
**SAN JACINTO REDEVELOPMENT AUTHORITY
REGULAR MEETING
AUGUST 19, 2025 – 6:00 PM
MERCEDDES CITY HALL – COMMISSION CHAMBERS
400 S. OHIO AVE., MERCEDDES, TX 78570**


“At any time during the course of this meeting, the Board of Directors of the San Jacinto Redevelopment Authority (SJRSA Board of Directors) may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at any time during the course of this meeting, the Board may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

- 1. Call Meeting to Order**
- 2. Establish Quorum**
- 3. Receive Public Comments**
- 4. Management Items:** Present, discuss, consider and possibly take action regarding:
 - a. Take nominations for Vice Chair & Secretary of the Board
 - b. Consider Approval of the Development Reimbursement Agreement with Olivarez Organization, LLC for capital investments made in TIRZ #2, City of Mercedes
 - c. Consider rescinding Development Agreement approved for San Jacinto Enterprises, LLC on 08.05.2025; Consider approval of the Development Reimbursement Agreement with San Jacinto Enterprises, LLC, for capital investments made in TIRZ #2, City of Mercedes as amended.
- 5. Presentation**
 - a. Receive an update on the status of development
- 6. Adjournment**

Notice is hereby given that the San Jacinto Redevelopment Authority of the City of Mercedes, Texas will meet in a Regular Meeting on Tuesday, August 19, 2025 at 6:00 PM. Said meeting will be conducted in the Commission Chambers of the City Hall located at 400 S. Ohio, Mercedes, Texas for the purpose of considering and taking formal action regarding the items listed above. This notice is given in accordance with Vernon’s Texas Codes Annotated, Texas Government Code, Section 551.001 et. Seq.

WITNESS MY HAND AND SEAL OF THE CITY THIS 15TH DAY OF AUGUST, 2025.

ATTEST:



Joselynn Castillo, City Secretary
Time of Posting: 2:30 P.M.

ACCESSIBILITY STATEMENT

The City of Mercedes recognizes its obligations under the Americans with Disabilities Act of 1990 to provide equal access to individuals with disabilities. Please contact the City Manager’s Office at (956) 565-3114 at least 48 hours in advance of the meeting with requests for reasonable accommodations, including requests for a sign language interpreter.

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (this "**Agreement**") is by and among the CITY OF MERCEDES, Texas, a political subdivision of the State of Texas (the "**City**"), TAX INCREMENT REINVESTMENT ZONE NO. 2, CITY OF MERCEDES, TEXAS, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code ("**TIRZ #2**"), OLIVAREZ ORGANIZATION, LLC, a Texas limited liability corporation, both Jointly the Developer (the "**the Developer**"), is entered into on this ____ day of August, 2025 (the "**Effective Date**"). The City, the Developer, and TIRZ #2 may be individually referred to herein as "**Party**" and collectively as the "**Parties**."

RECITALS AND FINDINGS

WHEREAS, the Developer owns and is proposing to develop one half of a certain tract of land currently known as Subdivision 16, totaling approximately 78.5 acres, excluding Rights of Way to be improved, in the City's ETJ (the "**Project Site**"), which is one of two development parcels of land located in TIRZ #2, as shown on the property map contained in **Exhibit A** attached hereto and incorporated herein for all purposes (the "**Property**"), and desires to construct and develop certain residential developments on the entirety of the Property (the "**Project**"); and,

WHEREAS, the City, pursuant to Chapter 311, Texas Tax Code as amended, has : (a) created a tax increment reinvestment zone over the entire Property to facilitate the development of the land, (b) provide certain agreed upon reimbursements to the Developer for the Project funded by the Developer, and (c) seek and approve a participation agreement with the County for participation in the TIRZ #2;

WHEREAS, the City of Mercedes, Texas (the "**City**") has agreed to participate in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 seventy percent (70%) of approved *Ad Valorem* Tax Rate each year until December 31, 2059, as set forth in Ordinance No. 2024-22, creating TIRZ #2 City of Mercedes; and,

WHEREAS, Hidalgo County, Texas (the "**County**") is considering participating in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 fifty percent (50%) of its Maintenance and Operation Tax Rate , as will be memorialized in that certain Inter-local Agreement Tax Increment Reinvestment Zone #2, to be approved by and between the County and the City, (the "**TIRZ#2 Inter-local Agreement**"); and,

WHEREAS, while portions of the Property may be sold or conveyed to third parties, the Developer shall be responsible for the overall development of the Project and all portions of the Property shall be included under this Agreement;

WHEREAS, the Board of Directors for TIRZ #2 (the “**TIRZ Board**”) and the City Council for the City of Mercedes (the “**City Council**”) each approved and adopted the Project Plan and Reinvestment Zone Financing Plan for TIRZ #2, dated August 5, 2025, (the “**TIRZ Plan**”);

WHEREAS, the Parties desire to provide for the development and financing of the projects set forth below to implement the TIRZ Plan;

WHEREAS, the City Council of the City of Mercedes has found and determined that the construction of the Project will provide the benefit of serving the public interest and welfare and enhancing the economic stability and growth of the City, contribute to the expansion of the City’s tax base, increase mobility by construction of road ways and related infrastructure, facilitate the development of raw land into a master-planned mixed use development;

WHEREAS, the Project is consistent with the City’s economic development objectives to increase taxable property values and taxes in the residential areas of the Project;

WHEREAS, the City agrees to provide financial and development assistance to the Developer through utilization of the TIRZ;

WHEREAS, the TIRZ Board shall possess all powers necessary to implement and monitor the TIRZ Plan as the City Council considers advisable, including without limitation, the submission of an Annual Reimbursement Report [defined in Article III, Section 4(f)];

WHEREAS, the Parties hereto have agreed that the TIRZ #2 shall be responsible for verifying the Developer’s ongoing compliance with the requirements set forth in this Agreement necessary to obtain City payments as detailed herein;

WHEREAS, the Developer have agreed to petition the City for annexation of the land within the TIRZ, and also finance certain agreed upon infrastructure improvements, to develop the master planned mixed use project, and satisfy and comply with certain terms and conditions;

WHEREAS, the Parties agree that the provisions of this Agreement substantially advance a legitimate interest of the City;

WHEREAS, the Parties desire to cooperate in the development of the Project, on the terms and conditions contained herein;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

- I. “**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director

or officer of such Person or of an Affiliate of such Person.

- II. “**Annual Payment(s)**” means the periodic payments of Tax Increment Revenue made to the Developer as provided herein, and as set forth in Chapter 311, Texas Tax Code.
- III. “**Base Value**” shall mean the taxable value of the property located within the Property as of January 1, 2024, which amount is deemed to be \$3,083,165;
- IV. “**Captured Appraised Value**” means the total appraised ad valorem value of all real property taxable by the City and located in the Property as of January 1 of any year less the Base Tax.
- V. “**The Developer Interest**” means interest accrued on the actual public improvement costs paid by the Developer at a per annum rate equal to 8.5%. the Developer Interest shall accrue from the later of (i) the Effective Date of this Agreement for all expenditures made related to the creation of the TIRZ #2 or (ii) the date of actual payment by the Developer for expenditures made after the TIRZ #2 creation, and shall continue until such time the Developer receives full payment for the Project Costs (defined in Section 2(a)).
- VI. “**Person**” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.
- VII. “**Local Government Corporation**” means a tax exempt not for profit entity created pursuant to Chapter 431, Texas Transportation Code, and authorized by the City through the approval of an agreement to manage the TIRZ on the City’s behalf, and also serve as the debt facility mechanism should the City consent to the sale of tax exempt bonds to finance the Developer reimbursements or other project costs.
- VIII. “**Project Manager**” means the Developer for a project by the Developer or the City for a project by the City.
- XI. “**Tax Increment**” means funds from the amount of ad valorem taxes levied and collected by the City on the Captured Appraised Value of real property located within the Property.
- X. “**Tax Increment Revenue**” means all (i) tax incremental revenues levied and collected from taxable incremental value in the TIRZ #2 x the current City approved *Ad Valorem* Tax Rate x .70, for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement and (ii) tax incremental revenues levied and collected from the taxable incremental value in

the TIRZ #2 x the current County approved *Ad Valorem* Tax Rate, as set forth in the inter-local agreement approved by both the City and the County for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement.

- XI. “**Term**” means a term of thirty four (34) years during which the annual Tax Increment Revenue and annual Captured Appraised Value of the Property is calculated and the resulting Annual Payment is disbursed by the City.
- XII. “**Reimbursable Project Costs**” means all costs set forth in Table I—Project Plan and Reinvestment Zone Financing Plan for TIRZ #2 and in **Exhibit B** of this Agreement, which costs are currently estimated to be \$91,262,781.

ARTICLE II THE PROJECT

- 1. Development of the Project. The Project is to be constructed in two phases consisting of residential development and limited multifamily development, each phase must be in accordance with the Developer’s Master Plan, and as reflected in the project plan and the approved City Plat.
- 2. Project Costs & Improvements for Subdivision 16.
 - (a) One half of the TIRZ #2 improvements set forth in **Exhibit B**, related to Subdivision 16, and including 1/4 of the estimated Interest costs, and 1/4 of the TIRZ administration costs, as set forth in the TIRZ #2 project plan attached hereto and incorporated herein for all purposes (collectively, the “**Project Improvements**”) , together with the costs of the construction of such Project Improvements including, without limitation, all costs incurred in connection with obtaining governmental approvals, certificates, and permits and all costs of engineering, testing and inspection required in connection with the construction of the improvements, and including the costs of creation of the Zone shall be referred to herein as the “**Project Costs**.”, currently estimated to be \$21,053,228 including estimated interest.
 - (b) The Developer shall design, permit and construct the public roads as approved by the City and shall dedicate them, as such, to the City upon their completion. All such public roads accepted by the City shall thereafter be owned and maintained by the City.
 - (c) The Developer shall construct and install all reasonable and necessary traffic control devices (including signs) within the Project as required by the City, the County or other appropriate Party with jurisdiction. All such traffic control devices (including

signs) shall thereafter be operated and maintained by the City, the County or other appropriate Party with jurisdiction.

- (d) In the event that City and the Developer mutually agree to the elimination or modification of any improvement listed as a component of the Project Costs, then the Parties may mutually agree, in writing, to modify, eliminate, amend or re-apportion the Project Costs in question.
3. Cost of Improvements to be Funded by the Developer. Unless otherwise agreed to by the Parties in writing, the Developer shall promptly pay (or cause to be paid) all Project Costs of constructing the Project Improvements including, without limitation: (i) all costs of design, engineering, materials, labor, construction, permitting, testing and inspection, arising in connection with the construction of the Project Improvements (except for those items which may be contested in good faith by The Developer); (ii) all payments arising under any contracts entered into for the construction of the Project Improvements (except for those items which may be contested in good faith by The Developer); (iii) land costs for land dedicated as public rights of way at fair market value; (iv) all financing costs and fees associated with the Project Improvements, including legal fees. The City *shall not be liable* to any contractor, engineer, attorney, material man, laborer, or other party employed by or on behalf of the Developer, its affiliates or designees, as the case may be, in connection with the construction of the Project Improvements.

