

September 7, 2021

Mrs. Maria Arcilia Duran, CPA
Hidalgo County Auditor
2808 South Business Hwy 281
Edinburg, Texas 78539

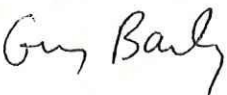
Dear Mrs. Duran:

As per your request, please consider this correspondence as certification that The University of Texas System and The University of Texas Rio Grande Valley (collectively "UT") are in compliance with the Chapter 381 Economic Development Agreement that became effective November 17, 2015. Attached is a report accurately reflecting the status of actions taken by the UTRGV School of Medicine (SoM) to date as well as a schedule for the use of grant money provided by Hidalgo County to the SoM.

This report and schedule satisfy the reporting requirement found in Article VIII of the Chapter 381 Economic Development Agreement and UTRGV's duty to ensure compliance with the Agreement.

Please let me know if you should need any additional information.

Respectfully,



Guy Bailey
President

cc: Chancellor James B. Milliken
Ms. Amy Shaw Thomas, Senior Vice Chancellor, Health Affairs, UT System
Dr. Michael Hocker, Dean, UTRGV School of Medicine

RECEIVED

SFP 13 2021

Hidalgo County
AUDITORS OFFICE

Office of the President

One West University Blvd.
Brownsville, Texas 78520
(956) 882-8201

1201 West University Drive
Edinburg, Texas 78539
(956) 665-2100

2102 Treasure Hills Blvd.
Harlingen, Texas 78550
(956) 296-1415

701 E. Expressway 83, Box 10
McAllen, Texas 78501
(956) 882-8201

utrgv.edu

**THE UNIVERSITY OF TEXAS SYSTEM
PROJECT STATUS REPORT as of August 31, 2021
ECONOMIC DEVELOPMENT AGREEMENT WITH HIDALGO COUNTY**

Action	Date	Status
Submit Preliminary Planning proposal to BOR	November 2014	Complete
Present Preliminary Planning proposal at BOR meeting for approval	February 5-6, 2014	Complete
Notification to THECB	February 2014	Complete
Inaugural Dean of Medical School named	February 2014	Complete
Apply for LCME Applicant School Status	February 2014	Complete
Start of 18-month self-study timeline (February 2014- December 2014)	February 2014	Complete
Post UTRGV Medical School positions	May 1, 2014	Complete
New Doctoral Program Full Proposal submitted to UT System	April 1, 2014	Complete
Present New Doctoral Program Full Proposal for BOR Approval	July 2014	Complete
Notification to THECB	July 2014	Complete
Submit DCI to the LCME for Preliminary Accreditation	December 1, 2014	Complete
LCME Candidacy Status Granted	February 10, 2014	Complete
THECB Site Visit Scheduled	February 16-17, 2015	Complete
LCME Preliminary Accreditation Site Visit	July 2015	Complete
THECB Approval	July 2015	Complete
LCME Site Visit	July 2015	Complete
Response to Site Visitors	August 2015	Complete
Submit SACSCOC Prospectus for Expanded Scope for MD Degree	September 2015	Complete
LCME Board review and approval for Preliminary Accreditation status	October 2015	Complete
Provide update to THECB	October 2015	Complete
Recruitment of Charter Class	October 2015	Complete
SACSCOC Board review and approval for Preliminary Accreditation status	December 2015	Complete
Submit MATCH List for Charter Class	January 2016	Complete
Receive MATCH Results	March 2016	Complete
Register for TMDAS	May 2016	Complete
Recruitment of Second SOM Class	May 2016	Complete
Welcome Charter Class	July 2016	Complete
White Coat Ceremony Charter Class	August 2016	Complete
Submit MATCH List for Second SOM Class	January 2017	Complete
Receive MATCH results for Second SOM Class	March 2017	Complete

