the City's funds by Borrower for any other purpose shall constitute a breach of contract by Borrower for which City may pursue any and all remedies, whether at law or equity, which are available to City.

C. Borrower may prepay at any time all or part of the current balance. Such prepayment, if any is made, will be applied first to any interest due and then to the reduction of principal. In the event a prepayment is made, the rate of interest on such prepayment shall be the interest rate then in effect under the terms of this Contract. Prepayment will not release Borrower from fulfilling the HOME covenants described in Section IV of this Contract.

II. REPRESENTATIONS AND WARRANTIES

A. Borrower represents that the information furnished to City upon which City relied to make this loan is correct and true. Borrower hereby represents that each of said Borrower's representatives have the authority and capacity to commit to a financial obligation on behalf of Borrower. Specifically, but not by way of limitation, this authority includes signing a loan agreement, notes, and any security instrument related thereto in incurring financial obligations for construction on the property located at 115 N. Davis Street, El Paso, El Paso County, Texas as more fully described in Exhibit "B" attached hereto and incorporated by reference herein. Borrower further represents that it owns a leasehold estate in any and all buildings referenced above, subject to any and all restrictions, easements, covenants, and other matters of record.

B. Borrower agrees and understands that approval of this loan has been made by consideration of and in reliance upon various data furnished by Borrower, and agrees that should any of said data prove to be false or materially misleading in any way, the City shall have the right to unilaterally terminate this Contract for unremedied breach thereof and demand repayment in full the entire principal amount of the grant, as evidenced by Exhibit "C", and all principal advanced and all accrued interest under the terms of the loan, as evidenced by Exhibit "D", plus all costs of collection.

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C. This Contract is entered into in the City and County of El Paso, Texas and shall be governed and construed under the laws of the State of Texas. Venue shall be in El Paso County, Texas, for all purposes.

III. CONDITIONS PRECEDENT

Borrower agrees to fully comply with the following terms and conditions, as a condition precedent to Borrower's receipt of any and all public financing described herein:

A. Borrower will execute all documents necessary to impose the Covenants and Restrictions Running with the Land required by the HOME program described in the Code of Federal Regulations.

B. The Borrower agrees to ensure that City be named in both the performance and payment bonds, if such bonds are required under the terms of the Contract between Borrower and Contractor for the construction of the property described herein.

C. Borrower agrees to grant to City the following collateral as security for the City loan and grant as agreed thereto:

(1) A first lien on the following described real property:

A leasehold estate in as .883 acre parcel being a portion of Lot 11 and all of Lot 12, Block 20, SECOND AMENDED MAP OF WEST YSLETA, an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof recorded in Volume 13, Page 29, Plat Records of El Paso County, Texas, also known and numbered as 115 North Davis Street, El Paso, Texas and being more particularly described on the Survey Drawing attached hereto as Exhibit "G".

D. This lien shall be subservient only to the following described liens on the above described property: NONE

E. Borrower agrees to take any and all necessary action to perfect such lien(s) and to protect City's first lien position in the property described above. Any loans made under future advance clauses of any previous loans, without the City's written consent hereunder, shall constitute a breach of this Contract.

F. Borrower agrees to provide sufficient documentation to satisfy all HOME loan requirements.

G. Borrower shall furnish to City acceptable evidence of liability and casualty insurance on said real estate and improvements thereon which shall be sufficient to guarantee payment of all of the Borrower's indebtedness on the aforementioned property. This insurance coverage shall name the City as an additional insured.

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H. Borrower agrees to obtain all necessary permits, licenses and special privileges which may be required by City prior to conducting the construction work on the property subject to this Contract. In the event Borrower must pay any fees for obtaining any of the above items, Borrower agrees to pay such to City. Borrower shall also comply with any County, State or Federal requirements which apply to its construction activities. This is specifically to include but not limited to the HOME "rent limitations" outlined in Exhibit "E" and affordability requirements as noted herein.

I. Borrower understands, covenants and agrees to fully and completely comply with all terms and conditions of the Community Development Construction Contract, Exhibit "A", including, but not limited to, the timelines for completion of the project as identified therein.

If Borrower breaches any term or condition of this Section III., entitled "Conditions Precedent," the entire principal amount of the grant, as evidenced by Exhibit "C", and the entire outstanding principal advanced and all accrued interest under the terms of the loan, as evidenced by Exhibit "D", shall immediately be declared due and payable, and City shall be entitled to exercise all rights and remedies reserved to it under Section V. of this Contract entitled "Events of Default."

IV. COVENANTS

The following covenants in Subparagraphs A-R of this Section IV. shall apply as long as any amounts are outstanding under the Secured Grant and Loan Notes, unless a long period is specified:

A. Borrower agrees that HOME funds shall be used only for eligible construction costs. Borrower hereby acknowledges and agrees that the HOME funds may not be used for any other purpose.

B. "Eligible construction cost(s)" as the term is used herein shall include the actual acquisition, architectural and construction cost, required appraisals, title searches, insurance, attorney's fees, architectural fees, escrow charges, tax recordation costs and credit reports, all in the amounts associated directly with the construction of the property, as well as relocation payments made by the property owners, in accordance with the City's Tenant Assistance Policy, to tenants who are displaced or temporarily relocated as a result of HOME projects.

C. Borrower also agrees to comply fully with all requirements of the Tenant Assistance Policies as developed by the City. A copy of the City's Tenant Assistance Policy has been provided to Borrower during the application process. Borrower further agrees to comply with §92.353 of the Code of Federal Regulations regarding displacement, relocation and acquisition.

D. Borrower agrees that it will not discriminate against current or prospective tenants on the basis of the receipt of, or eligibility for, housing assistance under any federal, state or local housing assistance programs, or on the basis that such tenants have a minor child or minor

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children who reside with them. Borrower agrees to comply with §92.252 of Title 24 of the Code of Federal Regulations, specifically to include, but not limited to Paragraph (4) of said Section.

E. Borrower hereby further agrees that for a period of ten (10) years from the date construction is completed, the constructed property will comply with Subpart F - Project Requirements of Part 92 of Title 24 of the Code of Federal Regulations, HOME Investment Partnership Program. Borrower further agrees to comply with CFR §92.250 regarding Maximum Per Unit Subsidy; §92.251 regarding Property Standards; §92.252(a)(b)(c)(d) regarding Qualification as Affordable Housing, of Title 24 of the Code of Federal Regulations, and their subsections and amendments thereto regarding:

- a) rent limitations;
- b) rent schedules;
- c) increases in tenant income;
- d) adjustments of qualifying rent

It is the further intention of this contract that Borrower fulfill the HOME occupancy requirements by reserving 20% of the HOME units that are identified as low HOME rent units for tenants whose income is no more than 50% of the City's median income for their household size. The balance of the HOME units in the project will be rented to tenants whose income is no more than 60% of the City's median income for their household size. The City will provide Borrower with the HUD-approved median income limits for the City on an annual basis whenever the limits are revised by HUD. The City will also provide the Borrower with updated rent limits whenever the HOME rents are revised by HUD. Borrower will be allowed to make adjustments to the project rents in order to comply with rent limit revisions by HUD.

Borrower agrees to comply with §92.216 of Title 24 of the Code of Federal Regulations regarding Income Targeting:

1. Initial Occupancy - 80% of the HOME assisted rental units in this project must be occupied by tenants with annual incomes at 60% of median or less plus twenty percent (20%) of the units with tenants at fifty percent (50%) or less of median income.
2. Annual reexamination.

It is the further intention of this Contract that all applicable HOME requirements and conditions be fulfilled in order to assist low and very low income persons in obtaining suitable housing.

Borrower agrees to comply with §92.253 of Title 24 of the Code of Federal Regulations regarding Tenant and Participant Protections.

F. In order to assure compliance with the Project Requirements of the HOME Program (as defined in Subpart F of Part 92 of Title 24 of the Code of Federal Regulations), Borrower agrees to submit the following documentation to City for review and approval:

1. A copy of the tenant application and a description of the tenant qualification process that Borrower will utilize to verify tenant incomes.
2. A copy of the lease agreement form will be utilized for the subject residential property at 115 N. Davis Street.

G. Borrower agrees that it will not discriminate against any class of individuals protected against discrimination under federal law in soliciting and accepting tenants for the constructed structure. Borrower further agrees to participate with City in making all good faith efforts necessary to attract as tenants any and all classes of individuals protected against discrimination under federal law.