ARTICLE III PUBLIC FINANCIAL CONTRIBUTION

1. City Payments to The Developer.
- (a) In consideration of the City entering into this Agreement and providing for Annual Payments to the Developer under the terms and conditions set forth herein, as further described in more detail throughout this Agreement, the Developer agrees that it, along with its affiliates and any of the Developer's current or future successors or assigns to the Project Site, in whole or in part, shall design, permit and construct the Project Improvements in accordance with the City or County codes, as applicable.
 - (b) The Annual Payments made by the City to the Developer shall be paid solely from the *ad valorem* tax incremental revenues collected in the TIRZ #2 for the prior tax year, and including any prior year reconciliations. Each Annual Payment shall be an amount equal to the total Tax Increment Revenue collected based on the following formula: (i) for the City-- Prior Tax Year Certified Taxable Value, Less Base Value / \$100 x the Current City Tax Rate x 70% and (ii) for the County—all Incremental Revenues remitted by the County to the City pursuant to the TIRZ #2 Interlocal Agreement. The Annual Payments shall be paid annually to The Developer by the City no later than June 1, beginning in the first calendar year after The Developer receives

its first acceptance by the City of the completion of the Project Improvements in the first subdivision platted, improved and completed by The Developer and continuing each year thereafter until the earlier of: (i) the date the City has fully paid all Reimbursable Project Costs and the Developer Interest to the Developer or Lender (defined below), as applicable, in an amount currently estimated to be \$21,053,228 (1/2 of development costs for Subdivision 16), including estimated interest payments, and as reflected in Table 1, Project Plan and Reinvestment Finance Plan, and as computed pursuant to Section II, 2 (a) of this agreement, or (i) the completion of the Term of TIRZ #2. The total reimbursement will be based on actual expenditures for approved project costs based on an independent audit.

- (c) The Developer may assign revenues received pursuant to this Agreement to a lender to collateralize a loan to further the development within the TIRZ, subject to the consent of the City, which consent shall not be unreasonably withheld. The terms of any borrowing shall be exclusively determined by negotiation between the Developer and the Lender.
- 2. Annual Payment Administration. The Parties hereby agree and consent that all Annual Payments shall be paid directly by the City to the Developer or, if applicable, a Local Government Corporation (LGC) created to managed the TIRZ on behalf of the City. Once any Annual Payment (or portion thereof) is delivered by the City to the Developer, or the LGC, the City shall have no further obligation to the Developer as it relates to the annual tax incremental revenues. Total payment to The Developer shall be based on the total audited costs of the Developer for those Project Costs as reflected in Table One of the Zone's approved Project Plan, as may be amended from time to time.
- 3. Project Quality. As consideration for City's obligation to pay the Developer, the Developer agrees to construct the Project to the standard of quality as required by the City and the County for typical infrastructure constructed in residential and commercial projects.
- 4. Process for Project Development and Distribution of The Developer Reimbursement Requests.
 - (a) Before initiating each phase of the Project, the Developer shall make a presentation to the TIRZ Board. Such presentation shall specify: (i) the phase to be initiated, (ii) the estimated cost to design and construct such phase, including any Project Costs, and (iii) the estimated time to complete such phase.
 - (b) Periodically, and no less than twice a year, the Developer shall provide reports regarding the progress of construction of the Project Improvements and the Developer's payment of Project Costs. The Developer shall allow the City and/or TIRZ Board reasonable access to the Project for inspections during all phases of construction.
 - (c) Upon completion of construction of the public infrastructure, any applicable interest in the real property upon which the public improvement is constructed shall be conveyed to

the City or other public entity responsible for operation and maintenance of such completed work, and the City will accept the same upon the completion thereof in accordance with approved plans and specifications. The Developer shall, at its own costs and expense, maintain or cause to be maintained, the completed work until acceptance by the City, as evidenced by written acceptance by the appropriate City administrator, and for one (1) year after said acceptance.

- (d) The Developer will work with the TIRZ/ Redevelopment Authority administrator to have an independently prepared agreed upon procedures report (AUP) of the Developer reimbursable project costs this this Agreement and costs in the approved project plan and reinvestment zone financing plan prepared for submission to the Board of Directors of the TIRZ for approval.
- (e) Upon approval of the Reimbursement Report by the TIRZ Board for the particular Project phase(s) completed at that time, the reimbursements shall become an obligation of the TIRZ and shall be payable from the available funds or bonds in accordance with t h i s Agreement.
- (f) The Developer agrees that imputed administration costs in the amount of up to five percent (5%) of the Annual Payment may be retained by the City, and deduction from the Annual Payment made by the City to the Developer (the "**Administrative Costs**").

ARTICLE IV

MISCELLANEOUS PROVISIONS

1. Default; Remedies.

- (a) Unless otherwise provided herein, any Party to this Agreement that believes that the other Party to this Agreement has defaulted in the performance of any condition, term, or obligation owed to that Party under this Agreement shall within twenty (20) business days after discovery of said default, give written notice of the default to the defaulting Party, specifying in detail the provision or provisions of this Agreement that have allegedly been breached and what specific action must be taken to cure or correct the default. Should the Party receiving the notice fail to commence action to correct the default within thirty days, and/or thereafter fail to diligently pursue the completion of the action to correct the default, the Party giving the notice of default may declare the defaulting Party in default. In addition to any other right or remedy available to the Parties under this Agreement, in the event that a Party is declared in default, the complaining Party shall have the right (but not the obligation), in its sole discretion, to exercise its rights with regards to mandamus, specific performance or mandatory or permanent injunction to require the Party alleged to have defaulted or breached to perform.
- (b) In the event that the Developer is in default, the City shall not be obligated to make Annual Payment(s), or any portion thereof, to the Developer unless and until the

default has been cured to the reasonable satisfaction of the City. In the event that the Developer fails to: (i) diligently pursue the completion of the action to correct the default as determined in the City's reasonable discretion, on the timeline established by the City Council; and (ii) such default remains on going six (6) months from the date of the cure deadline established by the City Council pursuant to this section, this Agreement may be terminated or suspended.

- (c) Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement will constitute an election of remedies; and all remedies set forth in this Agreement will be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties has the affirmative obligation to mitigate its damages in the event of a default by the other Party.
 - (d) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any party, except for a delay in payment of the Annual Payment, is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes], labor action, strikes or similar acts) or pandemics, including without limitation, Covid 19, the time for such performance shall be extended by the amount of time of such delay ("**Force Majeure**").
2. Separate Status. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint ventures or members of any joint enterprise.
3. Construction and Interpretation.
- (a) Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words "including", "such as", or words of similar import, when following any general term, statement or matter, shall not be construed to limit such statement, term or matter to specific terms, whether or not language of non- limitation, such as "without limitation", or "but not limited to", are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.

- (b) The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.
- (c) This Agreement may be executed in several counterparts; each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

4. **Indemnification ; Errors, Omissions, Negligent Acts, Legal Fees**

The Developer shall save and hold harmless the City of Mercedes, and its officers and employees, the City’s Tax Increment Reinvestment Zone directors and employees, and it’s authorized and overlaid Local Government Corporation directors and employees from all claims and liability due to activities of itself, its agents, or employees, performed under this contract and which are caused by or result from error, omission, or negligent act of the Developer or of any person employed by the Developer. Such indemnity shall include but not limited to, attorney fees which may be incurred by the City of Mercedes in litigation or otherwise resisting said claim or liabilities which may be imposed on the City as a result of such activities by the Developer, their agents, or employees.

- 5(a) Actions Performable. The Parties agree that all actions to be performed under this Agreement are performable solely in City of Mercedes, Texas.
- (b) Assignability. Performance by the Developer and TIRZ #2 under the terms and conditions of this Agreement are deemed personal and, as such, any attempt to convey, assign or transfer those duties and obligations without the prior written approval and consent by the City are void except for (i) assignments and partial assignments of this Agreement by the Developer to any Affiliate of the Developer, which are expressly permitted, (ii) assignments and partial assignments of this Agreement by the Developer to third parties to whom the Developer has sold land within the Project and provided written notice to the City and TIRZ #2 of same, and (iii) Collateral Assignments [defined in Article V below] and Security Agreements [defined in Article V below] of this Agreement to Lender and other security interests granted under the Loan Documents for the benefit of Lender, which are all expressly permitted hereunder.
- (c) Severability. If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the Parties.

- (d) Complete Agreement. This Agreement represents the complete agreement of the Parties with respect to the subject matter hereof and supersedes all prior written and oral matters related to this Agreement. Any amendment to this Agreement must be in writing and signed by all Parties hereto or permitted or approved assignees.
- (e) Exhibits. All exhibits attached to this Agreement are incorporated herein by reference and expressly made part of this Agreement as if copied verbatim.
- (f) Notice. Any notice or demand, which either the City or the Developer is required to or may desire to serve upon the other, must be in writing, and shall be sufficiently served if (i) personally delivered, (ii) sent by registered or certified mail, postage prepaid, or (iii) sent by commercial overnight carrier, and addressed to:

If to the City:

City of Mercedes, Texas
Attn: City Manager
400 S. Ohio Street
Mercedes, Texas 78570

If to the Developer:

Olivarez Organization LLC
ATTN: Joe Olivarez
P.O. Box 1667
614 N. Texas Blvd
Weslaco, Tx 78596

If to the TIRZ:

Bill Calderon
Calderon Economic Development Strategies LLC
5523 Spellman Road
Houston, Texas 77096

or such other address or addresses which any Party may be notified in writing by any other Party to this Agreement.

Such notice shall be deemed to have been served (a) five (5) business days after the date such notice is deposited and stamped by the United States Postal Service, except when lost, destroyed, improperly addressed or delayed by the United States Postal Service, or (b) upon receipt in the event of personal service, or (c) the first business day after the date of deposit with an overnight courier, except when lost, destroyed, improperly addressed or delayed by the courier, or (d) the date of receipt by facsimile (as reflected by electronic confirmation); provided, however, that

should such notice pertain to the change of address to any of the Parties hereto, such notice shall be deemed to have been served upon receipt thereof by the Party to whom such notice is given.

(g) Force Majeure. The Parties agree that the obligations of each Party shall be subject to Force Majeure.

(h) Forum Selection. This Agreement and the relationship between the Parties hereto shall be governed and interpreted under the laws of Texas without regard to any conflict of laws provision. Venue for any suit arising out of any relationship between the Parties hereto shall exclusively be the appropriate court in the City of Mercedes, Texas. The Parties specifically consent to and waive any objections to, in personam jurisdiction in City of Mercedes, Texas.

6. Effective Date. This Agreement shall be binding and take effect only upon all Parties signatures hereto, attachment of all required exhibits, and receipt by the City of a fully executed copy hereof. For the purposes of timetables provided in this Agreement, the Effective Date shall be the date first above written.

7. Preamble. The findings of fact, recitations and provisions set forth in the preamble to this Agreement are true and are adopted and made a part of the body of this Agreement, binding the Parties hereto, as if the same were fully set forth herein.

8. Representations. The City and TIRZ #2 represent and warrant to the Developer that the City and TIRZ #2 are duly authorized and empowered to enter into this Agreement, subject to the terms and conditions contained herein, and have the legal right to reimburse the Developer as provided in this Agreement. The Developer represents and warrants to the City and TIRZ #2 that it has the right to enter into this Agreement and is a proper party to this Agreement.

9. Signature Warranty Clause. The signatories to this Agreement represent and warrant that they have the right to execute this Agreement on behalf of the City, TIRZ #2, and the Developer, respectively.

10. Legal Contest. This Agreement is entered into in accordance with applicable law as understood by the Developer, the TIRZ #2, and the City. In the event any part, provision or paragraph thereof shall become unenforceable by reason of judicial decree or determination the Parties hereto mutually agree to the extent possible to ensure that all other provisions of this Agreement, including the intent of this Agreement be honored and performed.

11. Conflicts with Ordinances. The Parties agree that any City and/or TIRZ #2 ordinance, or regulation by any other agency over which the City and/or TIRZ #2 has control, whether heretofore or hereafter adopted, that addresses matters that are covered by this Agreement shall not be enforced by the City and/or TIRZ #2, and that the provisions of this Agreement govern development of the Property and supersede any ordinance or regulation heretofore or hereafter adopted regarding the matters discussed herein.