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Action	Date	Status
Register for TMDSAS	May 2017	Complete
Welcome Second SOM Class	July 2017	Complete
White Coat Ceremony Second SOM Class	July 2017	Complete
Recruitment for Third SOM Class	October 2017	Complete
File Provisional Planning Proposal with LCME Secretariat	November 2017	Complete
LCME Provisional Accreditation Survey Visit	January 2018	Complete
Submit MATCH List for Third SOM Class	January 2018	Complete
Receive MATCH results for Third SOM Class	March 2018	Complete
Register for TMDSAS	May 2018	Complete
Recruitment for Fourth SOM Class	May 2018	Complete
Welcome Third SOM Class	July 2018	Complete
White Coat Ceremony Third SOM Class	July 2018	Complete
Submit MATCH List for Fourth SOM Class	January 2019	Complete
Receive MATCH Results for FOURTH SOM Class	March 2019	Complete
Submit Provisional Accreditation Action Plan to LCME Secretariat	April 2019	Complete
Register for TMDSAS	May 2019	Complete
Recruitment of Fifth SOM Class	May 2019	Complete
Welcome Fourth SOM Class	July 2019	Complete
White Coat Ceremony Fourth SOM Class	August 2019	Complete
Submit Briefing Book for Provisional Accreditation to LCME Secretariat	December 2019	Complete
Submit MATCH List for Fifth SOM Class	January 2020	Complete
LCME Limited Survey for Provisional Accreditation Review by LCME Board	January-February 2020	Complete

**THE UNIVERSITY OF TEXAS SYSTEM
PROJECT STATUS REPORT as of August 31, 2021
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Action	Date	Status
Receive MATCH Results for Residency Training for Inaugural Class of UTRGV SOM	March 2020	Complete
Receive MATCH Results for FIFTH SOM Class	March 2020	Complete
Register with TMDAS	May 2020	Complete
Recruitment for Sixth SOM class	May 2020	Complete
Charter Class Graduation	May 2020	Complete
Welcome Fifth SOM Class	July 2020	Complete
Submit MATCH List for Sixth SOM Class	January 2021	Complete
Receive MATCH Results for Sixth Class	March 2021	Complete
Receive MATCH Results for Residency Training for Class of 2021	March 2021	Complete
Submit Progress Report to LCME	April 2021	Complete
Recruitment of Seventh Class	May 2021	Complete
Graduation of Class of 2021 (Second Class)	May 2021	Complete
Receive Approval for Provisional Accreditation	June 2021	Complete
Welcome Sixth SOM Class	July 2021	Complete
Receive Approval for Provisional Accreditation	July 2021	Complete
Submit MATCH List for Seventh Class	January 2022	Pending
Receive MATCH Results for Seventh Class	March 2022	Pending
Receive MATCH Results for Residency Training for Class of 2022	March 2022	Pending
Recruitment of Eighth Class	May 2022	Pending
Graduation of Class of 2022 (Third Class)	May 2022	Pending
Welcome the Seventh Class	July 2022	Pending
Receive Approval for Full Accreditation	June 2023	Tentative

TRANSFORMING HEALTHCARE

UTRGV's School of Medicine currently has 222 medical students; 249 residents it sponsors in 19 GME programs and fellowships in local hospitals; 56 Ph.D. scientists; 116 primary and specialty physicians are delivering high-quality care at over 31 UT Health RGV sites; and 166 full-time and part-time faculty are training the next generation of physician scientists here in the Rio Grande Valley.