H. Furthermore, Borrower agrees for a period of twenty (20) years commencing on the date of completion of the constructed property that the property shall remain affordable to low and very low income individuals and/or families pursuant to deed restrictions without regard to term of mortgage or to transfer of ownership pursuant to §92.252(5) of Title 24 of the Code of Federal Regulations as evidenced by Covenants and Restrictions Running With the Land, attached hereto as Exhibit "E". A definition of low and very low income individuals and/or families is attached as Exhibit "F" and incorporated by reference herein.

I. Borrower agrees that within ninety (90) days after the date the City of El Paso, Office of Housing Rehabilitation, signs the Owner's Acceptance Form for the rehabilitated property, as described herein, Borrower will furnish to City data on the demographic characteristics of tenants occupying the rehabilitated structure initially after rehabilitation. Such data must be of a quality acceptable to the Director of the Department of Community and Human Development. Borrower further agrees to comply with subpart H - "Other Federal Requirements" as noted in §92.350 et. seq. of Title 24 of the Code of Federal Regulations

J. Borrower agrees to comply with the Federal Fair Housing Act and other Federal Rules, regulations and policies applicable to the performance of this Contract.

K. Borrower hereby agrees that in all solicitations for employment applications, Borrower shall hold itself out as an equal opportunity employer. Borrower shall fully comply with all federal and state laws, regulations, and executive orders regarding equal employment and shall further comply with Davis-Bacon compensation requirements, if applicable, to Borrower. Borrower agrees to comply with §92.508, (a)(2)(iv), (a)(3)(ii), (a)(3)(iii) of Title 24 of the Code of Federal Regulations regarding recordkeeping.

L. Borrower agrees to execute any and all notes, security agreements, financing statements, Builder's and Mechanic's Lien Contracts and Deeds of Trust (With Power of Sale)

and any other documents necessary for perfection of City's lien in the form submitted by the City.

M. Borrower agrees to close on the Loan advanced herein within thirty (30) consecutive calendar days from the date of approval by the City Council.

N. Upon reasonable request, City shall have the right at all times to inspect Borrower's business premises, and its books and records relating to the requirements of this Contract. Borrower agrees that it will make its premises and records available for such inspection by City.

O. Borrower is prohibited from assigning this Contract in whole or in part in any manner. Borrower hereby understands and agrees that if the rehabilitated property, as described herein, is sold or transferred in whole or in part within twenty (20) year covenant period, as further described hereinabove, without the written approval of the City, the City, at its option, may declare the entire balance of outstanding principal advanced and all accrued interest on the Loan Note, Exhibit "D", and the entire principal amount of the Secured Grant Note, Exhibit "C", immediately due and payable.

P. Borrower hereby agrees that it shall not impair, whether by means of affirmative action or inaction, the lien status of the City in the collateral as described herein, used as security for the City loan and grant.

Q. This Contract may be executed in any number of counterparts; all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

R. BORROWER HEREBY AGREES TO INDEMNIFY, DEFEND, AND HOLD CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES HARMLESS FROM ANY SUITS, ACTIONS, DEMANDS, LIABILITIES, TYPE OR DESCRIPTION, BROUGHT OR MADE, AND CLAIMS OF ANY CHARACTER, FOR OR ON ACCOUNT OF ANY INJURIES OR DEATH, OR ACTIONABLE TORTS, SUSTAINED BY ANY PERSON(S), AND DAMAGE OR DESTRUCTION OF ANY PROPERTY ARISING OUT OF, OCCASIONED BY, OR RELATING TO THE PERFORMANCE OF THE CONTRACT, OR THE ACTIVITIES CARRIED OUT HEREUNDER. THIS INDEMNITY SHALL COVER CITY'S ATTORNEY'S FEES, COURT COSTS, WITNESS EXPENSES, AND ALL OTHER RELATED COSTS INCLUDING JUDGMENTS, AWARDS AND SETTLEMENTS.

S. No member, officer, or employee of City, or its designees or agents, no member of the governing body of City and no other public official of City who exercises any functions or responsibilities, or who has been in a position to participate in a decision-making process or gains inside information with regard to the activities governed by this Contract during his tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or

subcontract, or the proceeds thereof, for work to be performed in connection with the HOME Program under this Contract.

Borrower and City agree that the anticipated construction will involve twelve (12) units. No units rehabilitated under this Contract will be exempt from the requirements and conditions noted herein.

If Borrower breaches any term or condition of this Section entitled "Covenants", the entire principal amount of the grant as evidenced by Exhibit "C", and the entire outstanding principal advanced and all accrued interest under the terms of the loan as evidenced by Exhibit "D", may immediately be declared due and payable, and City shall be entitled to exercise all rights and remedies reserved to it under Section V. of this Contract, entitled "Events of Default."

V. EVENTS OF DEFAULT

A. City has the right to accelerate the payment of the grant and loan, as evidenced by Exhibits "C" and "D", respectively, upon breach of this Contract by Borrower, and City further has the right to declare that the entire principal amount of the grant, and the entire outstanding principal advanced and all accrued interest under the terms of the loan is immediately due and payable by Borrower to City at the time of the contract breach. City's right to accelerate the grant and loan shall apply to all events as specifically designated in Sections III. and IV. of this Contract, and to the following events, but shall not be limited to these events:

- (1) material errors in the representations and warranties given to City by Borrower;
- (2) Borrower's failure to perform any of the covenants or conditions precedent as stated in this Contract;
- (3) any new or unstayed judgment or unsatisfied lien against Borrower in an amount which, in the City's judgment, may impair its security or perfection of its security status regarding the collateral subject to this Contract;
- (4) failure to pay principal on time;
- (5) Borrower's timely payment of principal, interest or any other amount due by check for which insufficient funds exist;
- (6) Borrower's failure to comply with the timeliness required for completion of the units, specified in Exhibit "A"; or
- (7) Borrower's failure to comply with the Covenants and Restrictions Running with the Land.

B. City hereby expressly reserves any and all other rights and remedies available to it in the event of Borrower's breach. It is hereby understood and agreed that in the event City agrees to a settlement of any breach of contract by Borrower, this shall not preclude the City from exercising its rights for any further or additional breaches of this Contract. This shall also apply to any instances in which the City allows a period of time to pass so that Borrower has an opportunity to remedy any breach of this Contract.

VI. BORROWER'S LIABILITY

Borrower understands and agrees that if Borrower fails to comply with any term or condition, as specified in Section III. entitled "Conditions Precedent" or Section IV. entitled "Covenants", any other term or condition of this Contract, or any other term or condition of any document incorporated by reference herein, such that City is entitled to withhold payment of funds under the terms and conditions of this Contract. Borrower will bear sole liability for all obligations in any way related to the rehabilitation of the property described herein and City shall be entitled to all rights and remedies reserved herein.

VII. NOTICES

Any communications or notices regarding this Contract shall be effective only if sent postage prepaid, certified mail, return receipt requested to the following addresses, unless either party notifies the other in writing of a change of address:

CITY: City of El Paso
Attn: Director, Department of
Community and Human Development
2 Civic Center Plaza
El Paso, TX 79901-1196

BORROWER: YWCA Community Development Corporation
Attn: Cindy Nance, CEO
1918 Texas
El Paso, TX 79901

VIII. ENTIRE AGREEMENT

This Contract embodies all of the representations, rights, duties and obligations of the parties, and any prior oral or written agreement not embodied herein shall not be binding upon or inure to the benefit of any of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first above written.

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this 7th day of September, 2004, by Sharon Carr Leamon, President of the Board of Directors of YWCA Community Development Corporation, on behalf of said corporation.

Teresa Gutierrez

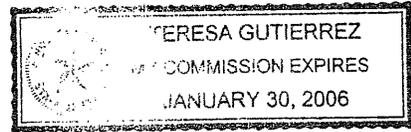
Notary Public, State of Texas

Notary's name (printed):

Teresa Gutierrez

Notary's Commission Expires:

January 30, 2006



CITY CLERK DEPT.
07 JUL 16 PM 1:31

EXHIBIT "A"

Community Development Construction Contract

Pending completion of bidding phase

CITY CLERK DEPT.
07 JUL 16 PM 1:32

DEED OF TRUST

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

DATE:

Grantor: YWCA Community Development Corporation

Grantor's Mailing Address (including county):

1918 Texas Avenue
El Paso, Texas 79901

Trustee: The City Clerk of the City of El Paso

Trustee's Mailing Address (including county):

#2 Civic Center Plaza
El Paso, Texas 79901-1196
El Paso County, Texas

Beneficiary: The City of El Paso, Texas

Beneficiary's Mailing Address (including county):

Director
Department of Community & Human Development
#2 Civic Center Plaza
El Paso, Texas 79901-1196
El Paso County, Texas

CITY CLERK DEPT.
07 JUL 16 PM 1:32

Loan Note

Date:

Amount: Three Hundred Fifty Two Thousand and No/100 Dollars (\$352,000.00)

Maker: YWCA Community Development Corporation

Payee: The City of El Paso, Texas

EXHIBIT "B"

Secured Grant Note

Date:

Amount: Three Hundred Seventy Thousand and No/100 Dollars (\$370,000.00)

Maker: YWCA Community Development Corporation

Payee: The City of El Paso, Texas

Terms of Payment: See Notes and HOME Financial Terms Contract, dated September 14, 2004, both executed between Grantor and Beneficiary. Any default thereunder shall be a default hereunder. In the event of a default, interest will be payable for the loan at the prime rate (then in effect); as well as payments of principal in Two Hundred Forty (240) equal monthly installments of One Thousand Four Hundred Sixty Six and 67/100 Dollars (\$1,466.67), and payment will be required under the Secured Grant Note as specified therein.

