



Control Number: 49366



Item Number: 22

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PUC DOCKET NO. 49366

**PETITION OF FROST BANK §
NATIONAL BANK, AS TRUSTEE OF §
THE FREEMAN EDUCATIONAL §
FOUNDATION TO AMEND THE CITY §
OF SAN MARCOS WATER §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY IN HAYS COUNTY §
BY EXPEDITED RELEASE §**

PUBLIC UTILITY COMMISSION

OF TEXAS

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PETITIONER'S RESPONSE TO ORDER NO. 5

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COMES NOW, Frost Bank National Bank as Trustee of the Freeman Educational Foundation ("Frost Bank" or "Petitioner") and files this Response to Order No. 5 ("Response") and would respectfully show the following:

I. INTRODUCTION AND BACKGROUND

1. On March 22, 2019, Frost Bank filed with the Public Utility Commission of Texas ("Commission") its Petition for expedited release of its 525-acre Freeman Tract ("Freeman Tract") from the City of San Marcos' ("City") water certificate of convenience and necessity ("CCN") No. 10298 ("Opt-out Petition").

2. On April 2, 11, and 25, and May 22, 2019 Frost Bank provided the Commission Administrative Law Judge ("ALJ") and Staff additional mapping and survey information.¹

3. On June 18, 2019, Commission Staff recommended that the Commission find the Opt-out Petition administratively complete and notice sufficient.

¹ This Response incorporates all previous submittals as if set out in full. Note, Frost intended some submittals made at the behest of Commission Staff to confirm receipt of information previously provided and to provide additional information on the location of the Crystal Clear S.U.D. waterlines (and absence of City of San Marcos infrastructure), which were merely informational and not required by 16 TAC § 24.245(l).

4. On June 20, 2019, the ALJ issued Order No. 4 in which he agreed with Commission staff, found the opt-out petition complete and notice sufficient, and issued a procedural schedule.

5. On July 26, 2019, after parties responded to the Commission Staff's recommendation on final disposition, the ALJ issued Order No. 5, reversing his finding in Order No. 4 and finding instead that the petition remains administratively incomplete. Order No. 5 established a new deadline of August 26, 2019 for applicant to supplement its petition; therefore, this supplemental pleading is timely filed.

II. DISCUSSION

In Order No. 5, the ALJ stated that he had “discovered discrepancies in the application which render it deficient.”² The ALJ expressed his concern whether the applicant was indeed the owner of the subject property. Below is a discussion of the chain of title that shows how Frost Bank as Trustee of the Freeman Educational Trust is the record title holder of the subject property.

In 1948, two brothers, Joseph and Harold Freeman also known as Joe and Harry Freeman, jointly purchased the 525.22-acre property. The brothers recorded their land purchase in pages 558-559 of the County Deed Records of Hays County.³ Each brother owned an undivided one-half interest in the property.

In his will signed April 7, 1970, Joseph Freeman granted his brother Harold a life estate in “all lands or interests in lands located in Hays County owned by me at the time of my death.”⁴ This bestowment of a life estate included the subject property. Upon Harold's death, the life estate ended, and all of Joseph's property in Hays County, including the subject property. Joseph's will also conveyed all of his property in Hays County to “The Frost National Bank of San Antonio, San Antonio, Texas as Trustee” of the Freeman Educational Trust.⁵ Joseph Freeman died on July 31,

² Order No. 5 at 1 (July 26, 2019).

³ See County Deed Records of Hays County at 558-559 (Dec. 30, 1948), attached as **Exhibit A**

⁴ *Last Will and Testament of Joseph Freeman*, April 7, 1970, attached as **Exhibit B**.

⁵ *Id.*

1971, and the County Court of Bexar County entered an Order Probating Will.⁶ Thus, Joseph Freeman's undivided half interest in the subject property conveyed to Frost Bank as Trustee of the Freeman Educational Trust on July 31, 1971.

By a Special Warranty Deed dated October 14, 1979, Harold Freeman conveyed his undivided half interest in the subject property to Frost National Bank as Trustee of the Freeman Trust.⁷ The legal description in the original 1948 deed matches the legal description in the 1979 Special Warranty as well as that in the current title policy:

525.22 acres of land, more or less, of which 324.0 acres is out of the S. A. & M.G. Railroad Survey No. 10, 32.53 acres out of the Wm. West Survey No. 2, 150.22 acres out of Jesse W. Wilson Survey and 18.47 acres out of the 627 acre Survey Patented to James P. Hector, Assignee of the S. A. & M. G. Railroad Company by patent No. 534, Volume 7, dated March 24, 1880, in Hays County, Texas, and being the same lands conveyed by Harold M. Freeman to Frost National Bank, Independent Executor and Trustee under the Will of Joseph Freeman, by deed dated October 14, 1979, recorded in Volume 359, Page 870, Deed Records of Hays County, Texas.⁸

Therefore, as of October 14, 1979, Frost National Bank as Trustee of the Freeman Educational Trust was the sole owner of the subject property.

The regular change in the trustee's name can lead to confusion over the identity of the Petitioner. As part of the original Opt-out Petition, Senior Vice-President Robert Wynn made the expedited release request on behalf of "Frost Bank National Bank, as Trustee of the Freeman Educational Foundation." However, the 1979 Special Warranty Deed describes a conveyance to "Frost National Bank, Independent Executor and Trustee under the Will of Joseph Freeman." The 1979 Special Warranty Deed also refers to "Frost National Bank, Independent Executor and Trustee under the Will of Joseph Freeman" as "grantee" which includes its "successors and assigns."⁹ According to the bank, the qualifying language, "Independent Executor and Trustee

⁶ *Order Probating Will*, County Court of Bexar County, Texas (Probate Matters) No. 131,437, Vol. 1191, Page 685 of the Bexar County Public Records of Probate Court (Aug. 16, 1971), attached as **Exhibit C**.

⁷ *Special Warranty Deed*, Vol. 359, Page 870, Public Records of Hays County (Oct. 14, 1979), attached as **Exhibit D**.

⁸ *Id.*

⁹ See *id.* at 872. (Please note that Exhibit D was also attached to the March 22, 2019 Opt-out Petition as Exhibit A).

under the Will of Joseph Freeman” is an identifier used by the bank, internally, and does not signify a different legal entity other than Frost Bank. Additionally, the bank changed its name from “Frost National Bank of San Antonio” to “Frost National Bank” on October 1, 1993 and again, from “Frost National Bank” to “Frost Bank” on June 22, 2012.¹⁰ Thus, the “Frost Bank” that requested expedited release from the City of San Marcos’ amended water CCN is the same Frost Bank referenced in the Special Warranty Deed and in the Will of Joseph Freeman. These documents reference the same entity.

