

## Ad Valorem Tax Agreement

This 2014 Ad Valorem Tax Agreement (this "**Agreement**") is entered into effective as September 23, 2014, by and between HIDALGO COUNTY, TEXAS ("**County**") and GUERRA BROTHERS MASTER PARTNERSHIP ("**Partnership**"), a Texas general partnership.

WHEREAS, the County and the Partnership are exchanging certain real property: the County is conveying to the Partnership the real property described in Exhibit "A" attached hereto ("**Tract I**") and the Partnership is conveying to the County the real property described in Exhibit "A-1" attached hereto ("**Tract II**") (Tract I and Tract II are hereinafter collectively referred to as the "**Real Property**").

WHEREAS, the parties desire to set forth their agreement with respect to the payment of ad valorem taxes on the Real Property.

NOW THEREFORE, the County and the Partnership agree as follows:

1. The 2014 ad valorem taxes on Tract I were not prorated at closing because the County, as owner of Tract I, is exempt from paying such taxes. The Partnership is solely responsible for payment of the 2014 ad valorem taxes assessed against Tract I for the period attributed to the Partnership's ownership of Tract I.

2. The Partnership acquired Tract II on June 25, 2014, from an entity who was exempt from paying ad valorem taxes on Tract II and therefore, the County and the Partnership have agreed to prorate the 2014 ad valorem taxes attributed to the Partnership's ownership of Tract II, and those taxes were prorated between the County and the Partnership, as of September 23, 2014, as follows: 89/188ths to the Partnership; and 99/188ths to the County, in accordance with the computation formula set forth on Schedule "O1" attached hereto. The County, at closing, received a proration credit of \$41.10 for 2014 ad valorem taxes on Tract II. The proration credit was based on the estimated appraised value of Tract II, and the ad valorem tax rates in effect, for calendar year 2014.

3. After the 2014 ad valorem taxes attributed to the Partnership's ownership of Tract II are finally determined pursuant to the tax statements issued by the appropriate taxing authorities, the County is responsible for paying such ad valorem taxes. If such taxes are higher than the estimated ad valorem taxes set forth herein, the Partnership is responsible for paying the difference to the County, and if such taxes are lower than the estimated taxes forth herein, the County may retain any excess funds due to the proration of taxes between the Partnership and the County. Any rollback taxes on Tract II are the sole responsibility of the Partnership.

Executed effective as of the date first written above.

[SIGNATURE PAGE FOLLOWS]

**COUNTY:**  
HIDALGO COUNTY, TEXAS

By: \_\_\_\_\_  
Ramon Garcia, County Judge

**PARTNERSHIP:**

GUERRA BROTHERS MASTER  
PARTNERSHIP

By: \_\_\_\_\_  
A. R. Guerra, Partner

By: \_\_\_\_\_  
Carlos X. Guerra, Sr., Partner

By: \_\_\_\_\_  
Hector M. Guerra, Partner

By: \_\_\_\_\_  
Carmen E. Yzaguirre, Sr., Partner

By: \_\_\_\_\_  
Gerardo L. Guerra, Sr., Partner

EXHIBIT "A"

EXHIBIT A - PAGE 1

**METES AND BOUNDS DESCRIPTION  
0.935 ACRE LYING IN  
TRACT 84, SAN SALVADOR DEL TULE GRANT  
HIDALGO COUNTY, TEXAS**

Being a 0.935 acre tract of land lying in and being a part of Tract 84, San Salvador Del Tule Grant, Hidalgo County, Texas as per map recorded in Volume 10, Pages 58-60, Hidalgo County Map Records (H.C.M.R.), and also being part of a 10.0 acre tract of land described in a deed to Hidalgo County, Texas as recorded in Document No. 2443360, Hidalgo County Official Records (H.C.O.R.). Said 0.935 acre tract being more particularly described by metes and bounds:

**COMMENCING FOR REFERENCE** at a 1/2-inch iron rod found for an interior corner on the northern boundary line of said 10.0 acre tract;

**THENCE** South 13° 05' 09" East with the common boundary line of said 10.0 acre tract and a 5,145.2 acre tract of land described in Document No. 2234665 (H.C.O.R.) to Guerra Brothers Partnership, a distance of 587.22 feet to a 5/8-inch iron rod with plastic cap stamped "AA" (hereinafter referred to as "with cap") set for the northwest corner of the herein described tract and for the **POINT OF BEGINNING**;

**THENCE** South 13° 05' 09" East continuing along said common boundary line, a distance of 117.95 feet to a 1/2-inch iron rod found for the northeast corner of the herein described tract and for the common corner of said 10.00 acre and 5,145.2 acre tracts;

**THENCE** South 34° 24' 28" West and departing from said 5,145.2 acre tract and following the east boundary line of said 10.00 acre tract, a distance of 428.77 feet to a 1/2-inch iron rod found for the southeast corner of the herein described tract and also being the southern most east corner of said 10.00 acre tract.;

**THENCE** North 55° 34' 47" West and departing from said 10.00 acre tract and following the common boundary line of a 2.00 acre tract of land described in Document No. 1923730 (H.C.O.R.) to Guerra Brothers Partnership and said 10.0 acre tract, a distance of 86.96 feet to a 5/8-inch iron rod with cap set for the southwest of the herein described tract;

**THENCE** North 34° 24' 28" East departing from said common line of 2.00 acre and 10.00 acre tracts, a distance of 508.45 feet to the **POINT OF BEGINNING** and containing 0.935 acre of land.