Property Encumbered by this Deed of Trust (including any improvements):

A leasehold estate in as .883 acre parcel being a portion of Lot 11 and all of Lot 12, Block 20, SECOND AMENDED MAP OF WEST YSLETA, an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof recorded in Volume 13, Page 29, Plat Records of El Paso County, Texas, also known and numbered as 115 North Davis Street, El Paso, Texas and being more particularly described on the Survey Drawing attached hereto as Exhibit "A-1".

Prior Lien(s) (including recording information): NONE

For value received and to secure payment of the note, Grantor conveys the property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. Grantor agrees to perform all covenants noted below:

GRANTOR'S OBLIGATIONS

Grantor agrees to:

1. keep the property in good repair and condition;
2. pay all taxes and assessments on the property when due;
3. preserve lien priority as it is established in this deed of trust;
4. maintain, in a form acceptable to Beneficiary, an insurance policy that:
 - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Beneficiary approves a smaller amount in writing;
 - b. contains an 80% coinsurance clause;
 - c. provides fire and extended coverage, including windstorm coverage;
 - d. protects Beneficiary with a standard mortgage clause;

CITY CLERK DEPT.
07 JUL 16 PM 1:33

- e. provides flood insurance at any time the property is in a flood hazard area;
- and
- f. contains such other coverage as Beneficiary may reasonably require;
- 5. comply at all times with the requirements of the 80% coinsurance clause;
- 6. deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten days before expiration;
- 7. keep any buildings occupied as required by the insurance policy; and
- 8. pay off all prior notes that Grantor is personally liable to pay regarding this property and abide by all prior lien instruments.

BENEFICIARY'S RIGHTS

- 1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.
- 2. If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.
- 3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the note or to repair or replace damaged or destroyed improvements covered by the policy.
- 4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this deed of trust.
- 5. If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default occurs on a prior lien note or other instrument, Beneficiary may:
 - a. declare the unpaid principal balance and earned interest on the note immediately due;
 - b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
 - c. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note.

TRUSTEE'S DUTIES

If requested by Beneficiary to foreclose this lien, Trustee shall:

- 1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
- 2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
- 3. from the proceeds of the sale, pay, in this order:
 - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;

CITY CLERK DEPT.
07 JUL 16 PM 1:30

- b. to Beneficiary, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
- c. any amounts required by law to be paid before payment to Grantor; and
- d. to Grantor, any balance.

GENERAL PROVISIONS

1. If any of the property is sold under this deed of trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any Trustee's deed conveying the property will be presumed to be true.

3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien shall remain superior to liens later created even if the time of payment of all or part of the note is extended or part of the property is released.

5. If any portion of the note cannot be lawfully secured by this deed of trust, payments shall be applied first to discharge that portion.

6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the property. After deducting any expenses incurred, including attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting such sums.

7. Grantor assigns to Beneficiary absolutely, not only as collateral, all present and future rent and other income and receipts from the property. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may as Beneficiary's licensee collect rent and other income and receipts from the property as long as Grantor is not in default under the note or this deed of trust. Grantor will apply all rent and other income and receipts from the property to payment of the note and performance of this deed of trust, but if the rent and other income and receipts from the property exceed the amount due under the note and deed of trust, Beneficiary may terminate Grantor's license to collect and then as Grantor's agent may rent the property if it is vacant and collect all rent and other income and receipts from the property. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the property. Beneficiary may exercise Beneficiary's rights and remedies under this paragraph without taking possession of the property. Beneficiary shall apply all rent and other income and receipts from the property collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the note and this deed of trust in the order determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. If Grantor becomes voluntarily or involuntarily bankrupt, Beneficiary's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.

8. When the context requires, singular nouns and pronouns include the plural.

9. The term note includes all sums secured by this deed of trust.

10. This deed of trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

11. If Grantor and Maker are not the same person, the term Grantor shall include Maker.

Grantor:

YWCA Community Development Corporation

By: _____
Sharon Carr Leamon

(Execution of this instrument by the above-referenced officer is relied upon by City as an express representation that such officer has authority to execute this document.)

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the _____ day of _____, 2004, by Sharon Carr Leamon as President of the Board of Directors of the YWCA Community Development Corporation.

Notary's Commission Expires:

Notary Public, State of Texas
Notary's name (printed):

AFTER RECORDING RETURN TO:
City of El Paso
Dept. of Community Development
2 Civic Center Plaza, 8th Floor
El Paso, Texas 79901-1196

PREPARED IN THE OFFICE OF:
City Attorney
City of El Paso
2 Civic Center Plaza, 9th Floor
El Paso, Texas 79901-1196

CITY CLERK DEPT.
07 JUL 16 PM 1:32

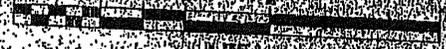
EXHIBIT

"A-1"

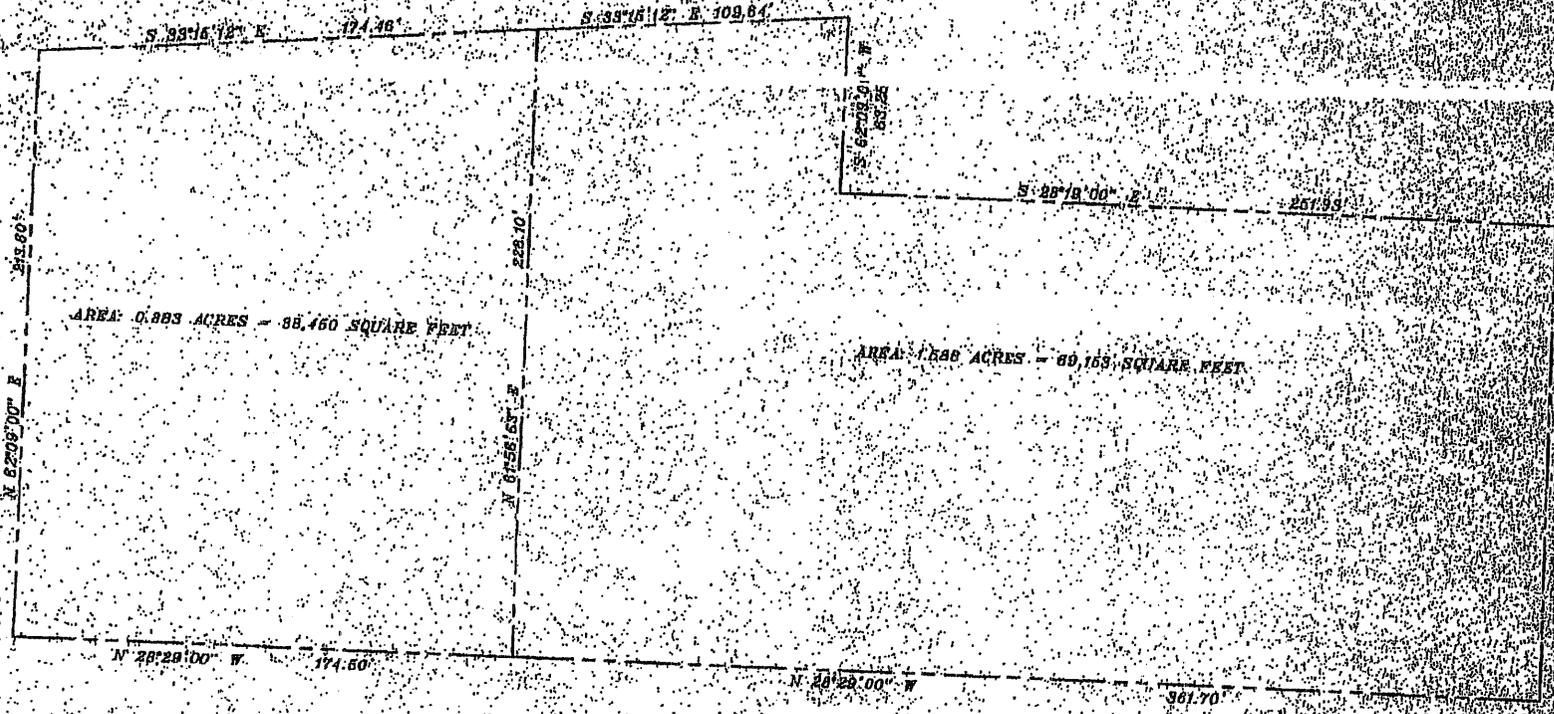
CITY CLERK DEPT.