Over 70 years ago, two philanthropic brothers bought the 525.22-acre property that is the subject of this opt-out request by Frost Bank in its fiduciary role as a trustee. The expeditious release of the Freeman Tract from the City of San Marcos’ water CCN not only furthers the purposes and intent of the Freeman Educational Foundation but it complies with applicable Commission’s rules.

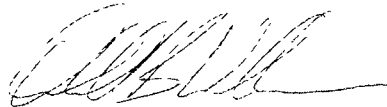
III. PRAYER

WHEREFORE PREMISES CONSIDERED, Frost Bank requests that the ALJ recommend the expedited release of the property from the City’s water CCN and for any such other relief to which it is entitled.

¹⁰ See Certificate of Conversion (June 22, 2012), attached as **Exhibit E**.

Respectfully submitted,
Randall B. Wilburn
State Bar No. 24033342
Helen S. Gilbert
State Bar No. 00786263
GILBERT WILBURN PLLC
7000 N. Mopac Expwy, Suite 200
Austin, Texas 78731
Telephone: (512) 535-1661
Telecopier: (512) 535-1678

By:


Randall B. Wilburn

**ATTORNEYS FOR FROST BANK
NATIONAL BANK**

CERTIFICATE OF SERVICE

I hereby certify that I have served a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail, or Certified Mail Return Receipt Requested on all parties on the 19th of August 2019.


Randall B. Wilburn

EXHIBIT A

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said William Lois Wakefield, her heirs and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS MY HAND at Austin, Texas, this November 12th, A.D., 1948.

U.S. Federal Documentary Stamps \$0.55 /signed/ W. R. Canion

THE STATE OF TEXAS }
COUNTY OF TRAVIS }

BEFORE ME, the undersigned authority, on this day personally appeared W. R. Canion, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 12th day of November, A.D., 1948.

(SEAL) /signed/ Lois Hutchins
Notary Public, Travis County, Texas.

Filed for record December 30, A.D., 1948 at 11:00 o'clock A. M.
Recorded December 31, A.D., 1948 at 8:45 o'clock A. M.

Sarah Reed
SARAH REED, COUNTY CLERK, HAYS COUNTY, TEXAS.

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STATE OF TEXAS }
COUNTY OF HAYS } KNOW ALL MEN BY THESE PRESENTS:

That we, Ruth H. Johnson, a feme sole of said county and state, and Lucy E. Petty, joined herein by her husband, T. S. Petty, of Los Angeles County, California, for and in consideration of the sum of \$39,391.50 to us in hand paid in cash by Joe Freeman and Harry Freeman of Bexar County, Texas, receipt of which sum is hereby acknowledged, have granted, sold, and conveyed, and by these presents do grant, sell, and convey, unto the said Joe Freeman and Harry Freeman all that certain real property situated in Hays County, Texas, and consisting of a tract of 525.22 acres of land described by metes and bounds as follows:

BEGINNING at an iron pipe and rock mound in the Southeast line of the old San Antonio and Nacogdoches road, same being a point of intersection of the Northeast line of a county road, known as the San Marcos--Redwood road, with the Southeast line of said old San Antonio and Nacogdoches road. This point bears South 52° 06' West 312.2 feet from the most Northwest corner of the S.A. & M.G.R.R.Co. Survey No. 10;

THENCE South 40° 07' East 4539.8 feet along the Northeast line of said San Marcos--Redwood road to an iron pipe and corner fence post for corner, same being a point in the Northwest line of a road recognized and accepted as the county line road between Hays and Guadalupe County;

THENCE North 50° East along the Northwest line of said county line road, at 3987.6 feet the Southwest line of a 627 acre survey patented to James P. Hector, Assignee of the S.A. & M.G.R.R.Co., by patent No. 534, Vol. 7, dated March 24, 1880, and continuing same course 1958.2 feet more, or a total of 5955.8 feet to an iron pipe for corner at the intersection of the Northwest line of said county line road and the Southwest line of the San Marcos--Staples road, same being a point in the Northeast line of said 627 acre survey above mentioned.

THENCE North 41° 16' West with the Southwest line of the San Marcos--Staples road at 411.5 feet the Southeast line of the Jesse W. Wilson survey and continuing North 41° 16' West 66.9 feet more, or a total of 478.4 feet, to an angle in the fence, which is along the Southwest line of the San Marcos--Staples road.

THENCE following the fence and the Southwest line of said San Marcos--Staples road North 43° 49' West 1321.0 feet, North 46° 26' West 704.1 feet, North 48° 33' West 843.1 feet, North 66° 55' West 83.3 feet, South 79° 52' West 110.5 feet to a point in the Southeast line of the San Antonio and Nacogdoches road;

THENCE with the southeast line of the San Antonio and Nacogdoches road South 46° 45' West

278.8 feet to angle in fence and road line;

THENCE continuing with the line of said road South 52° 43' West 229.9 feet to angle in fence and road line;

THENCE South 62° 06' West at 1688.6 feet the most Northwestern corner of the Jesse W. Wilson survey; thence continuing South 62° 06' West at 3119.4 feet the Northeast line of the Wm. West Survey No. 2; thence continuing South 62° 06' West 312.0 feet more, or a total of 5120.3 feet to the place of beginning, and containing 525.22 acres of land, of which 324 acres embrace a survey known as the Northeast part of Survey No. 10, S.A. & M.C.R.R.Co., patented to James P. Hector, Assignee, by Patent No. 168, Vol. 10-B dated August 10, 1948, 32.53 acres are out of the Wm. West Survey No. 2, 150.22 acres are out of the Jesse W. Wilson Survey, and 18.47 acres out of the said 527 acre survey above referred to patented to James P. Hector, Assignee.

To have and to hold the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said Joe Freeman and Harry Freeman, their heirs and assigns forever; and we, the grantors, do hereby bind ourselves, our heirs, executors and administrators, to warrant and forever defend all and singular the said premises unto the said Joe Freeman and Harry Freeman, their heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

As further consideration for this conveyance, grantees assume payment of all taxes on the property hereby conveyed, for the year 1948.

WITNESS our signatures on this 7th day of October, A.D., 1948.