12. Survival. The covenants and agreements of the Parties set forth in this Agreement shall terminate and expire upon the earlier of (i) when the City, on behalf of itself and the County, has paid all Reimbursement Project Costs and the Developer Interest to the Developer, or (ii) December 31, 2059; provided, that the Developer's obligation to indemnify and hold harmless the City and TIRZ #2 shall survive the termination and expiration of this Agreement.

13. Amendment. Any term of this Agreement may be amended or waived only by an instrument in writing and signed by all Parties hereto. Notwithstanding the foregoing, so long as a Lender or its successors or assigns have any liens and/or security interest covering the Property and/or this Agreement, including without limitation, by a Deed of Trust [defined Article V (1) below] covering all or a portion of the Property, and/or a Security Agreement and/or Collateral Assignment covering this Agreement and/or the Other Agreements [defined in Article V (1) below], there shall be no amendments, revisions or corrections to this Agreement without the prior written consent of Lender, which may be withheld in the Lender's sole discretion.

14. Time and Business Days. Time is of the essence for the performance of any obligation under this Agreement. If any date or period for performance provided for herein ends on a Saturday, Sunday, or legal holiday of the City of Mercedes, Texas, then the applicable date or period will be extended to the first day following such Saturday, Sunday, or legal holiday. A business day is defined herein as any day that is not a Saturday, Sunday or legal holiday of the City of Mercedes, Texas.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

City of Mercedes, TEXAS

BY: _____
OSCAR MONTOYA, MAYOR

Date: _____

TAX INCREMENT REINVESTMENT ZONE NO. TWO, City of Mercedes, TEXAS,

a reinvestment zone created by the City of Mercedes, Texas pursuant to Chapter 311 of the Texas Tax Code

BY: _____
Chairman of the Board of Directors

Date: _____

Olivarez Organization LLC
P.O. Box 1667
614 N. Texas Blvd
Weslaco, Tx 78596

By: _____
Joe Olivarez,

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HIDALGO §

This instrument was acknowledged before me by OSCAR MONTOYA, Mayor, for the City of Mercedes, Texas, a municipal corporation of the State of Texas, on behalf of said corporation, this _____ day of JANUARY, 2025.

Notary Public, State of Texas

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HIDALGO §

This instrument was acknowledged before me by OSCAR MONTOYA Chairman of the Board of Directors, for Tax Increment Reinvestment Zone No. TWO, City of Mercedes, Texas, a reinvestment zone created by the City of Mercedes, Texas pursuant to Chapter 311 of the Texas Tax Code, on behalf of said reinvestment zone, this _____ day of JANUARY, 2025

Notary Public, State of Texas

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HIDALGO §

This instrument was acknowledged before me on JANUARY _____, 2025 by JOE OLIVAREZ AS _PRESIDENT OF OLIVAREZ ORGANIZATION, a Texas limited liability corporation, on behalf of said corporation.

Notary Public, State of Texas

EXHIBIT B

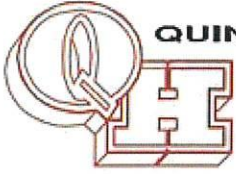
List of Improvements and Eligible TIRZ Project Costs

Mercedes TIRZ #2 – Reimbursable Project Costs				
Category	Subdivision #12 (1)	Subdivision #16 (1)		Total
ROW for Roads/ drainage	\$871,354	\$463,146		\$1,334,500
Surveys/ topos, staking +	\$186,400	\$173,680		\$360,080
Engineering	\$914,428	\$1,029,500		\$1,943,928
Offsite Water Distribution System		\$1,537,300		\$1,537,300
Water Lines	\$1,706,400	\$2,034,985		\$3,741,385
Water supply corp dev fees	\$467,570	\$355,000		\$822,570
Sanitary Sewer	\$2,826,800	\$4,763,342		\$7,590,142
AEP Electrical	\$150,000	\$320,000		\$470,000
Irrigation Line removal	\$30,000	\$14,000		\$44,000
Subdivision Road	\$5,538,764	\$4,363,660		\$9,902,424
Erosion mitigation	\$146,520	\$66,300		\$212,820
Drainage/detention	\$2,579,485	\$1,535,056		\$4,114,541
Fencing/landscaping in public POW	\$973,800	\$551,300		\$1,525,100
Dev. Fees/ Subdivision Adm.	\$26,840	\$26,840		\$53,680
Tap Fees	\$51,300			\$51,300

County Inspection / Utility Fees	\$8,000	\$12,000		\$20,000
Inspection/testing	\$654,348	\$588,400		\$1,242,748
City Park Fees	\$235,500	\$152,500		\$388,000
Public Road improvements	\$1,500,000			\$1,500,000
Creation Costs				\$120,000
Interest Carry (2)				\$40,000,000
Project administration -7 years (3)	\$2,800,000	\$2,800,000		\$5,600,000
Contingency	\$1,858,815	\$1,319,448		\$3,178,263
Chapter 380 project funding				\$3,000,000
TIRZ / RA Administration (4)				\$2,500,000
Total	\$23,526,324	\$22,106,457		\$91,252,781
(1) Projected costs are best estimates based on today's cost. Actual reimbursement of these items will be based on independently audited actual costs.				
(2) Interest paid will depend on a) audited amounts paid for project costs while payments are "as you go, or on the capital cost for tax exempt bonds when sold.				
(3) Project cost will finance admin management of multiple contractors involved in both the residential project and the public road improvements undertaken by the Developer				
(4) Redevelopment Authority management including legal, bookkeeping, auditing, and RA/Zone managing				

Exhibit C—

Boundary description for 1/2 of Subdivision 16 to be developed by Olivarez Organization



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

Consulting Engineers ★ Land Surveyors

Engineering Firm Registration No. F-1513
Surveying Firm Registration No. 100411-00
Municipal & County Projects ★ Subdivisions ★ Surveys
124 E. Stubbs, Edinburg, Texas 78538
Phone 956/381-6480 Fax 956/381-0527

METES AND BOUNDS

A 5.60 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST CORNER OF THIS TRACT, SAID SPINDLE BEARS SOUTH, 250.00 FEET FROM THE NORTHWEST CORNER OF LOT 12.

THENCE; EAST, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 222.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; SOUTH, A DISTANCE OF 119.50 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; EAST, A DISTANCE OF 677.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHEAST CORNER OF THIS TRACT.

THENCE; SOUTH, A DISTANCE OF 291.67 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE NORTH LINE OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT (THE SOUTH HALF OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 368072, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 89°55'04" W, ALONG THE NORTH LINE OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT, A DISTANCE OF 708.87 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOR THE SOUTHEAST CORNER OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT (A 1.01 ACRE TRACT OF LAND OUT OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO GENERAL WARRANTY DEED WITH THIRD PARTY'S VENDOR'S LIEN RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3081251, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHWEST CORNER OF THIS TRACT.

A 5.60 AC TR OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102
CAMPACUAS ADDITION

THENCE; N 14°35'27" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 103.58 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 20°47'52" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 106.77 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 22°43'51" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 108.58 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 25°26'51" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 18.83 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID TRACT AND AN INTERIOR CORNER OF THIS TRACT.


THENCE; S 89°56'16" W, ALONG THE NORTH LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, PASSING A 1/2" IRON ROD FOUND AT 46.08 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 76.08 FEET TO A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST CORNER OF SAID TRACT AND THE MOST SOUTHERLY NORTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD, A DISTANCE OF 93.03 FEET TO THE POINT OF BEGINNING AND CONTAINING 5.60 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

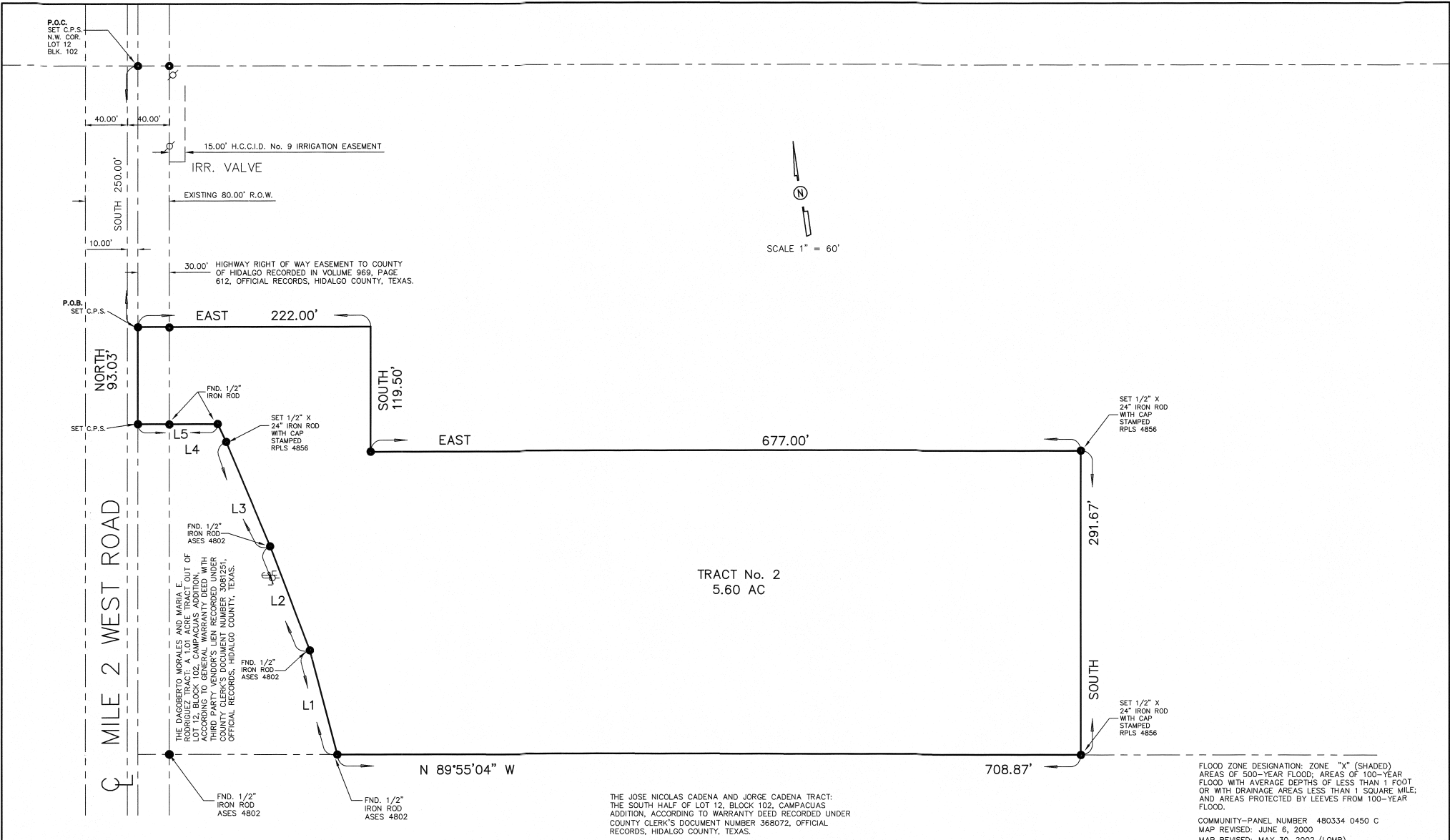
DATE PREPARED: AUGUST 14, 2025


ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856



A 5.60 AC TR OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102
CAMPACUAS ADDITION

Page 2 of 2



FLOOD ZONE DESIGNATION: ZONE "X" (SHADED) AREAS OF 500-YEAR FLOOD; AREAS OF 100-YEAR FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEEVES FROM 100-YEAR FLOOD.