07 JUL 16 PM 1:32

GRAPHIC SCALE



DORR BANDT CIRCLE



AREA: 0.883 ACRES - 88,460 SQUARE FEET

AREA: 1.846 ACRES - 89,169 SQUARE FEET

DATE	BY	REVISION

SURVEY DRAWING
 100% FINAL PLAT FOR
 DORR BANDT CIRCLE
 CITY OF WASHINGTON, DISTRICT OF COLUMBIA

City of Washington
 Department of Planning and Economic Development
 Planning and Economic Development Division
 1000 Pennsylvania Avenue, N.E.
 Washington, D.C. 20002-4202
 Phone: (202) 724-2000
 Fax: (202) 724-2001
 E-mail: pepl@dc.gov

K

DRAWN BY

SECURED GRANT NOTE

EXHIBIT "C"

\$370,000.00

El Paso, Texas

_____, 200_

CITY CLERK DEPT
07 JUN 08 PM 1:32

For value received, I, we, or either of us, YWCA Community Development Corporation, hereinafter jointly referred to as "Maker", promise to pay to the order of THE CITY OF EL PASO at its office at Two (2) Civic Center Plaza in El Paso, El Paso County, Texas, the sum of THREE HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$370,000.00) 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 an initial payment of One Thousand Five Hundred Forty and 87/100 Dollars (\$1,540.87) to be paid on the first day of the month of _____, 20__ and 239 consecutive monthly installments of One Thousand Five Hundred Forty One and 67/100 Dollars (\$1,541.67) thereafter. In the event Maker complies with the terms of their HOME Financial Terms Contract and Loan Note thereunder, as further discussed herein, such monthly payment shall be forgiven so long as Maker remains in full compliance. Such payments are to be made in lawful money of the United States at the principal office of THE CITY OF EL PASO, 2 Civic Center Plaza, in El Paso, Texas 79901-1196, or at such other place 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, presentation for payments, notices of intention to accelerate the maturity, protest and notice of protest, as to this Note and as to each, every and all installment 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 if suit is brought on this Note, the Maker(s) hereof agree and promise to pay a reasonable attorney's fee for collection.

As a condition precedent to a transfer of all or any portion of the fee title of the property secured under this Note, Maker shall obtain the written consent of City. As a condition precedent to the assumption of this Note, Maker shall obtain the written consent of City. If, in either instance, as specified in this paragraph, Maker fails to obtain such written consent of City, City may, at its option, declare all of the balance of this Note, including the entire balance of principal on this Note immediately due and payable. If City does choose in its own discretion to give its written consent to Maker to transfer all or any portion of the fee title of the property secured under this Note, or if City does choose in its own discretion to give its written consent to Maker for a third-party to assume this Note, City may, at its option, convert this grant to a loan upon such terms and conditions as City may, in its discretion, specify.

By the terms of this Note, it is to be understood that for each month that Maker has made all payments due on the Loan Note of even date and complied with the HOME Financial Terms

Contract noted herein (incorporated by reference, as though set forth at length) and remains in full compliance with all terms and conditions of all related notes and all security documents securing same, and if Maker has fully complied with all the applicable terms of the Community Development Construction Contract, HOME Financial Terms Contract, all contracts of even date herewith and incorporated by reference herein, City shall not require Maker to make the monthly installments due under this Note to City for that particular month only, as described in paragraph two (2) above. However, if in any particular month, Maker breaches any term or condition of the Secured Grant Note, the aforementioned Loan Note, Construction Contract or Financial Terms Contract, as described directly hereinabove, City at its option, may declare the entire balance of the Secured Grant Note, computed as described, immediately due and payable.

This Note is secured by a Deed of Trust (with Power of Sale) of even date herewith, and referenced herein on the property located at 115 N. Davis Street, El Paso, El Paso County, Texas, and is expressly subject to the terms and conditions as specified in the Community Development Construction Contract of even date herewith (also incorporated by reference herein) and the HOME Financial Terms Contract also of even date herewith; all rights and remedies of City as specified in such above-referenced contracts as to the acceleration of the indebtedness evidenced by this Note, and any other terms and conditions of such contracts are expressly reserved herein and incorporated herewith.

MAKER(S):

YWCA Community Development Corporation

By: _____
Sharon Carr Leamon

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the _____ day of _____, 200_, by _____.

Notary's commission expires:

Notary Public, State of Texas
Notary's Name (Printed):

CITY CLERK DEPT
07 JUL 16 PM 1:32

LOAN NOTE

EXHIBIT "D"

\$352,000.00

El Paso, Texas _____, 2004

07 JUL 2004
CITY CLERK DEPT.

A. For value received, I, we, or either of us, YWCA Community Development Corporation, hereinafter jointly referred to as "Maker", promise to pay to the order of the City of El Paso, hereinafter referred to as "City", at its office at Two (2) Civic Center Plaza in El Paso, El Paso County, Texas, or at such other place as shall be designated by the City the principal sum of Three Hundred Fifty Two Thousand and No/100 Dollars (\$352,000.00) in legal and lawful money of the United States of America with interest on each installment computed as specified below at the rate of zero percent (0%) per annum. Such payments to be subject to the terms and conditions of that certain HOME Financial Terms Contract of even date to which reference is made for all particulars, and which is incorporated by reference as though fully set forth herein.

B. This Note together with all interest and charges thereon, shall be due and payable in consecutive monthly installments as follows, to wit:

(1) The principal and interest due hereunder is due and payable on the first day of each month in 240 equal monthly installments. Maker shall have twenty (20) years from the due date of the first payment in which to pay all principal due hereunder.

(2) The first of such 240 equal monthly installments shall be due and payable commencing on the first day of the month of _____, 20___. The first of the remaining 239 monthly installments shall be due on the first day of the month immediately following the month in which the first payment came due. Each of the total of 240 monthly installments, as hereinabove described, shall be due and payable in consecutive monthly installments of \$1,466.67 thereafter.

C. The City anticipates and expects that any and all payments due under the terms of this Note, as well as under any other instruments executed simultaneously herewith, shall be made promptly on the date such amount is due. In the event that any such payment is received more than ten (10) days past the due date for such payment, then City may at its discretion, impose a late payment fee only upon the amount of such late payment which shall be calculated as follows:

(1) Interest shall be recalculated from the time period beginning from the due date of the payment and ending on the date the City receives the loan payment. The interest rate to be used for this recalculation shall be the 10-year Treasury Bond rate in effect upon the date of execution of this contract.

(2) In the event that the 10-year Treasury Bond rate which was in effect at the date of the execution of this contract is less than the amount of interest which was in effect for this loan until the payment due date, as more fully described in Section B. above, then the new interest rate which shall apply to the principal balance as of the payment due date shall be the highest

10-year Treasury Bond rate which has been paid for 10-year Treasury Bonds which have not yet matured.

(3) In the event that the 10-year Treasury Bond rates described in (1) and (2) represent rates lower than the interest rate which was in effect for this loan until the payment due date, as more fully described in Section B. above, then the late payment fee shall be calculated at the maximum interest rate allowed under the laws of the State of Texas, as of the due date of such payment which is late.

(4) Nothing in the terms of this late payment penalty provision shall be construed to violate the terms of the Texas laws concerning usury. It is specifically understood and agreed that the interest on this loan shall continue to accrue, from and after the date of receipt of such late payment and the penalty therefore, at the rate which is stated in this Note, and that certain HOME Financial Terms Contract referenced herein, i.e. that rate which was in effect prior to the imposition of the provisions of this Section C. pertaining to late payment penalty. The interest accrual, as more fully described in the immediately preceding sentence, shall continue from and after the date of receipt of such late payment by City and stay in effect for the full remaining term of this loan, unless another payment is made in such a manner as to cause an additional late payment penalty, as defined hereinabove, to be assessed.