/signed/ Ruth H. Johnson

U.S. Federal Documentary
Stamps \$43.45

/signed/ T. S. Petty

/signed/ Lucy E. Petty

STATE OF TEXAS)

COUNTY OF HAYS)

Before me, the undersigned authority, in and for Hays County, Texas, on this day personally appeared Ruth H. Johnson, a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 7th day of October, A.D., 1948.

(SEAL)

/signed/ T. J. Johnson, Jr.
Notary Public in and for Hays County, Texas.

STATE OF CALIFORNIA))

COUNTY OF LOS ANGELES)

Before me, the undersigned authority, in and for Los Angeles County, California, on this day personally appeared T. S. Petty, and his wife, Lucy E. Petty, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Lucy E. Petty, wife of the said T. S. Petty, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Lucy E. Petty, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this 18th day of October, A.D., 1948.

(SEAL)

/signed/ Dean B. Myers
Notary Public in and for County of Los Angeles,
State of California, My Commission Expires March 6, 1950.

Filed for record December 30, A.D., 1948 at 1:00 o'clock P. M.

Recorded December 31, A.D., 1948 at 9:30 o'clock A. M.

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EXHIBIT B

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Last Will and Testament

of

JOSEPH FREEMAN

That I, JOSEPH FREEMAN, a resident of Bexar County, Texas, being of sound and disposing mind and memory and good health, do make and publish this, my Last Will and Testament, hereby revoking all former Wills and Codicils by me at any time heretofore made.

FIRST: I give, devise and bequeath to my good friends the sum of money set opposite their names:

E. W. Bickett	San Antonio, Texas	\$25,000.00
Mark Browne	San Antonio, Texas	1,000.00
Solomon Casseb, Jr.	San Antonio, Texas	5,000.00
Frank J. Baskin	San Antonio, Texas	10,000.00
Charles M. (Todd) Harless	San Antonio, Texas	1,000.00
S. W. Blount, Jr.	San Antonio, Texas	1,000.00
Marvin Beam	San Antonio, Texas	1,000.00
Mrs. Elsie Harmon	San Antonio, Texas	1,000.00
Sam C. Bennett, Sr.	San Antonio, Texas	1,000.00
Jeffrey A. Johnson	San Antonio, Texas	1,000.00
David A. Johnson	San Antonio, Texas	1,000.00
Mrs. Merle Moore	San Antonio, Texas	1,000.00
Dr. J. R. O'Neill	San Antonio, Texas	1,000.00
Mrs. Lyle Pettitt	San Antonio, Texas	5,000.00
Mrs. Shirley Cleghorn	San Antonio, Texas	300.00
Earl Grimsinger	San Antonio, Texas	1,000.00
Callie Wallace	San Antonio, Texas	500.00
Hartford Harris	San Antonio, Texas	500.00
Louis J. Carter	San Antonio, Texas	300.00
Mrs. Elizabeth Jones Heathman	Woodside, California	1,000.00
Jewel Alverson	San Antonio, Texas	1,000.00

Said legacies shall be payable at such reasonable time after my death as will not embarrass my estate; and they shall not bear interest. Each legacy is free of deduction or charge for my debts, funeral and administration expenses, and all taxes payable by virtue of my death.

In the event any of the above identified legatees predecease me, his or her legacy shall lapse, and said sum of money shall become a part of the Freeman Educational Foundation, a Trust herein provided for.

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SECOND: In the event I predecease my brother, HAROLD M. FREEMAN but only in such event, then I give, devise and bequeath the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) in cash or property of such value IN TRUST to The Frost National Bank of San Antonio, San Antonio, Texas as Trustee, to be held, administered and distributed as follows:

A. This Trust is for the benefit of my devoted friend, MRS. J. SNYDER, formerly Hulda Schneider, of Bexar County, Texas, and is designated as the MRS. J. SNYDER TRUST.

The Trustee shall distribute to the beneficiary, in monthly or other convenient periods, sums of money which will annually equal the "distributable amount" as required and set forth in Section 4942 of the Internal Revenue Code of the United States of America as amended by the 1969 Federal Tax Reform Act, and any subsequent amendments or successor provisions thereto.

Said Beneficiary is also the Beneficiary of a Trust under the Will of my deceased brother, CLARENCE S. FREEMAN, and the purpose of this Trust is to make additional provisions for her benefit. Accordingly, in addition to the above distributions, in the event at any time or times the amount said Beneficiary is receiving from all sources is insufficient to support her in the manner to which she is now accustomed, or to fully care for her in the event of illness or disability, then the Trustee shall use for or pay to her such portion of the Trust income and corpus as is necessary to make up such insufficiency. No remainderman shall have the right to question the amount of the trust payments to her, and, further, the Trustee shall be entitled, but not required, to rely on her certificate as to her needs in light of the above-provided standard.

B. In the event the said MRS. J. SNYDER predeceases me, then this legacy shall lapse and this Trust shall not become effective. In the event




EXHIBIT B

she dies subsequent to my death, but before the Trust Estate is exhausted, the Trust shall terminate and the then remaining assets shall become a part of the Freeman Educational Foundation, a Trust herein provided for.

C. The devise provided for in this Paragraph Second shall be free of deduction or charge for my debts, funeral and administration expenses and all taxes payable by virtue of my death. In the event my brother, HAROLD M. FREEMAN, predeceases me, then the devise provided for in this Paragraph shall lapse.

THIRD: I give, devise and bequeath the sum of THREE HUNDRED SIXTY THOUSAND DOLLARS (\$360,000.00) in cash or property of that value IN TRUST to The Frost National Bank of San Antonio, San Antonio, Texas, as Trustee, to be held, managed and distributed as follows:

A. The Trustee shall pay to the following named beneficiaries on the first day of each month, beginning the first day of the second calendar month succeeding the date of my death, the sum set opposite his or her name for the number of months hereinafter provided:

1.	FRANK ALEXANDER, San Marcos, Texas	\$200.00
2.	JEWEL M. BRYANT, San Antonio, Texas	300.00
3.	SOLOMON FINK, Danville, Illinois	100.00
4.	HANNAH A. FREEMAN, 2707 N. Kansas, Apt #5, El Paso, Texas	100.00
5.	MRS. JIMMIE GRIMSINGER, wife of Earl Grimsinger, San Antonio, Texas	200.00
6.	ESTHER GROSSFELD, 2970 N. Sheridan - Apt. 601, Chicago, Illinois (care of Mrs. Bettie Shamberg)	200.00
7.	DOROTHY A. JOHNSON HARLESS, San Antonio, Texas	500.00
8.	SARA LEWISON, Chicago, Illinois	200.00
9.	ROSABEL MELITZ, San Antonio, Texas	200.00
10.	LEE SCOTT, San Antonio, Texas	100.00
11.	EVA SETTEL, 443 S. Rexford, Beverly Hills, California	200.00
12.	BETTIE SHAMBERG, 2970 N. Sheridan, Apt 601, Chicago, Illinois	200.00
13.	FERNANDO TRINIDAD, San Marcos, Texas	100.00
14.	FLORENCIO SOLIS, San Antonio, Texas	100.00
15.	PEDRO GUZMAN, San Antonio, Texas	100.00
16.	MIMA BANKS, San Antonio, Texas	100.00
17.	MOZELLE BATES, San Antonio, Texas	100.00

If any of the Beneficiaries named in this Paragraph dies before my death, the

EXHIBIT B

amount to be delivered to the Trustee shall be decreased by deduction therefrom the amounts that would otherwise have been paid to such person or persons if they had lived until the Trust created in this Paragraph had terminated.

B. The monthly payments to each Beneficiary in this Paragraph shall continue for a period of One Hundred Twenty (120) months or until the death of said Beneficiary, whichever event occurs first.

C. Such monthly payments are to be entirely out of the corpus of the trust estate, and no part of the income from said Trust estate is to be used for such payments. The deduction for capital losses sustained in any tax year shall first be paid out of the trust income for such year and if such losses exceed such income, then the deficiency shall be deducted out of the Trust's next succeeding year or years' income until satisfied. Any income taxes resulting from capital gains are to be paid out of income and all capital losses are to be absorbed out of income. Provided, however, if in the event any of such payments made to said Beneficiaries are subject to Federal income taxation in their hands, then as to each Beneficiary so taxed, the Trustee shall pay to such beneficiary in each year it is so taxed out of trust income such additional sum as is necessary for it to have net after such tax an amount equal to its annual annuity, provided, however, in determining said tax on a Beneficiary, there shall be excluded any other taxable income received by a Beneficiary, but not taking into consideration such Beneficiaries' deductions and exemption to the extent it has other taxable income.

D. The net income from the trust, after the deductions, if any, for capital gains, taxes and capital losses and amounts, if any, paid to Beneficiaries for their income taxes as above provided, shall each year be distributed among such corporations or associations organized and operated exclusively for religious, charitable or educational purposes as the Trustee in its sole discretion may determine, in such amounts and at such times as it deems

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proper and advisable, but all amounts so received by any such organization shall be used by it only in the State of Texas. Each such organization must qualify under applicable Federal statutes as an exempt organization so that trust income paid to it is deductible by the trust for Federal income tax purposes.

In the event the sums of money paid to the Beneficiaries of this Paragraph do not annually equal the "distributable amount" as required and set forth in Section 4942 of the Internal Revenue Code of the United States of America as amended by the 1969 Federal Tax Reform Act, and any amendments or successor provisions thereto, then the Trustee shall annually distribute a sum of money to the Beneficiaries named in Sub-Paragraph A of this Paragraph at least equal to the difference between the total annual distributions and said "distributable amount" so that the total annual amount distributed will equal at least the above defined "distributable amount", said distributions, if any, to be prorated among the Beneficiaries in accordance with the amount of their monthly distributions.

E. This trust shall terminate on the death of the last survivor of the individual Beneficiaries named in Sub-Paragraph A of this Paragraph, or after the required number of monthly payments have been made by the Trustee, or upon the exhaustion of the trust estate, whichever occurs first. Upon termination the then remaining assets of the trust shall become part of the Freeman Educational Foundation, a Trust herein provided for.

FOURTH: I give, devise and bequeath to my brother, HAROLD M. FREEMAN, for the remainder of his life, without impeachment for waste, my home at 703 E. Olmos Dr., San Antonio, Texas, and its furnishings, and all lands or interest in lands located in Hays County, Texas, owned by me at the time of my death, together with all livestock, equipment, machinery, vehicles, supplies and other items of personalty located on and used in connection with said lands, and the furnishings in the dwellings located on said lands with the




EXHIBIT B

right and power to use up, consume and otherwise dispose of said livestock, equipment, machinery, vehicles, supplies and other items of personalty located on and used in connection with said lands, and the furnishings in the dwellings located on said lands and in my said home, as he may wish. At his death I give, devise and bequeath all of said home and remaining furnishings, and all of said lands or interest in said lands, together with all of said livestock, equipment, machinery, vehicles, supplies and other items of personalty located on and used in connection with said lands, and the furnishings in the dwellings located on said lands, remaining to The Frost National Bank of San Antonio, San Antonio, Texas, as Trustee for the uses and purposes and under the terms and conditions set out herein.

One of the purposes of this Trust is to assist deserving boys and girls of good character who are in need of assistance and who are citizens of both the State of Texas and the United States in obtaining a college education in colleges or universities in the State of Texas. Such assistance shall be by way of loans without interest until after graduation, and each recipient of assistance shall sign a contract recognizing a moral and legal obligation to repay same so that said funds will be available to subsequent students who may be in need of same. My Trustee shall assist as many deserving boys and girls as proper management of the Trust will permit, and my Trustee shall be the sole judge of the eligibility of applicants for assistance. In this connection, each applicant for assistance to be eligible therefor must establish to the satisfaction of the Trustee that he or she is of good character, is in need of assistance, and will, in all reasonable probability, successfully complete the course of study to be undertaken. The amount of assistance to each recipient is to be determined by the Trustee in its sole discretion and shall be used only for the purpose of paying tuition and expenses incurred by the recipient at an institution of higher learning in the State of Texas. The Trustee, in its sole discretion, shall determine whether or not recipients of assistance shall continue to receive same throughout their

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college career based on continued good character, need for assistance and satisfactory academic performance. The other purpose of this Trust is to assist the charitable organizations hereinafter set forth.