**THE UNIVERSITY OF TEXAS SYSTEM
PROJECT STATUS REPORT as of August 31, 2021
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USE	SITE	AMOUNT
Continued operation of the interdisciplinary care team at <i>UT Health RGV Pediatric Specialty Clinic</i> to include biopsychosocial assessments, developmental pediatric clinical services, GED classes, career counseling, anger management, outpatient substance abuse counseling, adolescent group counseling, and parent groups.	UT Health RGV Pediatric Specialty Clinic, Edinburg	\$0.20 million
Continued operations for delivering a medical education program in accordance with accreditation requirements and SB 24 legislation. This includes the following key functions: <ul style="list-style-type: none"> • Library resources and data collections for students, residents and faculty in Edinburg. • Accreditation activities to strengthen the medical education program for medical students and help the school advance to final accreditation by June 2023. • Housing for students doing clinical rotations in Hidalgo County. 	UTRGV SOM, Edinburg	\$0.60 million
The <i>Unimovil</i> continues to make regular visits and medical residents and faculty with medical students volunteering in underserved communities/colonias providing other services such as free flu shots, COVID-19 screenings, women’s wellness screenings, sports physicals and school physicals.	Indian Hills, Monte Alto, Weslaco, Alton, San Carlos, Alamo, and Las Milpas Colonias, Hidalgo County	\$0.10 million
The Community Health Partnerships program includes the operations of the AHEC clinical site in Hidalgo County as well as the AHEC scholars rotating at the site from School of Medicine, School of Social Work, and School of Nursing.	San Carlos	\$0.10 million
TOTAL		\$1.0 million

WHEREAS, the parties recognize that all agreements of the parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any agency or subdivision thereof at any time governing the subject matters hereof;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

PURPOSE AND INTERPRETATION

UT is taking steps to establish the Medical School in accordance with Senate Bill 24, Regular Session, 83rd Texas Legislature, as codified in Chapter 79 of the Texas Education Code. Subject to the terms and conditions of this Agreement, the County will grant funds to UT each year from 2014 to 2023, in recognition of the increased opportunities for economic development in the County.

ARTICLE II

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out below:

2.1 “*Agreement*” has the meaning given such term in the introductory paragraph above.

2.2 “*City Parties*” has the meaning given such term in the recitals above.

2.3 “*County*” has the meaning given such term in the introductory paragraph above.

2.4 “*Effective Date*” has the meaning given such term in the introductory paragraph above.

2.5 “*Medical School*” has the meaning given such term in the recitals above.

2.6 “*MOU*” has the meaning given such term in the recitals above.

2.7 “*Support Payments*” means the County’s payments pursuant to this Agreement.

2.8 The “*Term*” of this Agreement (hereinafter so called) shall include, and extend until the earlier of, (a) the end of the payout periods of the Support Payments as set forth in this Agreement, or (b) the creation of a County or multi-county taxing district and either (i) the provision of that district of either an equivalent amount of support as that committed by the County and City Parties under the MOU or (ii) the acceptance and continuation by that district of the commitments made by the County and City Parties under the MOU.

2.9 “*UT*” has the meaning given such term in the introductory paragraph above.

ARTICLE III

UT’S OBLIGATION

SECTION 3.1. OBLIGATIONS UNDER MOU. UT remains obligated to the commitments set forth in section 3 of the MOU.

SECTION 3.2. SOLE OBLIGATION. The payment of all indebtedness and obligations incurred by UT in connection with the development, construction, and operation of the Medical School shall be solely the obligations of UT. The County shall not be obligated to pay any indebtedness or obligations of UT and shall only be obligated to reimburse UT for the Support Payments in accordance with the terms and conditions of this Agreement.

ARTICLE IV

PAYMENT OF SUPPORT PAYMENTS

SECTION 4.1. COUNTY’S OBLIGATION. The duty of the County to make Support Payments to UT for any purpose under this Agreement is limited in its entirety by the provisions of this Agreement, including without limitation Sections 7.3 and 7.4 below.

SECTION 4.2. TIME FOR MAKING PAYMENTS. During the Term, the County shall pay, each year from 2014 to 2023, a Support Payment of One Million Dollars (\$1,000,000) per year to UT. The Support Payment for 2014 will be made as soon as

reasonably possible after the Effective Date of this Agreement. The Support Payments for 2015 through 2023 will be made on or around October 15th of each year.

ARTICLE V

COVENANTS

SECTION 5.1. COVENANTS OF UT. UT shall comply with the following covenants.

SECTION 5.1.1. ORGANIZATION. UT shall not change, or permit to be changed, its organizational documents in any manner that would materially adversely affect UT's obligations under this Agreement.