D. Each maker, surety and endorser of this Note expressly waives all notices, demands for payment, presentations for payments, notices of intention to accelerate the maturity, protest and notice of protests, 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.

E. Any prepayment must be in accordance with the terms specified in that certain HOME Financial Terms Contract referenced herein. Any prepayment first is to be applied toward any interest due, and then to the reduction of the principal balance of the Note, thereby reducing the term of the Note accordingly. No penalty shall be charged for such prepayment.

F. As a condition precedent to a transfer of all or any portion of the fee title of the property secured under this Note, Maker shall obtain the written consent of City. As a condition precedent to the assumption of this Note, Maker shall obtain the written consent of City. If, in either instance, as specified in this Paragraph F., Maker fails to obtain such written consent of City, City may, at its option, declare all of the balance of this Note, including the entire balance of principal and accrued interest on this Note immediately due and payable. If City does choose in its own discretion to give its written Consent to Maker to transfer all or any portion of the fee title of the property secured under this Note, or if City does choose in its own discretion to give its written consent to Maker to transfer all or any portion of the fee title of the property secured under this Note, or if City does choose in its own discretion to give its written consent to Maker for a third-party to assume this Note, City may, at its option, require an increase in the rate of interest of this Note.

G. Payment of this Note is secured by a Deed of Trust (with Power of Sale) of even date herewith, incorporated by reference herein related to the rehabilitation of the Maker's property

CITY CLERK DEPT
JUL 15 PM 3:22

which is located at 115 N. Davis Street, El Paso, El Paso County, Texas, and is further subject to the terms and conditions as specified in the Community Development Construction Contract of even date and referenced herein, and the HOME Financial Terms Contract of even date and referenced herein; all rights and remedies of the City as specified in the above-referenced contracts as to the acceleration of the indebtedness evidenced by this Note and all other applicable terms and conditions, are expressly reserved herein and incorporated herewith.

H. In the event of (a) default in the timely payment of any installment of either principal or interest hereon or any other amount payable hereunder, in whole or in part; or (b) default by Maker with respect to the hereinabove described Community Development Construction Contract, the HOME Financial Terms Contract, or any other security document related hereto, and referenced herein, and upon a failure to cure any such default before the expiration of ten (10) days from receipt by Maker of notice of any such default, such notice to be given by certified mail, return receipt requested, or by personal service, the holder of this Note shall have the right and option, in addition to any and all other rights, remedies or recourses available to it, to declare the unpaid balance of principal and accrued interest on this Note at once due and payable. Failure to exercise such right upon any default or any occurrence shall not constitute a waiver of the right to exercise it in the event of any subsequent default or occurrence of the same or some other character. If this Note is not paid at maturity, no matter how such maturity is brought about, then the holder hereof may, in addition to any and all other rights, remedies or recourses available to it, proceed with the foreclosure of the liens securing payment hereof in the manner provided in the Deed of Trust (with Power of Sale), referenced herein, or any other security document, or in any other manner allowed by law or in equity.

MAKER(S):

YWCA Community Development Corporation

By: _____
Sharon Carr Leamon

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the _____ day of _____, 2004, by _____.

CITY CLERK DEPT.
07 JUL 16 PM 1:32

Notary's commission expires: _____
Notary's Name (Printed): _____

HOME PROGRAM RENTS AND INCOMES - FISCAL YEAR 2004
 FOR THE CITY OF EL PASO ARE UPDATED ANNUALLY
 AS PUBLISHED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 IN THE FEDERAL REGISTER

FY 2004 HOME PROGRAM RENTS

EFFECTIVE MARCH 2004
 (All utilities paid and includes appliances)

PROGRAM	SRO	EFFICIENCY	1-BDRM	2-BDRM	3-BDRM	4-BDRM
FAIR MARKET RENT	321	428	481	569	788	934
LOW (50%) HOME RENT	278	371	397	477	551	615
HIGH (65%) HOME RENT	346	462	496	598	682	741
MINIMUM SIZE (SQ. FT) R = REHAB. N = NEW	125 (R) 150 (N)	300	450	750	900	1000

At least 20 percent of the HOME-assisted Units in a project with five or more rental units must be occupied by very low-income families at rents not to exceed the low HOME rent.

EXHIBIT "E"

CITY CLERK DEPT.
07 JUL 16 PM 1:32

EXHIBIT "F"

CITY CLERK DEPT.
07 JUL 16 PM 1:32

HOME RENTAL HOUSING INCOME GUIDELINES - FISCAL YEAR 2004			
NUMBER IN FAMILY	VERY LOW INCOME LIMIT FOR FAMILIES OCCUPYING NOT LESS THAN 20% OF THE UNITS (50% OF MEDIAN INCOME)	INCOME LIMIT FOR FAMILIES OCCUPYING NOT LESS THAN 100% OF THE UNITS (60% OF MEDIAN INCOME)	LOW-INCOME LIMIT FOR FAMILIES OCCUPYING NOT MORE THAN 10% OF THE UNITS (80% OF MEDIAN)
___ 1	\$14,850.00	\$17,820.00	\$23,750.00
___ 2	\$16,950.00	\$20,340.00	\$27,150.00
___ 3	\$19,100.00	\$22,920.00	\$30,550.00
___ 4	\$21,200.00	\$25,440.00	\$33,900.00
___ 5	\$22,900.00	\$27,480.00	\$36,650.00
___ 6	\$24,600.00	\$29,520.00	\$39,350.00
___ 7	\$26,300.00	\$31,560.00	\$42,050.00
___ 8	\$28,000.00	\$33,600.00	\$44,750.00

6pas -105

AMENDED DEED OF TRUST

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

THIS DEED OF TRUST AMENDS THAT CERTAIN DEED OF TRUST, DATED SEPTEMBER 7, 2004, RECORDED IN AS DOCUMENT NUMBER 20040096033 IN THE REAL PROPERTY RECORDS OF EL PASO COUNTY, TEXAS, BETWEEN GRANTOR AND BENEFICIARY.

EXCEPT THE TERMS OF PAYMENT PROVISION AND PROPERTY DESCRIPTION, WHICH ARE HEREBY EXPRESSLY MODIFIED, ALL OTHER TRUSTS, DUTIES, OBLIGATIONS, TERMS, AND CONDITIONS SET FORTH IN THIS DEED OF TRUST, SHALL OTHERWISE REMAIN UNCHANGED AND SHALL REMAIN IN FULL FORCE AND EFFECT.

GRANTOR HEREBY AFFIRMS ALL OF ITS OBLIGATIONS AS SET FORTH HEREIN.

DATE: *May 24, 2007*

Grantor: YWCA Community Development Corporation

Grantor's Mailing Address (including county):

1918 Texas Avenue
El Paso, Texas 79901
El Paso County, Texas

Trustee: The City Clerk of the City of El Paso

Trustee's Mailing Address (including county):

#2 Civic Center Plaza
El Paso, Texas 79901-1196
El Paso County, Texas

Beneficiary: The City of El Paso, Texas

Beneficiary's Mailing Address (including county):

Director
Department of Community & Human Development
#2 Civic Center Plaza
El Paso, Texas 79901-1196
El Paso County, Texas

CITY CLERK DEPT.
07 JUL 16 PM 1:32

Loan Note

Date: SEPTEMBER 14, 2004
Amount: Three Hundred Fifty Two Thousand and No/100 Dollars (\$352,000.00)
Maker: YWCA Community Development Corporation
Payee: The City of El Paso, Texas

Secured Grant Note

Date: *September 14, 2004*
Amount: Three Hundred Seventy Thousand and No/100 Dollars (\$370,000.00)
Maker: YWCA Community Development Corporation
Payee: The City of El Paso, Texas

CITY CLERK DEPT.
07 JUL 16 PM 1:32

Terms of Payment: See Notes and HOME Financial Terms Contract, dated September 14, 2004, both executed between Grantor and Beneficiary. **Any default thereunder shall be a default hereunder including, but not limited to, default by failing to meet the affordability requirements of 24 CFR 92.252 for the specified time period.** In the event of a default, interest will be payable for the loan at the prime rate (then in effect), as well as payments of principal in Two Hundred Forty (240) equal monthly installments of One Thousand Four Hundred Sixty Six and 67/100 Dollars (\$1,466.67), and payment will be required under the Secured Grant Note as specified therein.