COMMUNITY—PANEL NUMBER 480334 0450 C
 MAP REVISED: JUNE 6, 2000
 MAP REVISED: MAY 30, 2002 (LOMR)

BEARINGS SHOWN ON THIS SURVEY PLAT ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5 RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE A TRUE AND CORRECT REPRESENTATION OF THE LANDS SHOWN AS THE RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION. THERE ARE NO VISIBLE DISCREPANCIES, CONFLICTS, OR SHORTAGES IN AREA ON BOUNDARY LINES, OR ANY VISIBLE ENCROACHMENTS, OR ANY VISIBLE OVERLAPPING OF IMPROVEMENTS EXCEPT AS SHOWN ON THIS PLAT.

THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT: THE SOUTH HALF OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 368072, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

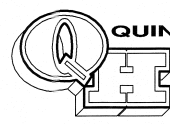
PLAT SHOWING

A 5.60 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

LINE DATA TABLE		
DATA	BEARING	LENGTH
L1	N 14°35'27" W	103.58'
L2	N 20°47'52" W	106.77'
L3	N 22°43'51" W	108.58'
L4	N 25°26'51" W	18.83'
L5	S 89°56'16" W	76.08'

LEGEND
 ● = SET 1/2" x 24" IRON ROD WITH CAP STAMPED RPLS 4856 UNLESS OTHERWISE NOTED

VOL. 1 PAGE 2
 SURVEYED AUGUST 14, 2025
 OWNER JOE DANIEL OLIVAREZ AND JACINTO GARZA
 ADDRESS:
 JOB No. G.F. No. 954162
 BOOK No. PAGE
 FILE NAME: Z:\data\SUBDIVISIONS\Mercedes\SAN JACINTO ESTATES No.16\DWG\SURVEY\5.46 ACRE SURVEY



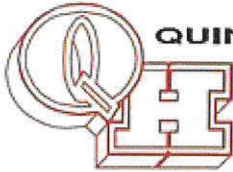
QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

CONSULTING ENGINEERS
 124 E. STUBBS ST.
 EDINBURG, TEXAS 78539
 ENGINEERING REGISTRATION NUMBER F-1513
 SURVEYING REGISTRATION NUMBER 100411-00

LAND SURVEYORS
 PHONE 956-381-6480
 FAX 956-381-0527
 ALFONSO@QHA-ENG.COM



Alfonso Quintanilla
 ALFONSO QUINTANILLA
 REGISTERED PROFESSIONAL LAND SURVEYOR
 No. 4856



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

Consulting Engineers ★ Land Surveyors

Engineering Firm Registration No. F-1513
Surveying Firm Registration No. 100411-00
Municipal & County Projects ★ Subdivisions ★ Surveys
124 E. Stubbs, Edinburg, Texas 78539
Phone 361/361-8480 Fax 361/361-0527

METES AND BOUNDS

A 30.72 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOTS 9 AND 16, BLOCK 115, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE WEST RIGHT OF WAY OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945603, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE NORTHEAST CORNER OF THIS TRACT, SAID ROD BEARS WEST, 50.00 FEET AND SOUTH 1,105.00 FEET FROM THE NORTHEAST CORNER OF LOT 9.

THENCE; SOUTH, ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A DISTANCE OF 214.92 FEET TO A 1/2" IRON ROD WITH CAP STAMPED TEDSI FOUND ON THE COMMON LINE OF LOTS 9 AND 16 FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945602, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE ARC OF A CURVE TO THE LEFT (CURVE DATA: DELTA = 02°23'52", RADIUS = 11,499.00 FEET), A DISTANCE OF 481.21 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD AND THE ARC OF A CURVE TO THE RIGHT (CURVE DATA: DELTA = 03°36'16", RADIUS = 11,419.00 FEET), A DISTANCE OF 344.17 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF THE SAMUEL GUADALUPE NIETO TRACT (A 0.55 OF AN ACRE TRACT OF LAND OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO GIFT DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 2715752, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; S 89°57'30" W, ALONG THE NORTH LINE OF THE SAMUEL GUADALUPE NIETO TRACT AND THE NORTH LINE OF THE GOLD LANTERN, LLC TRACT (A 14.075 ACRE TRACT OF LAND OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3369257, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS), A DISTANCE OF 1,289.43 FEET TO A 1/2" IRON ROD FOUND ON THE WEST LINE OF

A 30.72 AC TR OF LAND BEING A PART OR PORTION OF LOTS 9 AND 16, BLOCK 115
CAMPACUAS ADDITION

LOT 16 FOR THE NORTHWEST CORNER OF THE GOLD LANTERN, LLC TRACT AND THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOTS 9 AND 16, A DISTANCE OF 1,131.67 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHWEST CORNER OF THIS TRACT.

THENCE; S 67°29'24" E, A DISTANCE OF 115.08 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

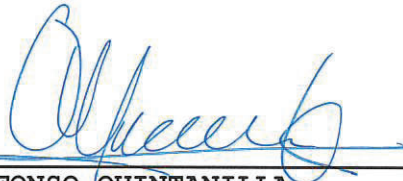
THENCE; S 62°15'37" E, A DISTANCE OF 100.21 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; EAST, A DISTANCE OF 1,075.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 30.72 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

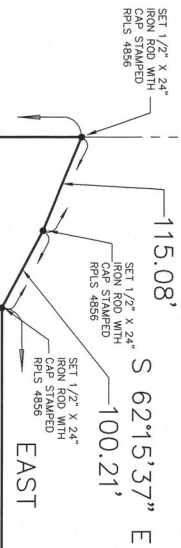
DATE PREPARED: AUGUST 14, 2025



ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856



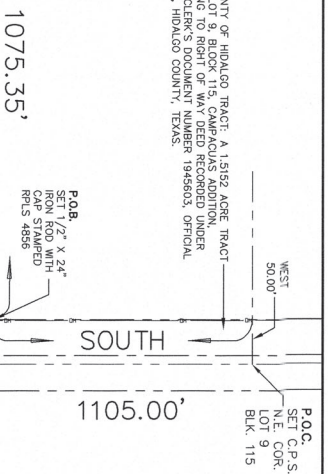
LOT 10, BLOCK 115, CAMPACUAS ADDITION
RECORDED IN VOLUME 1, PAGE 2, MAP
RECORDS, HIDALGO COUNTY, TEXAS.



1131.67'

IRON ROD

EAST



LOT 9

LOT 16

SOUTH

214.92'

1105.00'

P.O.C.
SET C.P.S.
N.E. COR.
LOT 9
BLK. 115

THE COUNTY OF HIDALGO TRACT: A 1.5152 ACRE TRACT
OUT OF LOT 9, BLOCK 115, CAMPACUAS ADDITION,
ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER
CLERK'S DOCUMENT NUMBER 1945803, OFFICIAL
RECORDS, HIDALGO COUNTY, TEXAS.

THE COUNTY OF HIDALGO TRACT: A 0.7897 OF AN ACRE
TRACT OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION,
ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER
CLERK'S DOCUMENT NUMBER 1945602, OFFICIAL
RECORDS, HIDALGO COUNTY, TEXAS.

TRACT No. 4
30.72 ACRES

SCALE 1" = 100'



LOT 15, BLOCK 115, CAMPACUAS ADDITION
RECORDED IN VOLUME 1, PAGE 2, MAP
RECORDS, HIDALGO COUNTY, TEXAS.

NORTH

IRON ROD

S 89°57'30" W

1289.43'

IRON ROD

R/A

IRON ROD

IRON ROD

IRON ROD

IRON ROD

THE SAMEL GUADALUPE NIETO TRACT: A 0.55 OF AN ACRE
TRACT OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION,
ACCORDING TO GIFT DEED RECORDED UNDER COUNTY
CLERK'S DOCUMENT NUMBER 2715752, OFFICIAL RECORDS,
HIDALGO COUNTY, TEXAS.

THE GOLD LANTERN, LLC TRACT: A 14.079 ACRE TRACT
OUT OF LOT 15, BLOCK 115, CAMPACUAS ADDITION,
ACCORDING TO WARRANTY DEED WITH VENDOR'S LIEN
RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER
3399257, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

CURVE DATA					
CURVE	Δ	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING
"A"	0223'52"	11489.00'	481.21'	481.18'	S 07°11'14" E
"B"	0336'16"	11419.00'	344.17'	344.16'	S 07°30'57" E

FLOOD ZONE DESIGNATION: ZONE "X" (SHADED)
AREAS OF 500-YEAR FLOOD; AREAS OF 100-YEAR
FLOOD; AND AREAS OF 50-YEAR FLOOD. THIS SURVEY
GIVES THE AREAS OF FLOOD PROTECTION, THE AREAS
AND AREAS PROTECTED BY LEVEES FROM 100-YEAR
FLOOD.

COMMUNITY-PANEL NUMBER 480334 0450 C
MAP REVISED: JUNE 6, 2000
MAP REVISED: MAY 20, 2002 (LDMR)

ONE MILE 8 NORTH ROAD

IRON ROD
R/A
IRON ROD
C.P.S.

IRON ROD
24" CONC. STAND PIPE
IRON ROD

LEGEND
• SET 1/2" X 24" IRON ROD WITH CAP UNLESS OTHERWISE NOTED

LEGEND
← = GUY WIRE
⊕ = POWER POLE
⊖ = WATER METER
⊙ = SIGN
⊕ = SERVICE POLE
⊖ = TEL. PED.
⊕ = IRRIGATION VALVE

PLAT SHOWING

A 30.72 ACRE TRACT OF LAND OUT OF LOTS 9 AND 16, BLOCK 115, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

BEARINGS SHOWN ON THIS SURVEY PLAT ARE IN
ACCORDANCE WITH LAS BRISAS DEL ORO UNIT
SURVEY, BLOCK 33, TRACT 15, MAP RECORDS,
HIDALGO COUNTY, TEXAS.

1. ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL
LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING
PLAT TO BE A TRUE AND CORRECT REPRESENTATION
OF THE SURVEY DONE ON THE GROUND UNDER MY DIRECTION.
THERE ARE NO VISIBLE DISCREPANCIES, CONFLICTS, OR
SHORTAGES IN AREA ON BOUNDARY LINES, OR ANY VISIBLE
IMPROVEMENTS EXCEPT AS SHOWN ON THIS PLAT.



ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 4856

VOL. 1 PAGE 2
SURVEYED AUGUST 14, 2023
OWNER
ADDRESS 124 E. STUBBS ST.
EDINBURG, TEXAS 78839
JOB No. G.F. No. 954182 PAGE 1
BOOK No. 12410 SUBDIVISIONS/Mercedea SAN JACINTO ESTATES No.1610DWCSURVEY130.72

QUINTANILLA, HEADLEY AND ASSOCIATES, INC.
CONSULTING ENGINEERS
124 E. STUBBS ST.
EDINBURG, TEXAS 78839
PHONE 936-281-6480
FAX 936-281-6527
ALPHASURV@GMAIL.COM

LAND SURVEYORS
PHONE 936-281-6480
FAX 936-281-6527
ALPHASURV@GMAIL.COM

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (this "**Agreement**") is by and among the CITY OF MERCEDES, Texas, a political subdivision of the State of Texas (the "**City**"), TAX INCREMENT REINVESTMENT ZONE NO. 2, CITY OF MERCEDES, TEXAS, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code ("**TIRZ #2**"), and SAN JACINTO ENTERPRISES, a Texas limited liability company (the "**Developer**"), is entered into on this ____ day of JANUARY 2025 (the "**Effective Date**"). The City, the Developer, and TIRZ #2 may be individually referred to herein as "**Party**" and collectively as the "**Parties**."