I, JAMES ARANDA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE AND THE SUBSEQUENT PLAT AND DESCRIPTION TO BE A TRUE AND CORRECT REPRESENTATION OF LAND AS SURVEYED ON THE GROUND UNDER MY DIRECTION AND SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYOR'S STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1B, CONDITION IV SURVEY.

BOUNDARY SURVEY:

0.935 acre tract lying in

Tract 84, San Salvador del Tule Grant

EXHIBIT "A-1"

EXHIBIT A-1 PAGE 1

METES AND BOUNDS DESCRIPTION  
0.935 ACRE LYING IN  
TRACT 84, SAN SALVADOR DEL TULE GRANT  
HIDALGO COUNTY, TEXAS

2.00

Being a 0.935 acre tract of land lying in and being a part of Tract 84, San Salvador Del Tule Grant, Hidalgo County, Texas as per map recorded in Volume 10, Pages 58-60, Hidalgo County Map Records (H.C.M.R.), and also being part of a 10.0 acre tract of land described in a deed to Guerra Brothers Partnership as recorded in Document No. 1923730, Hidalgo County Official Records (H.C.O.R.). Said 0.935 acre tract being more particularly described by metes and bounds:

COMMENCING FOR REFERENCE at a 1/2-inch iron rod found for an interior corner on the northern boundary line of a 10.0 acre tract of land described in a deed to Hidalgo County, Texas as recorded in Document No. 2443360 (H.C.O.R.);

THENCE South 13° 05' 09" East with the common boundary line of said 10.0 acre tract and a 5,145.2 acre tract of land described in Document No. 2234665 (H.C.O.R.) to Guerra Brothers Partnership, a distance of 705.17 feet to a point for a common corner of said tracts;

THENCE South 34° 24' 28" West with the common boundary line of said 5,145.2 acre 10.00 acre tracts, a distance of 428.77 feet to a 1/2-inch iron rod found for a common corner of said tracts;

THENCE North 55° 34' 47" West and departing from said common corner and following the common boundary line of a 2.00 acre tract of land described in Document No. 1923730 (H.C.O.R.) to Guerra Brothers Partnership and said 10.0 acre tract, a distance of 86.96 feet to a 5/8-inch iron rod with plastic cap stamped "AA" (hereinafter referred to as "with cap") for the northeast of the herein described tract and POINT OF BEGINNING;

THENCE South 34° 24' 28" West departing from the common boundary line of said 2.00 acre and 10.00 acre tracts, a distance of 174.81 feet to a 5/8-inch iron rod with cap set for the southeast corner of the herein described tract, also being on the North right-of-way line of F.M.1017;

THENCE North 55° 38' 28" West, along said North right-of-way line of F.M. 1017, a distance of 232.53 feet to a 1/2-inch iron rod found for the southwest corner of the herein described tract, also being the common corner of said 10.00 acre and 2.00 acre tracts;

THENCE North 34° 24' 28" East departing from said North right-of-way line, along the common boundary line of said 10.00 acre and 2.00 acre tracts, a distance of 175.06 feet to a 5/8-inch iron rod with cap set for the northwest corner of the herein described tract and being the common corner of said 10.00 acre and 2.00 acre tracts;

THENCE South 55° 34' 47" East along the common boundary line of said 2.00 acre and 10.00 acre tracts, a distance of 232.60 feet to the POINT OF BEGINNING and containing 0.935 acres of land.

I, JAMES ARANDA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE AND THE SUBSEQUENT PLAT AND DESCRIPTION TO BE A TRUE AND CORRECT REPRESENTATION OF LAND AS SURVEYED ON THE GROUND UNDER MY DIRECTION AND SUBSTANTIALLY COMPLES

BOUNDARY SURVEY:

**Schedule "1"**  
**Listing of Tax Account Numbers Associated With Tract II**

<b>Account Number</b>	<b>Total Acreage</b>	<b>2013 Taxes</b>
D3200-00-084-0000-08	2.00	\$186.14

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Acre Average = 92.85 x 0.935 acres in Tract II = \$86.82

**Proration:**

86.82 x 89/188 = 41.10 (pro rata credit to County)