Property Encumbered by this Deed of Trust (including any improvements):

Leasehold rights pursuant to that certain Lease effective 09/01/2004, between YOUNG WOMEN'S CHRISTIAN ASSOCIATION EL PASO DEL NORTE REGION, Lessor, and YWCA COMMUNITY DEVELOPMENT CORPORATION, Lessee, as referenced by a Memorandum of Lease dated 09/07/2004, filed, 09/10/2004, in Clerk's File #20040085285, Real Property Records, El Paso County, Texas, covering a portion of Lot 11 and all of Lot 12, Block 20, SECOND AMENDED MAP OF WEST YSLETA, an Addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Volume 13, Page 29, Real Property Records of El Paso County, Texas, and being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

Prior Lien(s) (including recording information): NONE

For value received and to secure payment of the note, Grantor conveys the property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. Grantor agrees to perform all covenants noted below:

CITY CLERK DEPT.
07 JUL 16 PM 1:32

GRANTOR'S OBLIGATIONS

Grantor agrees to:

1. keep the property in good repair and condition;
 2. pay all taxes and assessments on the property when due;
 3. preserve lien priority as it is established in this deed of trust;
 4. maintain, in a form acceptable to Beneficiary, an insurance policy that:
 - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Beneficiary approves a smaller amount in writing;
 - b. contains an 80% coinsurance clause;
 - c. provides fire and extended coverage, including windstorm coverage;
 - d. protects Beneficiary with a standard mortgage clause;
 - e. provides flood insurance at any time the property is in a flood hazard area;
- and
- f. contains such other coverage as Beneficiary may reasonably require;
 5. comply at all times with the requirements of the 80% coinsurance clause;
 6. deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten days before expiration;
 7. keep any buildings occupied as required by the insurance policy; and
 8. pay off all prior notes that Grantor is personally liable to pay regarding this property and abide by all prior lien instruments.

BENEFICIARY'S RIGHTS

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.
3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the note or to repair or replace damaged or destroyed improvements covered by the policy.
4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this deed of trust.
5. If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default occurs on a prior lien note or other instrument, Beneficiary may:
 - a. declare the unpaid principal balance and earned interest on the note immediately due;
 - b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and

- c. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note.

TRUSTEE'S DUTIES

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. sell and convey all or part of the property to the highest bidder for cash, with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. from the proceeds of the sale, pay, in this order:
 - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
 - b. to Beneficiary, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. to Grantor, any balance.

GENERAL PROVISIONS

1. If any of the property is sold under this deed of trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien shall remain superior to liens later created even if the time of payment of all or part of the note is extended or part of the property is released.
5. If any portion of the note cannot be lawfully secured by this deed of trust, payments shall be applied first to discharge that portion.
6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the property. After deducting any expenses incurred, including attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting such sums.
7. Grantor assigns to Beneficiary absolutely, not only as collateral, all present and future rent and other income and receipts from the property. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may as Beneficiary's licensee collect rent and other income and receipts from the property as long as Grantor is not in default under the note or this deed of trust. Grantor will apply all rent and other income and receipts from the property to payment of the note and performance of this deed of trust, but if the rent and other income and receipts from the property exceed the amount due under the note and deed of trust, Beneficiary may terminate Grantor's license to collect and then as Grantor's agent may rent the property if it is vacant and collect all rent and other income and receipts from the property. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect

to any occupant of the property. Beneficiary may exercise Beneficiary's rights and remedies under this paragraph without taking possession of the property. Beneficiary shall apply all rent and other income and receipts from the property collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the note and this deed of trust in the order determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. If Grantor becomes voluntarily or involuntarily bankrupt, Beneficiary's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.

8. When the context requires, singular nouns and pronouns include the plural.

9. The term note includes all sums secured by this deed of trust.

10. This deed of trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

11. If Grantor and Maker are not the same person, the term Grantor shall include Maker.

Grantor:

YWCA Community Development Corporation

By: [Signature]
Dr. Sandra E. Braham, Chief Executive Officer

(Execution of this instrument by the above-referenced officer is relied upon by City as an express representation that such officer has authority to execute this document.)

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the 24 day of May, 2007, by Dr. Sharon E. Braham as Chief Executive Officer of the YWCA Community Development Corporation.

Notary's Commission Expires:
3/23/2009

[Signature]
Notary Public, State of Texas
Notary's name (printed):
Rocio Lozano

CITY CLERK DEPT.
07 JUL 16 PM 1:32

AFTER RECORDING RETURN TO:
City of El Paso
Dept. of Community Development
2 Civic Center Plaza, 8th Floor
El Paso, Texas 79901-1196

PREPARED IN THE OFFICE OF:
City Attorney
City of El Paso
2 Civic Center Plaza, 9th Floor
El Paso, Texas 79901-1196

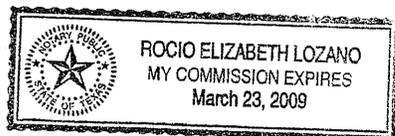


Exhibit "A"

METES AND BOUND DESCRIPTION

BEING A PORTION OF LOT 11 AND ALL OF LOT 12, BLOCK 20, SECOND AMENDED MAP OF WEST YSLETA, IN THE CITY OF EL PASO, EL PASO COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST CORNER OF THE SECOND AMENDED MAP OF WEST YSLETA ALSO BEING ON THE EAST RIGHT-OF-WAY OF ALAMEDA AVE. (STATE HIGHWAY NO. 20); THENCE, LEAVING SAID RIGHT-OF-WAY NORTH 62°09'00" EAST A DISTANCE OF 281.60 FEET TO POINT OF BEGINNING;

THENCE, NORTH 62°09'00" EAST A DISTANCE OF 213.60 FEET TO A POINT ON THE WEST RIGHT-OF-WAY OF DORBANDT CIRCLE;

THENCE, WITH SAID RIGHT-OF-WAY SOUTH 33°15'12" EAST A DISTANCE OF 174.46 FEET;

THENCE, LEAVING SAID RIGHT-OF-WAY SOUTH 61°56'53" WEST A DISTANCE OF 228.10 FEET;

THENCE, NORTH 28°29'00" WEST A DISTANCE OF 174.50 FEET TO THE POINT OF BEGINNING CONTAINING 0.883 ACRES OR 38,450 SQUARE FEET.

**POOR QUALITY ORIGINAL
BEST AVAILABLE FILM**

CITY CLERK DEPT.
07 JUL 16 PM 1:33

This Secured Grant Note shall replace and supersede the Secured Grant Note executed September 14, 2004.

AMENDED SECURED GRANT NOTE

\$370,000.00

El Paso, Texas

_____, 2007

CITY CLERK
07 JUL 16 3 41 PM '07

For value received, YWCA Community Development Corporation, hereinafter referred to as "Maker", promise to pay to the order of THE CITY OF EL PASO at its office at Two (2) Civic Center Plaza in El Paso, El Paso County, Texas, the sum of THREE HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$370,000.00), 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 360 monthly installments, commencing with an initial payment of One Thousand Twenty Six and 98/100 Dollars (\$1,026.98) to be paid on the first day of the month of February 1, 2008, and 359 consecutive monthly installments of One Thousand Twenty Seven and 78/100 Dollars (\$1,027.78) thereafter. In the event Maker complies with the terms of their HOME Financial Terms Contract and Loan Note thereunder, as further discussed herein, such monthly payment shall be forgiven so long as Maker remains in full compliance. Such payments are to be made in lawful money of the United States at the principal office of THE CITY OF EL PASO, 2 Civic Center Plaza, in El Paso, Texas 79901-1196, or at such other place 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, presentation for payments, notices of intention to accelerate the maturity, protest and notice of protest, as to this Note and as to each, every and all installment 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 if suit is brought on this Note, the Maker(s) hereof agree and promise to pay a reasonable attorney's fee for collection.

As a condition precedent to a transfer of all or any portion of the fee title of the property secured under this Note, Maker shall obtain the written consent of City. As a condition precedent to the assumption of this Note, Maker shall obtain the written consent of City. If, in either instance, as specified in this paragraph, Maker fails to obtain such written consent of City, City may, at its option, declare all of the balance of this Note, including the entire balance of principal on this Note immediately due and payable. If City does choose in its own discretion to give its written consent to Maker to transfer all or any portion of the fee title of the property secured under this Note, or if City does choose in its own discretion to give its written consent to Maker for a third-party to assume this Note, City may, at its option, convert this grant to a loan upon such terms and conditions as City may, in its discretion, specify.

exhibit "c"

By the terms of this Note, it is to be understood that for each month that Maker has made all payments due on the Loan Note of even date and complied with the HOME Financial Terms Contract noted herein (incorporated by reference, as though set forth at length) and remains in full compliance with all terms and conditions of all related notes and all security documents securing same, and if Maker has fully complied with all the applicable terms of the Community Development Construction Contract, HOME Financial Terms Contract, all contracts of even date herewith and incorporated by reference herein, City shall not require Maker to make the monthly installments due under this Note to City for that particular month only, as described in paragraph two (2) above. However, if in any particular month, Maker breaches any term or condition of the Secured Grant Note, the aforementioned Loan Note, Construction Contract or Financial Terms Contract, as described directly hereinabove, City at its option, may declare the entire balance of the Secured Grant Note, computed as described, immediately due and payable.