RECITALS AND FINDINGS

WHEREAS, Developer owns and is proposing to develop a certain tract of land currently known as Subdivision 12, totaling approximately 127.44 acres, excluding Rights of Way to be improved, in the City's ETJ (the "**Project Site**"), and also co-owns and is proposing to develop one half of known a tract of land known as Subdivision 16, totaling approximately 78.5 acres which is one of two development parcels of land located in TIRZ #2, as shown on the property map contained in **Exhibit A** attached hereto and incorporated herein for all purposes (the "**Property**"), and desires to construct and develop certain residential developments on the entirety of the Property (the "**Project**"); and,

WHEREAS, the City, pursuant to Chapter 311, Texas Tax Code as amended, has : (a) created a tax increment reinvestment zone over the entire Property to facilitate the development of the land, (b) provide certain agreed upon reimbursements to Developer for the Project funded by the Developer, and (c) seek and approve a participation agreement with the County for participation in the TIRZ #2;

WHEREAS, the City of Mercedes, Texas (the "**City**") has agreed to participate in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 seventy percent (70%) of approved *Ad Valorem* Tax Rate each year until December 31, 2059, as set forth in Ordinance No. 2024-22, creating TIRZ #2 City of Mercedes; and,

WHEREAS, Hidalgo County, Texas (the "**County**") is considering participating in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 fifty percent (50%) of its Maintenance and Operation Tax Rate , as will be memorialized in that certain Inter-local Agreement Tax Increment Reinvestment Zone #2, to be approved by and between the County and the City, (the "**TIRZ#2 Inter-local Agreement**"); and,

WHEREAS, while portions of the Property may be sold or conveyed to third parties, Developer shall be responsible for the overall development of the Project and all portions of the Property shall be included under this Agreement;

WHEREAS, the Board of Directors for TIRZ #2 (the “**TIRZ Board**”) and the City Council for the City of Mercedes (the “**City Council**”) each approved and adopted the Project Plan and Reinvestment Zone Financing Plan for TIRZ #2, dated August 5, 2025, (the “**TIRZ Plan**”);

WHEREAS, the Parties desire to provide for the development and financing of the projects set forth below to implement the TIRZ Plan;

WHEREAS, the City Council of the City of Mercedes has found and determined that the construction of the Project will provide the benefit of serving the public interest and welfare and enhancing the economic stability and growth of the City, contribute to the expansion of the City’s tax base, increase mobility by construction of road ways and related infrastructure, facilitate the development of raw land into a master-planned mixed use development;

WHEREAS, the Project is consistent with the City’s economic development objectives to increase taxable property values and taxes in the residential areas of the Project;

WHEREAS, the City agrees to provide financial and development assistance to the Developer through utilization of the TIRZ;

WHEREAS, the TIRZ Board shall possess all powers necessary to implement and monitor the TIRZ Plan as the City Council considers advisable, including without limitation, the submission of an Annual Reimbursement Report [defined in Article III, Section 4(f)];

WHEREAS, the Parties hereto have agreed that the TIRZ #2 shall be responsible for verifying the Developer’s ongoing compliance with the requirements set forth in this Agreement necessary to obtain City payments as detailed herein;

WHEREAS, the Developer has agreed to petition the City for annexation of the land within the TIRZ, and also finance certain agreed upon infrastructure improvements, to develop the master planned mixed use project, and satisfy and comply with certain terms and conditions;

WHEREAS, the Parties agree that the provisions of this Agreement substantially advance a legitimate interest of the City;

WHEREAS, the Parties desire to cooperate in the development of the Project, on the terms and conditions contained herein;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

- I. “**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.
- II. “**Annual Payment(s)**” means the periodic payments of Tax Increment Revenue made to Developer as provided herein, and as set forth in Chapter 311, Texas Tax Code.
- III. “**Base Value**” shall mean the taxable value of the property located within the Property as of January 1, 2024, which amount is deemed to be \$3,083,165;
- IV. “**Captured Appraised Value**” means the total appraised ad valorem value of all real property taxable by the City and located in the Property as of January 1 of any year less the Base Tax.
- V. “**Developer Interest**” means interest accrued on the actual public improvement costs paid by the Developer at a per annum rate equal to 8.5%. Developer Interest shall accrue from the later of (i) the Effective Date of this Agreement for all expenditures made related to the creation of the TIRZ #2 or (ii) the date of actual payment by the Developer for expenditures made after the TIRZ #2 creation, and shall continue until such time the Developer receives full payment for the Project Costs (defined in Section 2(a)).
- VI. “**Person**” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.
- VII. “**Local Government Corporation**” means a tax exempt not for profit entity created pursuant to Chapter 431, Texas Transportation Code, and authorized by the City through the approval of an agreement to manage the TIRZ on the City’s behalf, and also serve as the debt facility mechanism should the City consent to the sale of tax exempt bonds to finance developer reimbursements or other project costs.
- VIII. “**Project Manager**” means the Developer for a project by Developer or the City for a project by the City.
- XI. “**Tax Increment**” means funds from the amount of ad valorem taxes levied and collected by the City on the Captured Appraised Value of real property located within the Property.
- X. “**Tax Increment Revenue**” means all (i) tax incremental revenues levied and collected from taxable incremental value in the TIRZ #2 x the current City approved *Ad Valorem* Tax Rate x .70, for thirty four (34) years (the duration of the

TIRZ #2) and payable to the Developer under this Agreement and (ii) tax incremental revenues levied and collected from the taxable incremental value in the TIRZ #2 x the current County approved *Ad Valorem* Tax Rate, as set forth in the inter-local agreement approved by both the City and the County for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement.

- XI. **"Term"** means a term of thirty four (34) years during which the annual Tax Increment Revenue and annual Captured Appraised Value of the Property is calculated and the resulting Annual Payment is disbursed by the City.
- XII **"Reimbursable Project Costs"** means all costs set forth in Table I—Project Plan and Reinvestment Zone Financing Plan for TIRZ #2 and in **Exhibit B** of this Agreement, which costs are currently estimated to be \$91,252,781

ARTICLE II THE PROJECT

- 1. Development of the Project. The Project is to be constructed in two phases consisting of residential development and limited multifamily development, each phase must be in accordance with the Developer's Master Plan, and as reflected in the project plan and the approved City Plat.
- 2. Project Costs & Improvements for Subdivision 12, and 1/2 of Subdivision 16.
 - (a) All of the TIRZ #2 improvements set forth in **Exhibit B**, related to Subdivision 12, and including 3/4s of the estimated Interest costs, and 3/4 of the TIRZ administration costs, as set forth in the TIRZ #2 project plan attached hereto and incorporated herein for all purposes (collectively, and 1/2 of the project costs set forth in Exhibit B for Subdivision 16, the "**Project Improvements**"), together with the costs of the construction of such Project Improvements including, without limitation, all costs incurred in connection with obtaining governmental approvals, certificates, and permits and all costs of engineering, testing and inspection required in connection with the construction of the improvements, and including the costs of creation of the Zone shall be referred to herein as the "**Project Costs**."
 - (b) The Developer shall design, permit and construct the public roads as approved by the City and shall dedicate them, as such, to the City upon their completion. All such public roads accepted by the City shall thereafter be owned and maintained by the City.
 - (c) The Developer shall construct and install all reasonable and necessary traffic control devices (including signs) within the Project as required by the City, the County or

other appropriate Party with jurisdiction. All such traffic control devices (including signs) shall thereafter be operated and maintained by the City, the County or other appropriate Party with jurisdiction.

- (d) In the event that City and Developer mutually agree to the elimination or modification of any improvement listed as a component of the Project Costs, then the Parties may mutually agree, in writing, to modify, eliminate, amend or re-apportion the Project Costs in question.
3. Cost of Improvements to be Funded by the Developer. Unless otherwise agreed to by the Parties in writing, the Developer shall promptly pay (or cause to be paid) all Project Costs of constructing the Project Improvements including, without limitation: (i) all costs of design, engineering, materials, labor, construction, permitting, testing and inspection, arising in connection with the construction of the Project Improvements (except for those items which may be contested in good faith by Developer); (ii) all payments arising under any contracts entered into for the construction of the Project Improvements (except for those items which may be contested in good faith by Developer); (iii) land costs for land dedicated as public rights of way at fair market value; (iv) all financing costs and fees associated with the Project Improvements, including legal fees. The City *shall not be liable* to any contractor, engineer, attorney, material man, laborer, or other party employed by or on behalf of the Developer, its affiliates or designees, as the case may be, in connection with the construction of the Project Improvements.

ARTICLE III PUBLIC FINANCIAL CONTRIBUTION

1. City Payments to Developer.
- (a) In consideration of the City entering into this Agreement and providing for Annual Payments to the Developer under the terms and conditions set forth herein, as further described in more detail throughout this Agreement, the Developer agrees that it, along with its affiliates and any of Developer's current or future successors or assigns to the Project Site, in whole or in part, shall design, permit and construct the Project Improvements in accordance with the City or County codes, as applicable.
 - (b) The Annual Payments made by the City to the Developer shall be paid solely from the *ad valorem* tax incremental revenues collected in the TIRZ #2 for the prior tax year, and including any prior year reconciliations. Each Annual Payment shall be an amount equal to the total Tax Increment Revenue collected based on the following formula: (i) for the City-- Prior Tax Year Certified Taxable Value, Less Base Value / \$100 x the Current City Tax Rate x 70% and (ii) for the County—all Incremental Revenues remitted by the County to the City pursuant to the TIRZ #2 Interlocal Agreement. The Annual Payments shall be paid annually to Developer by the City no

later than June 1, beginning in the first calendar year after Developer receives its first acceptance by the City of the completion of the Project Improvements in the first subdivision platted, improved and completed by Developer and continuing each year thereafter until the earlier of: (i) the date the City has fully paid all Reimbursable Project Costs and Developer Interest to the Developer or Lender (defined below), as applicable, in an amount currently estimated to be \$64,579,552, including estimated interest payments, and as reflected in Table 1, Project Plan and Reinvestment Finance Plan, and as computed pursuant to Section II, 2 (a) of this agreement, or (i) the completion of the Term of TIRZ #2. The total reimbursement will be based on actual expenditures for approved project costs based on an independent audit.

- (c) The Developer may assign revenues received pursuant to this Agreement to a lender to collateralize a loan to further the development within the TIRZ, subject to the consent of the City, which consent shall not be unreasonably withheld. The terms of any borrowing shall be exclusively determined by negotiation between the developer and the Lender.
- 2. Annual Payment Administration. The Parties hereby agree and consent that all Annual Payments shall be paid directly by the City to the Developer or, if applicable, a Local Government Corporation (LGC) created to managed the TIRZ on behalf of the City. Once any Annual Payment (or portion thereof) is delivered by the City to the Developer, or the LGC, the City shall have no further obligation to the Developer as it relates to the annual tax incremental revenues. Total payment to Developer shall be based on the total audited costs of the Developer for those Project Costs as reflected in Table One of the Zone's approved Project Plan, as may be amended from time to time.
- 3. Project Quality. As consideration for City's obligation to pay Developer, the Developer agrees to construct the Project to the standard of quality as required by the City and the County for typical infrastructure constructed in residential and commercial projects.
- 4. Process for Project Development and Distribution of Developer Reimbursement Requests.
 - (a) Before initiating each phase of the Project, the Developer shall make a presentation to the TIRZ Board. Such presentation shall specify: (i) the phase to be initiated, (ii) the estimated cost to design and construct such phase, including any Project Costs, and (iii) the estimated time to complete such phase.
 - (b) Periodically, and no less than twice a year, the Developer shall provide reports regarding the progress of construction of the Project Improvements and the Developer's payment of Project Costs. The Developer shall allow the City and/or TIRZ Board reasonable access to the Project for inspections during all phases of construction.
 - (c) Upon completion of construction of the public infrastructure, any applicable interest in the real property upon which the public improvement is constructed shall be conveyed to

the City or other public entity responsible for operation and maintenance of such completed work, and the City will accept the same upon the completion thereof in accordance with approved plans and specifications. The Developer shall, at its own costs and expense, maintain or cause to be maintained, the completed work until acceptance by the City, as evidenced by written acceptance by the appropriate City administrator, and for one (1) year after said acceptance.