In order to comply with the Internal Revenue Code of the United States of America, as amended by the 1969 Federal Tax Reform Act and any subsequent amendments or successor provisions thereto, particularly Section 4943 and 4944 thereof, the Trustee is authorized and directed to sell the land and personally given, devised and bequeathed to the Trustee in this Paragraph within the time limit set forth in said Internal Revenue Code of the United States of America as amended by the 1969 Federal Tax Reform Act and any subsequent amendments or successor provisions thereto. In this connection, my Trustee shall make an orderly sale of said assets for the best price obtainable in parcels or as a whole, and the proceeds of such sale shall be used to carry out the purpose and intent of this Trust. Save and except that if my good friend Mrs. J. Snyder be living at the date of my brother HAROLD M. FREEMAN's death, the trustee shall permit her to use and occupy my home at 703 East Olinos Drive, San Antonio, Texas together with its furnishings so long as she desires, and said home and its furnishings shall not be sold without her consent during her lifetime. After her death, or consent to such sale, then same shall be sold as hereinabove provided.

My Trustee shall annually distribute to the following charitable and religious organizations in the proportions below set forth an amount of money at least equal to the "distributable amount", as required and set forth in Section 4942 of the Internal Revenue Code of the United States of America as amended by the 1969 Federal Tax Reform Act, and any subsequent amendments or successor provisions thereto.

<u>BENEFICIARY</u>	<u>PROPORTION</u>
Congregation Agudas Achim	6.28%
American Cancer Society, Bexar County Unit	6.28%
Golden Manor, Jewish Home for the Aged	6.28%
Mexican Baptist Children's Home	6.28%
Rodfei Sholom Synagogue	6.28%
Salvation Army, San Antonio, Texas	6.28%

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San Antonio Association for the Blind	6.28%
San Antonio Council for Retarded Children	6.28%
San Antonio Emergency Clinic	2.9%
San Antonio Heart Association	6.28%
Santa Rosa Children's Hospital	6.28%
Santa Rosa Medical Center	6.28%
Congregation Beth-El (Temple Beth-El)	6.28%
United Cerebral Palsy of Bexar County, Texas	6.28%
Welcome Home for the Negro Blind	2.9%
Jewish Social Service Federation	6.28%
Mission Road Clifford Craig Bledsoe Memorial Foundation	6.28%

All of the above are located in the City of San Antonio, County of Bexar, Texas.

The Trustee shall in no way be held individually liable for or responsible for errors as to the qualification or disqualification of a recipient and may rely upon the authorities at the particular college or university at which the recipient is to attend that the recipient is in actual attendance thereat and shall not be individually responsible or liable for the failure of any recipient to repay all or any part of the loan made thereto.

This Trust shall continue so long as the Trust Fund is of sufficient size to carry out the purpose and intent of this Trust. If, in the sole judgment of the Trustee, the Trust Fund has been depleted to such an extent that the continuation of the Trust is not justified, then this Trust shall terminate and the remaining corpus and income shall be distributed to the charitable and religious organizations who are the then beneficiaries of this Trust, in proportion to the amount they are then entitled to receive.

This Trust shall be known as and is designated as the FREEMAN EDUCATIONAL FOUNDATION.

FIFTH: I direct and provide that all of my debts, funeral and administration, and all taxes, State and Federal, that are imposed upon the Estate and individual beneficiaries thereof, shall be paid out of my residuary estate.

I direct that my personal property such as jewelry, clothing and luggage be disposed of by my Executor and Trustee and the proceeds thereof shall become a part of the Freeman Educational Foundation, a Trust herein provided for.

SIXTH: I give, devise and bequeath all the rest, residue and remainder of my property and estate of whatsoever kind and character and wherever situated

EXHIBIT B

IN TRUST to The Frost National Bank of San Antonio, San Antonio, Texas, Trustee, for the uses and purposes and under the terms and conditions as set out herein.

The purpose of this Trust is to assist the religious and charitable organizations identified below. Each of these religious and charitable organizations is organized and operated exclusively for religious, charitable or educational purposes and all contributions shall be used only in the State of Texas. In the event any of such organizations (except Golden Manor Jewish Home for the Aged) cease to qualify under applicable Federal Statutes as an exempt organization for income and estate tax purposes, the amount to be paid such non-exempt organization shall be paid to the Freeman Educational Foundation during such time as such organization remains non-exempt. In the event any such organizations are not in existence at the time of my death, or thereafter cease to be in existence, and my Trustee, in its sole discretion, determines that there is a successor thereto that is engaged in substantially the same activity, then such successor, if otherwise qualified, shall receive the portion allocated to the beneficiary not then in existence. If the Trustee determines that there is no such successor to a non-exempt beneficiary, then the portion allocated to such non-exempt beneficiary shall be paid to the Freeman Educational Foundation, a Trust herein provided for.

The Trustee shall distribute periodically, but at least annually to the below listed religious and charitable organizations all of the net income of the Trust in the proportions set out opposite such organization.

In the event the sum of money paid to the beneficiaries of this Paragraph excluding that paid to the Freeman Educational Foundation, does not annually equal the "distributable amount" as required and set forth in Section 4942 of the Internal Revenue Code of the United States of America as amended by the 1969 Federal Tax Reform Act, and any subsequent amendments or successor

EXHIBIT B

provisions thereto, then the Trustee shall annually distribute a sum of money in at least an amount equal to the difference between the total annual distributions (excluding that distributed to the Freeman Educational Foundation) and such "distributable amount", to the below identified religious and charitable organizations, excluding the Freeman Education Foundation, prorata in proportion to their beneficial interest in the Trust.

<u>BENEFICIARY</u>	<u>PROPORTION</u>
Congregation Agudas Achim	5%
American Cancer Society, Bexar County Unit	5%
Golden Manor Jewish Home for the Aged	5%
Mexican Baptist Children's Home	5%
Rodfei Sholom Synagogue	5%
Salvation Army, San Antonio, Texas	5%
San Antonio Association for the Blind	5%
San Antonio Council for Retarded Children	5%
San Antonio Emergency Clinic	2%
San Antonio Heart Association	5%
Santa Rosa Children's Hospital	5%
Santa Rosa Medical Center	5%
Congregation Beth-El (Temple Beth-El)	5%
United Cerebral Palsy of Bexar County	5%
Welcome Home for the Negro Blind	2%
Jewish Social Service Foundation	5%
Mission Road Clifford Craig Eledsoe Memorial Foundation	5%
Freeman Educational Foundation	21%

All of the above are located in the City of San Antonio, County of Bexar, Texas.

The devises made to the Beneficiaries designated in this Paragraph are in memory of my deceased Mother, EMMA FREEMAN, and such beneficiaries are requested to evidence the same in such manner as it is agreeable to the Trustee.