This Note is secured by a Deed of Trust (with Power of Sale) of even date herewith, and referenced herein on the property located at 8556 Dorbandt Street, El Paso, El Paso County, Texas, and is expressly subject to the terms and conditions as specified in the Community Development Construction Contract of even date herewith (also incorporated by reference herein) and the HOME Financial Terms Contract also of even date herewith; all rights and remedies of City as specified in such above-referenced contracts as to the acceleration of the indebtedness evidenced by this Note, and any other terms and conditions of such contracts are expressly reserved herein and incorporated herewith.

MAKER:

YWCA Community Development Corporation

By: _____
Dr. Sandra E. Braham, Chief Executive Officer

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the ____ day of _____ 2007, by Dr. Sandra E. Braham, Chief Executive Officer of YWCA Community Development Corporation.

CITY CLERK DEPT
07 JUL 16 PM 1:33

Notary's commission expires:

Notary Public, State of Texas
Notary's Name (Printed):

This Loan Note shall replace and supersede the Loan Note executed September 14, 2004.

AMENDED LOAN NOTE

\$352,000.00

El Paso, Texas _____, 2007

CITY CLERK DEPT
7 JUL 16 PM 1:33

A. For value received, YWCA Community Development Corporation, hereinafter referred to as "Maker", promise to pay to the order of the City of El Paso, hereinafter referred to as "City", at its office at Two (2) Civic Center Plaza in El Paso, El Paso County, Texas, or at such other place as shall be designated by the City the principal sum of Three Hundred Fifty Two Thousand and No/100 Dollars (\$352,000.00) in legal and lawful money of the United States of America with interest on each installment computed as specified below at the rate of zero percent (0%) per annum. Such payments to be subject to the terms and conditions of that certain HOME Financial Terms Contract of even date to which reference is made for all particulars, and which is incorporated by reference as though fully set forth herein.

B. This Note together with all interest and charges thereon, shall be due and payable in consecutive monthly installments as follows, to wit:

(1) The principal and interest due hereunder is due and payable on the first day of each month in 360 equal monthly installments. Maker shall have thirty (30) years from the due date of the first payment in which to pay all principal due hereunder.

(2) The first of such 360 equal monthly installments shall be due and payable commencing with an initial payment of Nine Hundred Seventy Six and 48/100 Dollars (\$976.48), to be paid on the first day of the month of February 1, 2008. The first of the remaining 359 monthly installments shall be due on the first day of the month immediately following the month in which the first payment came due. Each of the total of 360 monthly installments, as hereinabove described, shall be due and payable in consecutive monthly installments of Nine Hundred Seventy Seven and 78/100 Dollars (\$977.78) thereafter.

C. The City anticipates and expects that any and all payments due under the terms of this Note, as well as under any other instruments executed simultaneously herewith, shall be made promptly on the date such amount is due. In the event that any such payment is received more than ten (10) days past the due date for such payment, then City may at its discretion, impose a late payment fee only upon the amount of such late payment, which shall be calculated as follows:

(1) Interest shall be recalculated from the time period beginning from the due date of the payment and ending on the date the City receives the loan payment. The interest rate to be used for this recalculation shall be the 10-year Treasury Bond rate in effect upon the date of execution of this contract.

exhibit "D"

CITY OF HOUSTON
07 JUN 2011 1:33
RECEIVED DEPT

(2) In the event that the 10-year Treasury Bond rate which was in effect at the date of the execution of this contract is less than the amount of interest which was in effect for this loan until the payment due date, as more fully described in Section B. above, then the new interest rate which shall apply to the principal balance as of the payment due date shall be the highest 10-year Treasury Bond rate which has been paid for 10-year Treasury Bonds which have not yet matured.

(3) In the event that the 10-year Treasury Bond rates described in (1) and (2) represent rates lower than the interest rate which was in effect for this loan until the payment due date, as more fully described in Section B. above, then the late payment fee shall be calculated at the maximum interest rate allowed under the laws of the State of Texas, as of the due date of such payment which is late.

(4) Nothing in the terms of this late payment penalty provision shall be construed to violate the terms of the Texas laws concerning usury. It is specifically understood and agreed that the interest on this loan shall continue to accrue, from and after the date of receipt of such late payment and the penalty therefore, at the rate which is stated in this Note, and that certain HOME Financial Terms Contract referenced herein, i.e. that rate which was in effect prior to the imposition of the provisions of this Section C. pertaining to late payment penalty. The interest accrual, as more fully described in the immediately preceding sentence, shall continue from and after the date of receipt of such late payment by City and stay in effect for the full remaining term of this loan, unless another payment is made in such a manner as to cause an additional late payment penalty, as defined hereinabove, to be assessed.

D. Each maker, surety and endorser of this Note expressly waives all notices, demands for payment, presentations for payments, notices of intention to accelerate the maturity, protest and notice of protests, 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.

E. Any prepayment must be in accordance with the terms specified in that certain HOME Financial Terms Contract referenced herein. Any prepayment first is to be applied toward any interest due, and then to the reduction of the principal balance of the Note, thereby reducing the term of the Note accordingly. No penalty shall be charged for such prepayment.

F. As a condition precedent to a transfer of all or any portion of the fee title of the property secured under this Note, Maker shall obtain the written consent of City. As a condition precedent to the assumption of this Note, Maker shall obtain the written consent of City. If, in either instance, as specified in this Paragraph F., Maker fails to obtain such written consent of City, City may, at its option, declare all of the balance of this Note, including the entire balance of principal and accrued interest on this Note immediately due and payable. If City does choose in its own discretion to give its written Consent to Maker to transfer all or any portion of the fee title of the property secured under this Note, or if City does choose in its own discretion to give its written consent to Maker to transfer all or any portion of the fee title of the property secured under this Note, or if City does choose in its own discretion to give its written consent to Maker

for a third-party to assume this Note, City may, at its option, require an increase in the rate of interest of this Note.

G. Payment of this Note is secured by a Deed of Trust (with Power of Sale) of even date herewith, incorporated by reference herein related to the rehabilitation of the Maker's property which is located at 8556 Dorbandt Street, El Paso, El Paso County, Texas, and is further subject to the terms and conditions as specified in the Community Development Construction Contract of even date and referenced herein, and the HOME Financial Terms Contract of even date and referenced herein; all rights and remedies of the City as specified in the above-referenced contracts as to the acceleration of the indebtedness evidenced by this Note and all other applicable terms and conditions, are expressly reserved herein and incorporated herewith.

H. In the event of (a) default in the timely payment of any installment of either principal or interest hereon or any other amount payable hereunder, in whole or in part; or (b) default by Maker with respect to the hereinabove described Community Development Construction Contract, the HOME Financial Terms Contract, or any other security document related hereto, and referenced herein, and upon a failure to cure any such default before the expiration of ten (10) days from receipt by Maker of notice of any such default, such notice to be given by certified mail, return receipt requested, or by personal service, the holder of this Note shall have the right and option, in addition to any and all other rights, remedies or recourses available to it, to declare the unpaid balance of principal and accrued interest on this Note at once due and payable. Failure to exercise such right upon any default or any occurrence shall not constitute a waiver of the right to exercise it in the event of any subsequent default or occurrence of the same or some other character. If this Note is not paid at maturity, no matter how such maturity is brought about, then the holder hereof may, in addition to any and all other rights, remedies or recourses available to it, proceed with the foreclosure of the liens securing payment hereof in the manner provided in the Deed of Trust (with Power of Sale), referenced herein, or any other security document, or in any other manner allowed by law or in equity.

MAKER:

YWCA Community Development Corporation

By: _____
Dr. Sandra E. Braham, Chief Executive Officer

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the _____ day of _____, 2007, by Dr. Sandra E. Braham, Chief Executive Officer as Chief Executive Officer of YWCA Community Development Corporation.