- (d) Developer will work with the TIRZ/ Redevelopment Authority administrator to have an independently prepared agreed upon procedures report (AUP) of developer reimbursable project costs this this Agreement and costs in the approved project plan and reinvestment zone financing plan prepared for submission to the Board of Directors of the TIRZ for approval.
- (e) Upon approval of the Reimbursement Report by the TIRZ Board for the particular Project phase(s) completed at that time, the reimbursements shall become an obligation of the TIRZ and shall be payable from the available funds or bonds in accordance with t h i s Agreement.
- (f) Developer agrees that imputed administration costs in the amount of up to five percent (5%) of the Annual Payment may be retained by the City, and deduction from the Annual Payment made by the City to the Developer (the "**Administrative Costs**").

ARTICLE IV

MISCELLANEOUS PROVISIONS

1. Default; Remedies.

- (a) Unless otherwise provided herein, any Party to this Agreement that believes that the other Party to this Agreement has defaulted in the performance of any condition, term, or obligation owed to that Party under this Agreement shall within twenty (20) business days after discovery of said default, give written notice of the default to the defaulting Party, specifying in detail the provision or provisions of this Agreement that have allegedly been breached and what specific action must be taken to cure or correct the default. Should the Party receiving the notice fail to commence action to correct the default within thirty days, and/or thereafter fail to diligently pursue the completion of the action to correct the default, the Party giving the notice of default may declare the defaulting Party in default. In addition to any other right or remedy available to the Parties under this Agreement, in the event that a Party is declared in default, the complaining Party shall have the right (but not the obligation), in its sole discretion, to exercise its rights with regards to mandamus, specific performance or mandatory or permanent injunction to require the Party alleged to have defaulted or breached to perform.
- (b) In the event that the Developer is in default, the City shall not be obligated to make Annual Payment(s), or any portion thereof, to the Developer unless and until the

default has been cured to the reasonable satisfaction of the City. In the event that the Developer fails to: (i) diligently pursue the completion of the action to correct the default as determined in the City's reasonable discretion, on the timeline established by the City Council; and (ii) such default remains on going six (6) months from the date of the cure deadline established by the City Council pursuant to this section, this Agreement may be terminated or suspended.

- (c) Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement will constitute an election of remedies; and all remedies set forth in this Agreement will be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties has the affirmative obligation to mitigate its damages in the event of a default by the other Party.
 - (d) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any party, except for a delay in payment of the Annual Payment, is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes], labor action, strikes or similar acts) or pandemics, including without limitation, Covid 19, the time for such performance shall be extended by the amount of time of such delay ("**Force Majeure**").
2. Separate Status. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint ventures or members of any joint enterprise.
3. Construction and Interpretation.
- (a) Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words "including", "such as", or words of similar import, when following any general term, statement or matter, shall not be construed to limit such statement, term or matter to specific terms, whether or not language of non- limitation, such as "without limitation", or "but not limited to", are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.

- (b) The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.
- (c) This Agreement may be executed in several counterparts; each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

4. **Indemnification ; Errors, Omissions, Negligent Acts, Legal Fees**

The Developers shall save and hold harmless the City of Mercedes, and its officers and employees, the City’s Tax Increment Reinvestment Zone directors and employees, and it’s authorized and overlaid Local Government Corporation directors and employees from all claims and liability due to activities of itself, its agents, or employees, performed under this contract and which are caused by or result from error, omission, or negligent act of the Developers or of any person employed by the Developers. Such indemnity shall include but not limited to, attorney fees which may be incurred by the City of Mercedes in litigation or otherwise resisting said claim or liabilities which may be imposed on the City as a result of such activities by the Developers, their agents, or employees.

- 5 (a) Actions Performable. The Parties agree that all actions to be performed under this Agreement are performable solely in City of Mercedes, Texas.
- (b) Assignability. Performance by Developer and TIRZ #2 under the terms and conditions of this Agreement are deemed personal and, as such, any attempt to convey, assign or transfer those duties and obligations without the prior written approval and consent by the City are void except for (i) assignments and partial assignments of this Agreement by Developer to any Affiliate of Developer, which are expressly permitted, (ii) assignments and partial assignments of this Agreement by Developer to third parties to whom the Developer has sold land within the Project and provided written notice to the City and TIRZ #2 of same, and (iii) Collateral Assignments [defined in Article V below] and Security Agreements [defined in Article V below] of this Agreement to Lender and other security interests granted under the Loan Documents for the benefit of Lender, which are all expressly permitted hereunder.
- (c) Severability. If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the Parties.

- (d) Complete Agreement. This Agreement represents the complete agreement of the Parties with respect to the subject matter hereof and supersedes all prior written and oral matters related to this Agreement. Any amendment to this Agreement must be in writing and signed by all Parties hereto or permitted or approved assignees.
- (e) Exhibits. All exhibits attached to this Agreement are incorporated herein by reference and expressly made part of this Agreement as if copied verbatim.
- (f) Notice. Any notice or demand, which either the City or the Developer is required to or may desire to serve upon the other, must be in writing, and shall be sufficiently served if
 - (i) personally delivered, (ii) sent by registered or certified mail, postage prepaid, or (iii) sent by commercial overnight carrier, and addressed to:

If to the City:

City of Mercedes, Texas
Attn: City Manager
400 S. Ohio Street
Mercedes, Texas 78570

If to the Developer:

San Jacinto Enterprises
ATT: Mr. Jacinto Garza
2100 W. Expressway 83
Mercedes Texas 78570

If to the TIRZ:

Bill Calderon
Calderon Economic Development Strategies LLC
5523 Spellman Road
Houston, Texas 77096

or such other address or addresses which any Party may be notified in writing by any other Party to this Agreement.

Such notice shall be deemed to have been served (a) five (5) business days after the date such notice is deposited and stamped by the United States Postal Service, except when lost, destroyed, improperly addressed or delayed by the United States Postal Service, or (b) upon receipt in the event of personal service, or (c) the first business day after the date of deposit with an overnight

courier, except when lost, destroyed, improperly addressed or delayed by the courier, or (d) the date of receipt by facsimile (as reflected by electronic confirmation); provided, however, that should such notice pertain to the change of address to any of the Parties hereto, such notice shall be deemed to have been served upon receipt thereof by the Party to whom such notice is given.

(g) Force Majeure. The Parties agree that the obligations of each Party shall be subject to Force Majeure.

(h) Forum Selection. This Agreement and the relationship between the Parties hereto shall be governed and interpreted under the laws of Texas without regard to any conflict of laws provision. Venue for any suit arising out of any relationship between the Parties hereto shall exclusively be the appropriate court in the City of Mercedes, Texas. The Parties specifically consent to and waive any objections to, in personam jurisdiction in City of Mercedes, Texas.

6. Effective Date. This Agreement shall be binding and take effect only upon all Parties signatures hereto, attachment of all required exhibits, and receipt by the City of a fully executed copy hereof. For the purposes of timetables provided in this Agreement, the Effective Date shall be the date first above written.

7. Preamble. The findings of fact, recitations and provisions set forth in the preamble to this Agreement are true and are adopted and made a part of the body of this Agreement, binding the Parties hereto, as if the same were fully set forth herein.

8. Representations. The City and TIRZ #2 represent and warrant to the Developer that the City and TIRZ #2 are duly authorized and empowered to enter into this Agreement, subject to the terms and conditions contained herein, and have the legal right to reimburse the Developer as provided in this Agreement. The Developer represents and warrants to the City and TIRZ #2 that it has the right to enter into this Agreement and is a proper party to this Agreement.

9. Signature Warranty Clause. The signatories to this Agreement represent and warrant that they have the right to execute this Agreement on behalf of the City, TIRZ #2, and Developer, respectively.

10. Legal Contest. This Agreement is entered into in accordance with applicable law as understood by the Developer, the TIRZ #2, and the City. In the event any part, provision or paragraph thereof shall become unenforceable by reason of judicial decree or determination the Parties hereto mutually agree to the extent possible to ensure that all other provisions of this Agreement, including the intent of this Agreement be honored and performed.

11. Conflicts with Ordinances. The Parties agree that any City and/or TIRZ #2 ordinance, or regulation by any other agency over which the City and/or TIRZ #2 has control, whether heretofore or hereafter adopted, that addresses matters that are covered by this Agreement shall not be enforced by the City and/or TIRZ #2, and that the provisions of this Agreement govern

development of the Property and supersede any ordinance or regulation heretofore or hereafter adopted regarding the matters discussed herein.

12. Survival. The covenants and agreements of the Parties set forth in this Agreement shall terminate and expire upon of earlier of (i) when the City, on behalf of itself and the County, has paid all Reimbursement Project Costs and Developer Interest to the Developer, or (ii) December 31, 2059; provided, that the Developer's obligation to indemnify and hold harmless the City and TIRZ #2 shall survive the termination and expiration of this Agreement.

13. Amendment. Any term of this Agreement may be amended or waived only by an instrument in writing and signed by all Parties hereto. Notwithstanding the foregoing, so long as a Lender or its successors or assigns have any liens and/or security interest covering the Property and/or this Agreement, including without limitation, by a Deed of Trust [defined Article V (1) below] covering all or a portion of the Property, and/or a Security Agreement and/or Collateral Assignment covering this Agreement and/or the Other Agreements [defined in Article V (1) below], there shall be no amendments, revisions or corrections to this Agreement without the prior written consent of Lender, which may be withheld in the Lender's sole discretion.

14. Time and Business Days. Time is of the essence for the performance of any obligation under this Agreement. If any date or period for performance provided for herein ends on a Saturday, Sunday, or legal holiday of the City of Mercedes, Texas, then the applicable date or period will be extended to the first day following such Saturday, Sunday, or legal holiday. A business day is defined herein as any day that is not a Saturday, Sunday or legal holiday of the City of Mercedes, Texas.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

City of Mercedes, TEXAS

BY: _____
OSCAR MONTOYA, MAYOR

Date: _____

TAX INCREMENT REINVESTMENT ZONE NO. TWO, City of Mercedes, TEXAS,

a reinvestment zone created by the City of Mercedes, Texas pursuant to Chapter 311 of the Texas Tax Code

BY: _____
Chairman of the Board of Directors

Date: _____

SAN JACINTO ENTERPRISES
a Texas limited liability company

By: _____
Jacinto, Garza, President

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HIDALGO §

This instrument was acknowledged before me by OSCAR MONTOYA, Mayor, for the City of Mercedes, Texas, a municipal corporation of the State of Texas, on behalf of said corporation, this _____ day of JANUARY, 2025.