This Trust shall continue so long as the trust fund is of sufficient size to carry out the purpose and intent of this Trust. If, in the sole judgment of the Trustee, the trust fund has been depleted to such an extent that the continuation of the trust is not justified, then this Trust shall terminate and the remaining corpus and income shall be distributed to the then beneficiaries of this trust in proportion to the amount they are then entitled to receive.

SEVENTH: The Trust Administrative Provisions appearing under

EXHIBIT B

the heading "Trust Administrative Provisions" herein, except where herein provided to the contrary, shall apply to all trusts which are herein provided for.

EIGHTH: I hereby appoint The Frost National Bank of San Antonio, San Antonio, Texas, to be Independent Executor of my estate, and direct that no bond be required of it as such and that no action be had in the County Court in relation to the settlement of my estate other than the probating and recording of my Will and the return of an Inventory, Appraisement and List of Claims of my estate.

I hereby authorize my Executor to collect, and without showing the necessity therefor, to sell, exchange and otherwise dispose of my estate, or any part thereof, upon such price, terms and conditions, including sales for cash or part cash and part on credit, liquidate as to the whole or any part any corporations in which I may own shares of its capital stock at the time of my death, all as is deemed advisable by him, and to partition and segregate my estate into the various trusts as it may deem best in its sole discretion. Such partition and segregation may, in the sole discretion of my Executor be either in cash or in kind, or partly in cash or partly in kind, but to the extent satisfied in kind same if included in my taxable estate shall be valued on the basis of values which are finally determined for Federal estate tax purposes. Any property distributed in kind may be in whole or in undivided interests. Since the trust created in Paragraph Third requires monthly payments to the Beneficiaries within a short time after my death, which may be before such trusts are fully funded, I hereby direct my Executor to make such partial distribution or distributions of either or both income or corpus as may be necessary or deemed fit to the Trustee thereof in order that there will be adequate funds to make said monthly payments. Other distributions may be made at any time.

EXHIBIT B

NINTH: If any Beneficiary hereunder shall contest the probate or validity of this Will or any of the provisions thereof, or shall institute or join in (except as a party defendant) any proceedings to contest the validity of this Will, or to prevent any provisions thereof from being carried out in accordance with its terms (regardless of whether or not such proceedings are instituted in good faith and with probable cause), then all benefits provided for such Beneficiary are revoked and such benefits shall pass to the Article IV Trust in this Will.

TENTH: SPENDTHRIFT CLAUSE

No amount of corpus or income payable or to become payable by the Trustee under any provision of the trust created hereunder shall be pledged, assigned, transferred, sold or in any manner whatsoever accelerated, anticipated or encumbered by any beneficiary, nor shall any corpus or income hereunder be in any manner subject or liable in the hands of the trustee for the debts, contracts or engagements of any beneficiary, nor shall the same be subject in the hands of the trustee to any other voluntary or involuntary alienation or disposition whatsoever, nor shall same, while in the hands of the trustee, be subject to the levy of execution, writ of attachment, garnishment or any other legal process thereof. The title to all such corpus and income shall remain solely and exclusively in the trustee until actually distributed to any beneficiary under the terms of the trust created hereunder.

ELEVENTH: I direct my Executor and Trustee to employ FRANK J. BASKIN, SOLOMON CASSEB, JR. and JOHN M. GILLILAND, or such of them that may survive me, as attorneys for my Will and Estate, and also attorneys for the trusts herein created. In this connection, I instruct and direct my Executor and Trustee to consult with said attorneys on all legal matters involving my Will and Estate and the Trusts herein created.




EXHIBIT B

TWELFTH

TRUST ADMINISTRATIVE PROVISIONS (applicable to all trusts provided for in the Will of Joseph Freeman)

By way of illustration and not of limitation, and in addition to any inherent, implied or statutory powers that it may now have, or hereafter acquire, I hereby give and grant to my trustee the continuing, absolute discretionary power to deal with the trust property as freely as I might in the handling of my own affairs, such power to be exercised independently and without prior approval of any Court or judicial authority, and no person dealing with the trust shall be required to inquire into the propriety of any of its actions. Without in any way limiting the generality of the foregoing, I also give and grant to my trustee the following powers and authority, which may be exercised by it, or its successors, at any time my trustee shall, in its complete and absolute discretion, deem advisable.

1. My Trustee, or its successor, shall have all the powers, rights, duties and responsibilities granted to, or imposed upon trustees by the Texas Trust Act, and any subsequent amendments thereto. The powers and rights of my trustee shall include, but not be limited to, the authority to receive, hold, manage, control, invest and re-invest the subject property, and to sell, dispose of, transfer, lease, mortgage, hypothecate, or exchange all or any part of said property for cash or on such credit terms as may seem advisable to it, investing the profits in other or different property as it may deem same wise, carrying out the purpose and intent hereof, and to collect, receive and recover the income, rents, royalties, bonuses, delay rentals, profits and revenues therefrom.

2. My trustee may employ attorneys, if necessary, and pay all expenses of the administration of this trust, including attorney's fees, if necessary, out of the trust estate. My trustee shall pay all taxes of any nature incident to the continuation of this trust, out of the trust estate, including

EXHIBIT B

Estate, inheritance, and some taxes, if any shall be

3. My Trustee may borrow money from itself or others as it deems advisable and is empowered to execute Promissory Notes and proper liens to secure repayment of the same.

4. My trustee may compromise, compound and adjust claims in favor of or against the estate upon such terms and conditions as may seem best to it, and may do any and all things in management of this trust as it may consider necessary or proper for the best interest of said estate and any beneficiaries thereof.

5. No bond shall ever be required of my trustee.

6. My trustee may invest and re-invest in such stocks, bonds and other securities and property as it may deem advisable, including stocks, bonds, interests in investment trusts, mutual funds, legal and discretionary common trust funds, and any other property my trustee in its discretion deems advantageous to the estate and the beneficiaries thereof.

7. My trustee may consider and treat as corpus all dividends payable in stocks or dividends in liquidation and all rights issued on securities, and to consider and treat as income all other dividends received.

8. My trustee may vote in person or by proxy any stocks or securities held, and to grant such proxy and power of attorney to such other person or persons as it may deem proper.

9. So that my estate may be fully administered continuously, The Frost National Bank of San Antonio, San Antonio, Texas, shall have all the powers and duties herein set forth whether it be acting as Independent Executor or in the capacity of trustee.

10. The Trustee shall be paid compensation according to its published schedule of rates.

This I make and publish as my Last Will and Testament, here signing and subscribing my name, this the 4th day of April, 1970, in the presence

of Dorothy Rust
Louis C. Baker and C. Gordon Stedman
who attest the same at my request.