CITY CLERK DEPT.
07 JUL 16 PM 1:33

Notary's commission expires:

Notary Public, State of Texas
Notary's Name (Printed):

CITY CLERK DEPT.
07 JUL 16 PM 1:33

4. The units shall be leased only to persons who qualify as low income tenants at the time of initial occupancy.

5. Rents for low income units shall be determined in accordance with the U.S. Department of Housing and Urban Development HOME Program Rents for the City of El Paso, and tenant incomes shall be determined in accordance with the U. S. Department of Housing and Urban Development HOME Rental Housing Income Guidelines.

6. The Department of Housing and Urban Development (hereinafter referred to as "HUD") and the City of El Paso, Texas shall be deemed beneficiaries of the covenants and restrictions contained herein, and such covenants and restrictions shall run in favor of HUD and the City of El Paso for the entire period during which such covenants and restrictions shall be in force and effect. Such beneficiaries shall have the right to exercise all the rights and remedies hereunder, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of any breach hereof along with any other relief as may be available. Borrower agrees City and HUD may examine any of its records pertaining to the requirements hereof.

7. The covenants and restrictions contained herein are to be understood and construed as running with the land, and Borrower hereby binds itself and its successors, assigns, grantees and lessees forever until the termination of the covenants and restrictions herein in accordance with the terms hereof. All references herein to Borrower are understood to include all successors, assigns, grantees, lessees and all other claimants to Borrower's Property, which are not prior in title hereto, whether or not their claim is through Borrower.

8. Borrower acknowledges that HUD periodically will determine the income limits for Low Income and Very Low Income families, as well as the U. S. Department of Housing and Urban Development HOME Program Rents for Low Income families.

9. The initial rent schedule for the Project shall be as contained and referenced in the HOME Financial Terms Contract for the Project and amendments thereto.

10. The Borrower shall recalculate and submit to City for review such recalculations and the monthly rent to be charged for each unit, twelve (12) months from the date of the first rental by the Borrower, and once annually thereafter. (All tenant leases shall be limited to a one-year term for the purposes hereof.) Said calculations are to be sent to the attention of the Housing Programs Division of the City's Community and Human Development Department.

CITY CLERK DEPT.
07 JUL 15 AM 1:33

The recalculation shall be based upon the most recent HUD determination of HOME Program Rents for the City of El Paso.

11. If City shall review Borrower's calculations and determine that the calculations are correct, the Borrower shall be so notified. If the City fails to notify Borrower within 60 days after receiving the rent schedule that the schedule is not approved, it shall be deemed approved if it is within the HOME Program Rents referenced above.

12. In the event that the Borrower is notified of City's disapproval, the revised schedule shall not be used. Both parties shall promptly meet to resolve the monthly rent to be charged each unit.

13. All rents increases are subject to the provisions of outstanding leases and no unit's rent in the Project may be increased until one year has passed since the last increase for that unit. In any event, the Borrower must provide each tenant not less than 30 days prior written notice before implementing any increase in rents.

TENANT ELIGIBILITY - PART OF THE COVENANTS AND RESTRICTIONS

1. In order to determine whether a prospective tenant or a tenant is a Low Income Household, the Borrower shall ascertain the annual income of the family. Annual income is the anticipated total income from all sources to be received by the family head and spouse and by each additional member of the family, including all net income derived from assets, for the 12-month period following the effective date of initial determination or reexamination of income, exclusive of income that is temporary. Borrower shall consult with the local Housing Authority Office to obtain advice and guidance with respect to income determinations.

2. The Borrower must verify all income, assets, household characteristics, and circumstances that affect tenant eligibility. Written verification directly from the source must be obtained when possible. The Borrower must maintain documentation of all verification efforts for at least three (3) years from the effective date of determination.

3. In verifying income, the Borrower shall to the extent feasible:

- (a) Maintain records for each tenant, documenting verification efforts and tracking progress.
- (b) Develop standard verification forms for all information that must be verified. Such forms should: (1) explain why the information is being requested; (2) contain the tenant's authorization to release information; and (3) ask specific questions that will solicit the specific information required.

- (c) Ask applicants/tenants to sign two copies of each verification form.
- (d) Send self-addressed, stamped envelopes with the request for verification.
- (e) Make personal contacts with large employers and public agencies from whom a large number of tenants receive income.
- (f) Give the tenant(s) an opportunity to explain any significant differences between the amounts they reported on their application and amounts reported on third-party verifications.

4. The Borrower shall reexamine the income of each tenant household living in the units at least once a year and City shall review the Borrower's verification to determine whether eligible tenant(s) are occupying the units.

5. In the event a tenant is determined over-income (by HUD's standards), the Borrower shall notify the tenant that it must recalculate the tenant's monthly rent to be charged for the unit when tenant's current lease expires. If the tenant who is determined over-income (by HUD's standards) elects not to renew the tenant lease, the tenant shall be replaced by Borrower with a new tenant meeting the income eligibility requirements specified herein. During any period of time in which the Borrower is not in compliance with the income or rent guidelines for any unit(s), the Borrower shall either (1) repay the subsidy provided by the City under the Financial Terms Contract for the unit not in compliance; or (2) extend the affordability period of the unit(s) for the length of time they are not in compliance.

6. THESE COVENANTS AND RESTRICTIONS SHALL BE IN EFFECT FOR THIRTY (30) YEARS FROM THE DATE THE PROJECT, AS DESCRIBED HEREIN, IS COMPLETED OR THE DATE OF FILING IN THE COUNTY CLERK'S REAL ESTATE RECORDS OF EL PASO COUNTY, TEXAS, WHICHEVER IS LATER.

IN WITNESS WHEREOF, Borrower, in its official capacity, executes this Agreement and Covenants and Restrictions Running with the Land as of this _____ day of _____, 2007.

BORROWER:

YWCA Community Development Corporation

By: _____
Dr. Sandra E. Braham, Chief Executive Officer

Date: _____

CITY CLERK DEPT.
07 JUL 16 PM 1:33

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the _____ day of _____, 2007, by Dr. Sandra E. Braham, Chief Executive Officer of YWCA Community Development Corporation, on behalf of said Corporation, and in the capacity stated herein.

Notary's Commission Expires:

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

CITY CLERK DEPT.
07 JUL 16 PM 1:33

Exhibit "A"

METES AND BOUND DESCRIPTION

BEING A PORTION OF LOT 11 AND ALL OF LOT 12, BLOCK 20, SECOND AMENDED MAP OF WEST YSLETA, IN THE CITY OF EL PASO, EL PASO COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST CORNER OF THE SECOND AMENDED MAP OF WEST YSLETA ALSO BEING ON THE EAST RIGHT-OF-WAY OF ALAMEDA AVE. (STATE HIGHWAY NO. 20); THENCE, LEAVING SAID RIGHT-OF-WAY NORTH 62°09'00" EAST A DISTANCE OF 281.60 FEET TO POINT OF BEGINNING;

THENCE, NORTH 62°09'00" EAST A DISTANCE OF 213.60 FEET TO A POINT ON THE WEST RIGHT-OF-WAY OF DORBANDT CIRCLE;

THENCE, WITH SAID RIGHT-OF-WAY SOUTH 33°15'12" EAST A DISTANCE OF 174.46 FEET;

THENCE, LEAVING SAID RIGHT-OF-WAY SOUTH 61°56'53" WEST A DISTANCE OF 228.10 FEET;

THENCE, NORTH 28°29'00" WEST A DISTANCE OF 174.50 FEET TO THE POINT OF BEGINNING CONTAINING 0.883 ACRES OR 38,450 SQUARE FEET.

HOME RENTAL HOUSING INCOME GUIDELINES - FISCAL YEAR 2007

NUMBER IN FAMILY	VERY LOW INCOME LIMIT FOR FAMILIES OCCUPYING NOT LESS THAN 20% OF THE UNITS (50% OF MEDIAN INCOME)	INCOME LIMIT FOR FAMILIES OCCUPYING NOT LESS THAN 100% OF THE UNITS (60% OF MEDIAN INCOME)	LOW-INCOME LIMIT FOR FAMILIES OCCUPYING NOT MORE THAN 10% OF THE UNITS (80% OF MEDIAN)
1	\$15,100	\$18,120	\$24,150
2	\$17,250	\$20,700	\$27,600
3	\$19,400	\$23,280	\$31,050
4	\$21,550	\$25,860	\$34,500
5	\$23,250	\$27,900	\$37,250
6	\$25,000	\$30,000	\$40,000
7	\$26,700	\$32,040	\$42,800
8	\$28,450	\$34,140	\$45,550

W/CDPublic/HR Program Handbook/Chapter 2/Attachment A (Revised 004/05/07)

CITY CLERK DEPT. "F"
07 JUL 16 PM 1:33
exhibit "F"