Notary Public, State of Texas

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HIDALGO §

This instrument was acknowledged before me by OSCAR MONTOYA Chairman of the Board of Directors, for Tax Increment Reinvestment Zone No. TWO, City of Mercedes, Texas, a reinvestment zone created by the City of Mercedes, Texas pursuant to Chapter 311 of the Texas Tax Code, on behalf of said reinvestment zone, this _____ day of JANUARY, 2025

Notary Public, State of Texas

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HIDALGO §

This instrument was acknowledged before me on JANUARY _____, 2025 by JACINTO GARZA, as the PRESIDENT, SAN JACINTO ENTERPRISES, a Texas limited liability company, on behalf of said limited liability company.

Notary Public, State of Texas

EXHIBIT A

PROPERTY MAP

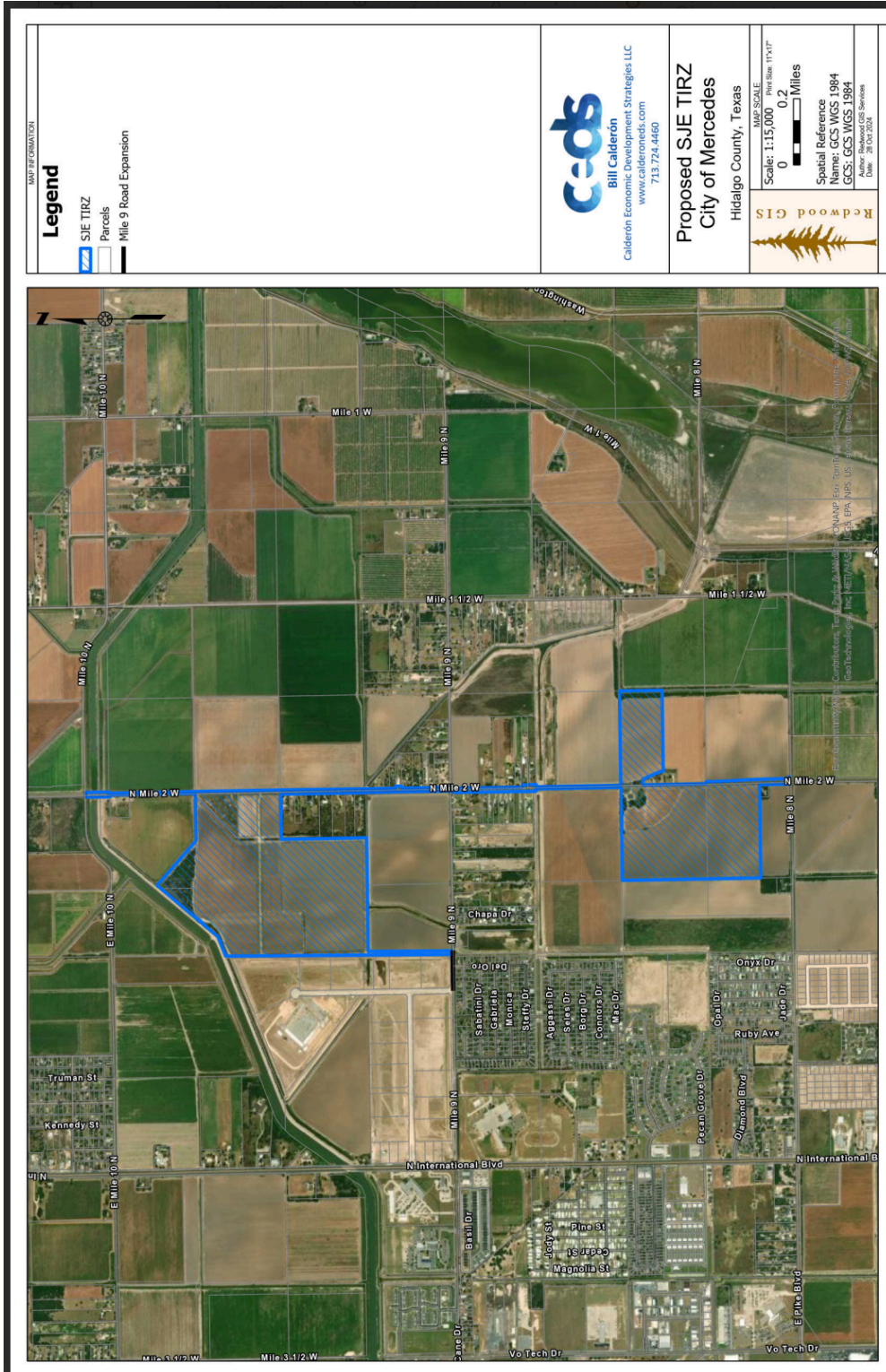
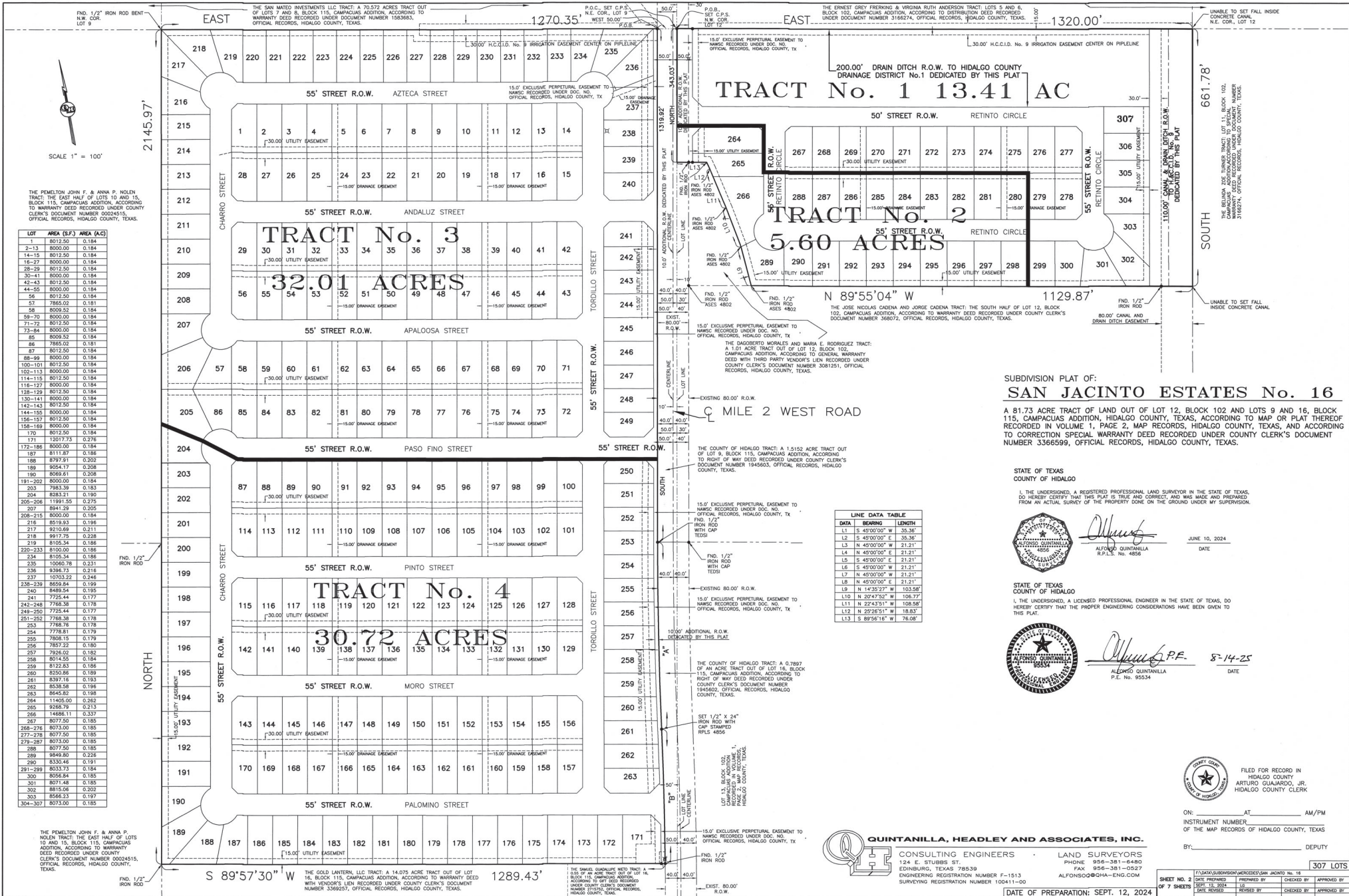


EXHIBIT B
List of Improvements and Eligible TIRZ Project Costs

Mercedes TIRZ #2 – Reimbursable Project Costs				
Category	Subdivision #12 (1)	Subdivision #16 (1)		Total
ROW for Roads/ drainage	\$871,354	\$463,146		\$1,334,500
Surveys/ topos, staking +	\$186,400	\$173,680		\$360,080
Engineering	\$914,428	\$1,029,500		\$1,943,928
Offsite Water Distribution System		\$1,537,300		\$1,537,300
Water Lines	\$1,706,400	\$2,034,985		\$3,741,385
Water supply corp dev fees	\$467,570	\$355,000		\$822,570
Sanitary Sewer	\$2,826,800	\$4,763,342		\$7,590,142
AEP Electrical	\$150,000	\$320,000		\$470,000
Irrigation Line removal	\$30,000	\$14,000		\$44,000
Subdivision Road	\$5,538,764	\$4,363,660		\$9,902,424
Erosion mitigation	\$146,520	\$66,300		\$212,820
Drainage/detention	\$2,579,485	\$1,535,056		\$4,114,541
Fencing/landscaping in public POW	\$973,800	\$551,300		\$1,525,100
Dev. Fees/ Subdivision Adm.	\$26,840	\$26,840		\$53,680
Tap Fees	\$51,300			\$51,300

County Inspection / Utility Fees		\$8,000	\$12,000		\$20,000
Inspection/testing		\$654,348	\$588,400		\$1,242,748
City Park Fees		\$235,500	\$152,500		\$388,000
Public Road improvements		\$1,500,000			\$1,500,000
Creation Costs					\$120,000
Interest Carry (2)					\$40,000,000
Project administration -7 years (3)		\$2,800,000	\$2,800,000		\$5,600,000
Contingency		\$1,858,815	\$1,319,448		\$3,178,263
Chapter 380 project funding					\$3,000,000
TIRZ / RA Administration (4)					\$2,500,000
Total		\$23,526,324	\$22,106,457		\$91,252,781
(1) Projected costs are best estimates based on today's cost. Actual reimbursement of these items will be based on independently audited actual costs.					
(2) Interest paid will depend on a) audited amounts paid for project costs while payments are "as you go, or on the capital cost for tax exempt bonds when sold.					
(3) Project cost will finance admin management of multiple contractors involved in both the residential project and the public road improvements undertaken by the Developer					
(4) Redevelopment Authority management including legal, bookkeeping, auditing, and RA/Zone managing					

Exhibit C—Boundary Description for Subdivision 12 and 1/2 of Subdivision 16



THE PRYOR JOHN F. & ANNA P. NOLEN TRACT: THE EAST HALF OF LOTS 10 AND 15, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 00024515, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