Joseph Freeman
JOSEPH FREEMAN, Testator

EXHIBIT B

The above instrument was now here published as his Last Will and Testament, and signed and subscribed by JOSEPH FREEMAN, Testator, in our presence, and we, at his request, in his presence, and in the presence of each other, sign and subscribe our names hereto as attesting witnesses.

<u>B. J. R. J.</u> Witness	<u>117 R. J. R.</u> Address <u>San Antonio, Texas</u>
<u>L. C. Baker</u> Witness	<u>8423 Starwood</u> Address <u>San Antonio, Texas</u>
<u>C. Linden Hodge</u> Witness	<u>211 Ridgmont</u> Address <u>San Antonio, Texas</u>

STATE OF TEXAS X
COUNTY OF BEXAR X

BEFORE ME, the undersigned authority, on this day personally appeared JOSEPH FREEMAN, B. J. R. J., L. C. Baker and C. Linden Hodge, known to me to be the Testator and the witnesses respectively, whose names are subscribed to the annexed or foregoing instrument in their respective capacities, and all of said persons being by me duly sworn, the said JOSEPH FREEMAN, Testator, declared to me and to the said witnesses in my presence, that said instrument is his Last Will and Testament, and that he had willingly made and executed it as his free act and deed and for the purposes therein expressed; and the said witnesses, each on his oath, stated to me in the presence and hearing of the Testator, that the said Testator had declared to them that said instrument is his Last Will and Testament, that he executed same as such and wanted each of them to sign it as a witness; and upon their oaths, each witness stated further they did sign the same as witnesses in the presence of the said Testator and at his

[Handwritten signature]

EXHIBIT C

NO. 131,487

ESTATE OF:

JOSEPH FREEMAN,

DECEASED

IN THE COUNTY COURT

BEXAR COUNTY, TEXAS

(PROBATE MATTERS)

ORDER PROBATING WILL

On this the 16th day of August, 1971, came on to be heard the Application of THE FROST NATIONAL BANK OF SAN ANTONIO to probate the written Will of JOSEPH FREEMAN, dated April 7, 1970, purporting and alleging to be the Last Will of JOSEPH FREEMAN, deceased, and due proof having been taken in the manner as required by law, and it having been proven to the satisfaction of the Court that this Court has venue and jurisdiction of the Estate; that every citation required by law has been duly issued, served and returned in the manner and for the length of time required by law; that the Testator was, at the time of executing the said Will, at least eighteen (18) years of age, was of sound mind and died on the 31st day of July, 1971, in San Antonio, Bexar County, Texas; that said Will was executed with all the formalities and solemnities as required by law to make it a valid Will, that said Will has not been revoked by the Testator and that it is entitled to probate; and it further appearing to the Court that Petitioner, THE FROST NATIONAL BANK OF SAN ANTONIO, was named in said Will as independent Executor, and said Will further provided that no bond or other security be required of it, that it is entitled by law to Letters thereto and is not disqualified from accepting Letters, that four (4) years have not elapsed since the death of JOSEPH FREEMAN, that said Will further provided that no other action shall be had in the County Court other than the probating and recording of said Will and the return of an Inventory, Appraisement and List of Claims of said estate, and that there is a necessity for administration on said estate.

It is therefore ORDERED, ADJUDGED and DECREED that the said

Will on file herein be and the same is hereby admitted to probate and record

CERTIFICATE
The page 2 which this certificate is
affixed is a true and correct copy
of the original on file and of record in
this office. ATTESTED
16-8-71
JESSE B. BROWN
CLERK
BEXAR COUNTY, TEXAS
PETER A. PERALES

EXHIBIT "D" Vol 1191 Ind 635

VOL 9412 PG 2846

EXHIBIT C

as the Last Will of said JOSEPH FREEMAN, deceased, and that said Will, together with the application for probate thereof and all the testimony given in this processing shall be recorded in the minutes of this Court, and it is further ORDERED, ADJUDGED and DECREED that Administration be granted upon the Estate of JOSEPH FREEMAN, deceased, and that the said THE FROST NATIONAL BANK OF SAN ANTONIO, Petitioner, receive Letters Testamentary upon taking the oath required by law, and said Will providing that no bond or other security shall be required of it, no bond shall be necessary; and when the said THE FROST NATIONAL BANK OF SAN ANTONIO shall have qualified according to law, the Clerk of this Court will issue Letters in accordance with this judgment.

SIGNED this 14th day of August, 1971.

[Signature]
Clerk of Court

CERTIFICATE
The page to which this certificate is
affixed is a true and correct copy
of the original on file and on record
in my office. ATTESTED IN WITNESS
WHEREOF, I have hereunto set my
hand and the seal of my office at
San Antonio, Texas, this 14th day of
August, 1971.



PETER A. PERALES



RECEIVED AND FILED IN THE
CLERK'S OFFICE OF THE
STATE OF TEXAS, BEXAR COUNTY, TEXAS
this 14th day of August, 1971, at
San Antonio, Texas. The within
instrument is recorded in the
minutes of the Court in my office and
the same is indexed in the
Public Records of Bexar County, Texas.
Preserved in Austin, Texas. Notary Public
Identification Number 00000000000000000000

OCT 10 1994



ROBERT D. GILL
COUNTY CLERK
BEXAR COUNTY, TEXAS
Deputy

VOL 9412 PG 2847

EXHIBIT D

149315

NOTICE

Prepared by the State Bar of Texas for use by Lawyers only. Revised 1-1-76.
To select the proper form, fill in blank spaces, strike out form provisions or
insert special terms constituting the practice of law. No "standard form" can
meet all requirements.

JUN 25 1970

SPECIAL WARRANTY DEED (LONG FORM)

FILED HAYS COUNTY TEXAS JUN 25 AM 9 02

THE STATE OF TEXAS
COUNTY OF HAYS

THAT I, HAROLD M. FREEMAN, a single man

KNOW ALL MEN BY THESE PRESENTS:

of the County of Bexar and State of Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other valuable consideration to the undersigned paid by the grantee herein named, the receipt of which is hereby acknowledged,

Have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY unto FROST NATIONAL BANK, Independent Executor and Trustee under the Will of Joseph Freeman, acting by and through its authorized officers

of the County of Bexar and State of Texas, all of the following described real property in Hays County, Texas, to-wit:

Unofficial Copy

EXHIBIT D

Vol. 359 . 871
a one-half (1/2) undivided interest in 525.22 acres of land of which 324.0 acres is out of the S. A. & M. G. Railroad Survey No. 10, 32.53 acres out of the West Survey No. 2, 158.22 acres out of the Jesse W. Wilson Survey and 18.47 acres out of the 627 acre Survey patented to James P. Hector, Assignee of the S. A. & M. G. Railroad Company by patent No. 534, Vol. 7, dated March 24, 1890, in Mays County, Texas, and being more particularly described by metes and bounds described on Exhibit "A".

SAVE AND EXCEPT, however, that the Grantor herein reserves, and it is expressly agreed that he should have, for himself and his assigns, the full possession, benefit and use of the above described premises, as well as the rents, revenues and profits thereof, for and during his natural life.

Official Copy

SAVE AND EXCEPT, the Grantor reserves all of the oil, gas, coal, lignite, sulphur, uranium, thorium, molybdenum and other fissionable minerals, together with all other minerals, whether similar or dissimilar, in, on and under the Mays County Tract together with all reversioners, if any, of outstanding term interest and together with the right of ingress and egress for the purpose of mining, drilling, leaching, strip mining, exploring said land for oil, gas, uranium and other fissionable minerals together with all other minerals and removing same therefrom. It is understood and agreed that the exercise of all exploration or development activities with respect to all said minerals shall be wholly at the option of Grantee, its successors and assigns.

Witness my hand and seal this 1st day of June 1964.

EXHIBIT D

359 - 372

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said grantee, ITM/ NOTAR and assigns forever. and I do hereby bind myself, my heirs, executors and administrators to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said grantee, its SUCCESSORS and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under me, but not otherwise.

This conveyance is made and accepted subject to easements and restrictions of record.

The property conveyed herein is that portion of the herein described property which Grantor owns in fee simple and does not affect the other one-half (1/2) undivided interest in the property subject to that one certain Life Estate granted to Harold M. Freeman in the Will of Joseph Freeman probated in Cause Number 131,487, County Courts, Bexar County, Texas, Sitting in Matters Probate and recorded in Volume 1191 at Page 664, Probate Minutes, Bexar County, Texas.

EXECUTED EFFECTIVE the 14th day of October, A.D. 1975.

Harold M. Freeman
HAROLD M. FREEMAN

THE STATE OF TEXAS
COUNTY OF BEXAR

Before me, the undersigned authority, on this day personally appeared HAROLD M. FREEMAN

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 23rd day of June, A.D. 1981.

Charles Harris
Notary Public in and for Bexar County, Texas.
My commission expires 8-14-1984.

CHARLES HARRIS
Notary Public
(Printed or stamped name of notary public)
BEXAR COUNTY, TEXAS

EXHIBIT E



THE STATE OF TEXAS **TEXAS DEPARTMENT OF BANKING**

CERTIFICATE OF CONVERSION

The undersigned, as the Director of Corporate Activities, hereby certifies that the attached Articles of Conversion of

The Frost National Bank
San Antonio, State
National Banking Association
into
Frost Bank
San Antonio, Texas
Texas State Banking Association
Charter Number 3202-20

have been received in this office and are found to conform to law.

ACCORDINGLY, the undersigned, acting for the Banking Commissioner, and by virtue of the authority vested in the Banking Commissioner by law, hereby issues this Certificate of Conversion.

Issuance of this Certificate of Conversion does not authorize the use of a corporate name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Effective: June 22, 2012 at 12:01 am

Daniel B. Frasier, Director of Corporate Activities



EXHIBIT E

Nov-30-2004 03:00pm From: FROST TRUST ADMIN HOUSTON

713 986 7888

T-010 P.003/003 F-000



**Comptroller of the Currency
Administrator of National Banks**

**Southeastern District Office
1800 Lincoln Plaza
500 North Akard
Dallas, TX 75201-3264**

November 17, 1993

**Mr. Phillip D. Green
Executive Vice President and Treasurer
The Frost National Bank of San Antonio
100 West Houston Street
San Antonio, Texas 78205**

**Re: Merger of Callen Center Bank & Trust with and into The Frost
National Bank of San Antonio.
Application Control #83-SW-02-854**

Dear Mr. Green:

**This letter is the official certification of the Office of the
Comptroller of the Currency (OCC) to merge Callen Center Bank &
Trust, Houston, Texas with and into The Frost National Bank of
San Antonio, San Antonio, Texas effective as of November 5, 1993.
The resulting bank title is The Frost National Bank of San
Antonio and charter number is 5179.**

**The official authorization given to The Frost National Bank of
San Antonio to operate the branches and the main office of the
target as a branch is attached.**

**If you have any questions or comments regarding this transaction,
please contact Brenda E. Walton, ESR/Corporate Analyst at (214)
730-7052. Please reference the above control number in all
correspondence.**

Sincerely,

***Edward M. Graves*
Edward M. Graves
Director for Analysis**

Attachment

EXHIBIT E

Nov-30-2004 03:08pm From:FROST TRUST ADMIN HOUSTON

713 388 7888

T-010 P.002/003 F-036

EXTRACT FROM THE MINUTES OF THE FROST NATIONAL BANK

At a meeting of the Board of Directors of the Frost National Bank held on September 21, 1993, a quorum being present, the following resolution was duly adopted:

RESOLUTION

RESOLVED, that the articles of association of The Frost National Bank of San Antonio be amended to reflect a change in the name of the association from The Frost National Bank of San Antonio to The Frost National Bank effective the 1st day of October, 1993;


FURTHER RESOLVED, that upon the effective date, article "FIRST" of the articles of association shall be as follows:

"The title of this Association shall be The Frost National Bank.";

FURTHER RESOLVED, that the President or any Vice President of the association be, and is hereby authorized to take such actions, to execute and deliver all such instruments and documents in the name of and on behalf of the association and under its corporate seal or otherwise, as he/she deems necessary, desirable or appropriate in order to implement the resolutions adopted hereby; and

FURTHER RESOLVED, that the Secretary or any Assistant Secretary of the association be, and is hereby authorized to certify to the foregoing resolutions.

I, Bernard Gonzales, Executive Vice President and Secretary of the Board of Directors of the above bank, do certify that the above is a true copy from the minutes of said meeting of the Board of Directors held on September 21, 1993.


Executive Vice President
Secretary Board of Directors

Dated: Oct. 8, 1993