LOT	AREA (S.F.)	AREA (AC)
1	8012.50	0.184
2-13	8000.00	0.184
14-15	8012.50	0.184
16-27	8000.00	0.184
28-29	8012.50	0.184
30-41	8000.00	0.184
42-43	8012.50	0.184
44-55	8000.00	0.184
56	8012.50	0.184
57	7865.02	0.181
58	8009.52	0.184
59-70	8000.00	0.184
71-72	8012.50	0.184
73-84	8000.00	0.184
85	8009.52	0.184
86	7865.02	0.181
87	8012.50	0.184
88-99	8000.00	0.184
100-101	8012.50	0.184
102-113	8000.00	0.184
114-115	8012.50	0.184
116-127	8000.00	0.184
128-129	8012.50	0.184
130-141	8000.00	0.184
142-143	8012.50	0.184
144-155	8000.00	0.184
156-157	8012.50	0.184
158-169	8000.00	0.184
170	8012.50	0.184
171	12017.73	0.276
172-186	8000.00	0.184
187	8111.87	0.186
188	8797.91	0.202
189	8054.17	0.208
190	8069.61	0.208
191-202	8000.00	0.184
203	7983.39	0.183
204	8283.21	0.190
205-206	11891.55	0.275
207	8941.29	0.205
208-215	8000.00	0.184
216	8519.93	0.196
217	9210.69	0.211
218	9917.75	0.228
219	8105.34	0.186
220-233	8100.00	0.186
234	8105.34	0.186
235	10090.78	0.231
236	8396.73	0.216
237	10703.22	0.246
238-239	8659.84	0.199
240	8489.54	0.195
241	7725.44	0.177
242-246	7768.38	0.178
248-250	7725.44	0.177
251-252	7768.38	0.178
253	7768.76	0.178
254	7776.81	0.179
255	7668.15	0.179
256	7657.22	0.180
257	7626.02	0.182
258	8014.50	0.184
259	8122.83	0.186
260	8250.96	0.189
261	8397.74	0.193
262	8538.58	0.198
263	8545.82	0.198
264	11405.00	0.262
265	9288.79	0.213
266	14886.11	0.337
267	8077.50	0.185
268-276	8073.00	0.185
277-278	8073.00	0.185
279-287	8073.00	0.185
288	8077.50	0.185
289	8049.80	0.226
290	8330.44	0.191
291-299	8033.73	0.184
300	8056.84	0.185
301	8071.48	0.185
302	8815.08	0.202
303	8546.23	0.197
304-307	8073.00	0.185

LINE DATA TABLE

DATA	BEARING	LENGTH
L1	S 45°00'00" W	35.36'
L2	S 45°00'00" E	35.36'
L3	N 45°00'00" W	21.21'
L4	N 45°00'00" E	21.21'
L5	S 45°00'00" E	21.21'
L6	S 45°00'00" W	21.21'
L7	N 45°00'00" W	21.21'
L8	N 45°00'00" E	21.21'
L9	N 14°35'27" W	103.58'
L10	N 22°43'52" W	108.77'
L11	N 22°43'51" W	108.58'
L12	N 25°26'51" W	18.83'
L13	S 89°56'16" W	76.08'

STATE OF TEXAS
COUNTY OF HIDALGO

I, THE UNDERSIGNED, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT, AND WAS MADE AND PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY DONE ON THE GROUND UNDER MY SUPERVISION.

ALFONSO QUINTANILLA
R.P.L.S. No. 4856

JUNE 10, 2024
DATE

STATE OF TEXAS
COUNTY OF HIDALGO

I, THE UNDERSIGNED, A LICENSED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE PROPER ENGINEERING CONSIDERATIONS HAVE BEEN GIVEN TO THIS PLAT.

ALFONSO QUINTANILLA P.E.
P.E. No. 95534

8-14-25
DATE

FILED FOR RECORD IN
HIDALGO COUNTY
ARTURO GUJARDO, JR.
HIDALGO COUNTY CLERK

ON _____ AT _____ AM/PM
INSTRUMENT NUMBER _____
OF THE MAP RECORDS OF HIDALGO COUNTY, TEXAS

BY: _____ DEPUTY

307 LOTS

DATE OF PREPARATION: SEPT. 12, 2024

QUINTANILLA, HEADLEY AND ASSOCIATES, INC.
CONSULTING ENGINEERS LAND SURVEYORS
124 E. STUBBS ST.
EDINBURG, TEXAS 78539
PHONE 956-381-6440
FAX 956-381-0527
ALFONSO@QHA-ENG.COM

SHEET NO. 2	DATE PREPARED	PREPARED BY	CHECKED BY	APPROVED BY
OF 7 SHEETS				



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

Consulting Engineers ★ Land Surveyors

Engineering Firm Registration No. F-1513
Surveying Firm Registration No. 100411-00
Municipal & County Projects ★ Subdivisions ★ Surveys
124 E. Stubbs, Edinburg, Texas 78539
Phone 956/381-6480 Fax 956/381-0527

METES AND BOUNDS

A 13.41 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST CORNER OF LOT 12 AND THE THE NORTHWEST CORNER OF THIS TRACT.

THENCE; EAST, ALONG THE NORTH LINE OF LOT 12, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 1,320.00 FEET TO A POINT FOR THE NORTHEAST CORNER OF LOT 12 AND THE NORTHEAST CORNER OF THIS TRACT.

THENCE; SOUTH, ALONG THE EAST LINE OF LOT 12, A DISTANCE OF 661.78 FEET TO A POINT FOR THE NORTHEAST CORNER OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT (THE SOUTH HALF OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 368072, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 89°55'04" W, ALONG THE NORTH LINE OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT, A DISTANCE OF 421.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, A DISTANCE OF 291.67 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; WEST, A DISTANCE OF 677.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; NORTH, A DISTANCE OF 119.50 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

A 7.35 AC TR OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102
CAMPACUAS ADDITION

THENCE; WEST, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 192.00 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 222.00 FEET TO A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE MOST SOUTHERLY NORTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD, A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 13.41 ACRES OF LAND MORE OR LESS.

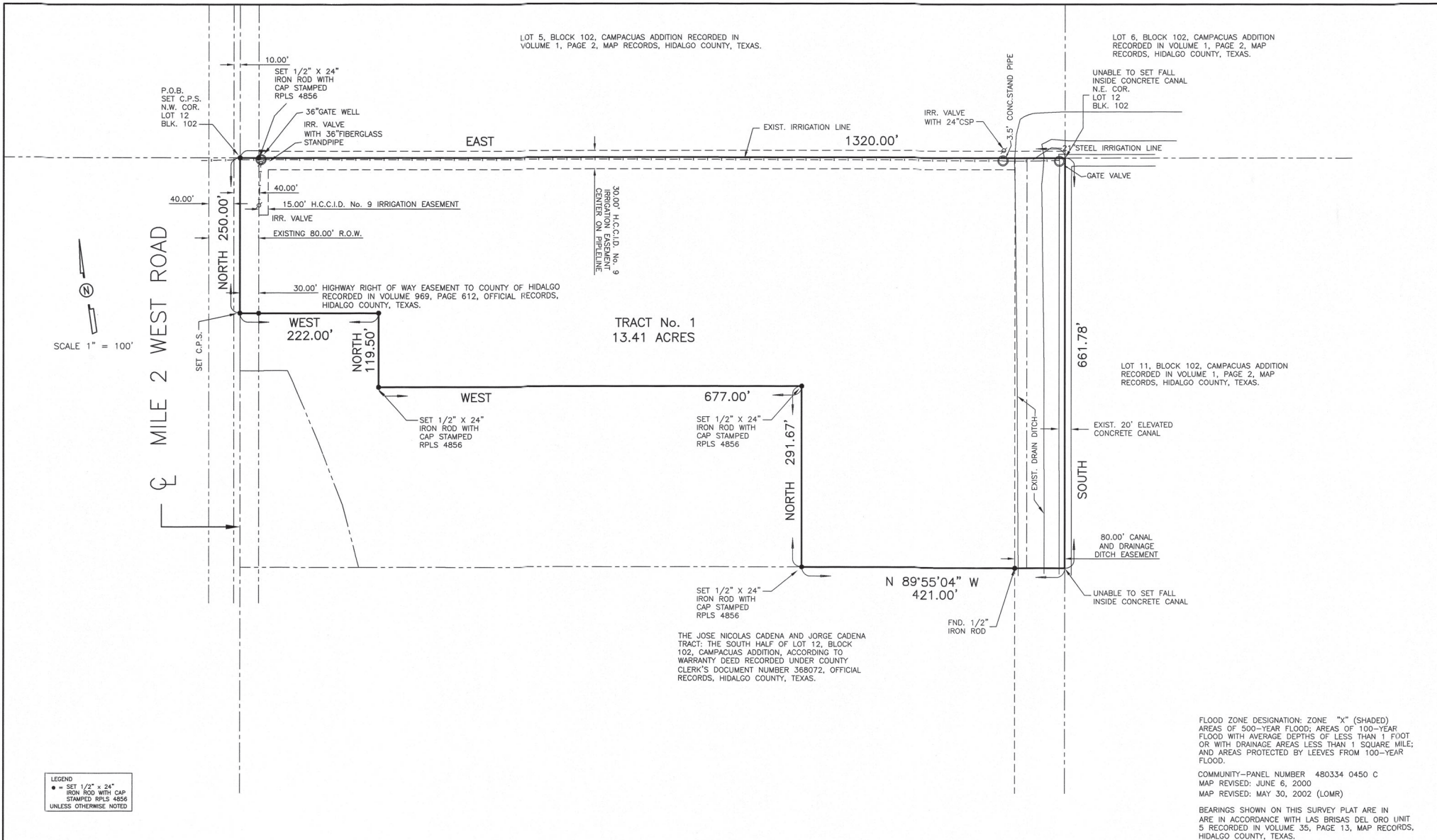
BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: AUGUST 14, 2025

ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856

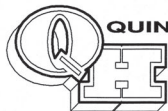




PLAT SHOWING

A 13.41 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

VOL. 1 PAGE 2
 SURVEYED AUGUST 14, 2025
 OWNER _____
 ADDRESS _____
 JOB No. G.F. No. 954162
 BOOK No. PAGE _____
 FILE NAME: Z:\data\SUBDIVISIONS\Mercedes\SAN JACINTO ESTATES No.16\DWG\SURVEY\13.41 SURVEY



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

CONSULTING ENGINEERS
 124 E. STUBBS ST.
 EDINBURG, TEXAS 78539
 ENGINEERING REGISTRATION NUMBER F-1513
 SURVEYING REGISTRATION NUMBER 100411-00

LAND SURVEYORS
 PHONE 956-381-6480
 FAX 956-381-0527
 ALFONSOQ@QHA-ENG.COM



Alfonso Quintanilla
 ALFONSO QUINTANILLA
 REGISTERED PROFESSIONAL LAND SURVEYOR
 No. 4856



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

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Engineering Firm Registration No. F-1513
Surveying Firm Registration No. 100411-00
Municipal & County Projects * Subdivisions * Surveys
124 E. Stubbs, Edinburg, Texas 78539
Phone 358/381-6480 Fax 358/381-6527

METES AND BOUNDS

A 32.01 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 9, BLOCK 115, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE NORTH LINE OF LOT 9 AND ON THE WEST RIGHT OF WAY OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945603, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE NORTHEAST CORNER OF THIS TRACT, SAID ROD BEARS WEST, 50.00 FEET FROM THE NORTHEAST CORNER OF LOT 9.

THENCE; SOUTH, ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A DISTANCE OF 1,105.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; WEST, A DISTANCE OF 1,075.35 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; N 62°15'37" W, A DISTANCE OF 100.21 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 67°29'24" W, A DISTANCE OF 115.08 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE WEST LINE OF LOT 9 FOR THE MOST NORTHERLY SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOT 9, A DISTANCE OF 1,014.30 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF LOT 9 AND THE NORTHWEST CORNER OF THIS TRACT.

THENCE; EAST, ALONG THE NORTH LINE OF LOT 9, A DISTANCE OF 1,270.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 32.01 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: AUGUST 14, 2025

Alfonso Quintanilla

ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856