SECTION 5.1.2. BUSINESS OF UT. During the Term of this Agreement, UT shall work to establish the Medical School as required by Chapter 79 of the Texas Education Code and consistent with the terms of the MOU.

SECTION 5.2. COVENANTS OF THE COUNTY. The County shall comply with the following covenants.

SECTION 5.2.1. ORGANIZATION. The County shall not change, or permit to be changed, its organizational documents in any manner that would materially adversely affect UT or the County's obligations under this Agreement.

SECTION 5.3 FURTHER ACTIONS. The County and UT will do all things reasonably necessary or appropriate to carry out the objectives, terms and provisions of this Agreement and to aid and assist each other in carrying out such objectives, terms and provisions.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

SECTION 6.1. REPRESENTATIONS AND WARRANTIES OF UT. UT represents and warrants to the County, as of the Effective Date, as follows:

SECTION 6.1.1. AUTHORITY. The execution, delivery and performance by UT of this Agreement is within its respective powers and have been duly authorized by all necessary action.

SECTION 6.1.2. NO CONFLICTS. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein contemplated, nor compliance with the terms and provisions hereof will contravene the organizational documents of UT or any judgment, decree, license, order or permit

applicable to UT, or will conflict or be inconsistent with, or will result in a breach of any of the terms of the covenants, conditions or provisions of, or constitute a delay under, or result in the creation or imposition of a lien upon any of the property or assets of UT pursuant to the terms of any indenture, mortgage, deed of trust, agreement or other instrument to which UT is a party or, to the knowledge of UT, by which UT is bound, or to which UT is subject.

SECTION 6.1.3. NO PENDING LITIGATION. There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the current actual knowledge of UT, threatened against or affecting UT or any subsidiaries of UT, questioning the validity or any action taken or to be taken by UT in connection with the execution, delivery and performance by UT of this Agreement or seeking to prohibit, restrain or enjoin the execution, delivery or performance by UT hereof, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of UT to perform, its obligations under this Agreement or (ii) would have an adverse effect on the consolidated financial condition or results of operations of UT or on the ability of UT to conduct its business as presently conducted or as proposed or contemplated to be conducted (including the operation of the Medical School).

SECTION 6.1.4. NO DEFAULTS. UT is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which UT is a party or by which UT or any of its property is bound that would have any material adverse effect on UT's ability to perform under this Agreement.

SECTION 6.2. REPRESENTATION AND WARRANTIES OF THE COUNTY. The County represents and warrants to UT, as of the Effective Date, as follows:

SECTION 6.2.1. AUTHORITY. The execution, delivery and performance by the County of this Agreement is within its respective powers and have been duly authorized by all necessary action.

SECTION 6.2.2. NO CONFLICTS. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof will contravene the governing documents of the County or any judgment, decree, license, order or permit applicable to the County, or will conflict or be inconsistent with, or will result in a breach of any of the terms of the covenants, conditions or provisions of, or constitute a delay under, or result in the creation or imposition of a lien upon any of the property or assets of the County pursuant to the terms of any indenture, mortgage, deed of trust, agreement or other instrument to which the County is a party or by which the County is bound, or to which the County is subject.

SECTION 6.2.3. NO PENDING LITIGATION. There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the current actual knowledge of the County, threatened against or affecting the County, questioning the validity of any proceedings taken or to be taken by the County in connection with the execution, delivery and performance by the County of this Agreement or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the County hereof, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of, or the authority or ability of the County to perform its obligations under this Agreement.

SECTION 6.2.4. NO DEFAULTS. The County is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which the County is a party or by which the County is bound that would have any material adverse effect on the County's ability to perform under this Agreement.

ARTICLE VII PERSONAL LIABILITY OF PUBLIC OFFICIALS; FUNDING AUTHORITY

SECTION 7.1. COUNTY OFFICIALS. To the extent permitted by State law, no employee of the County, nor any commissioner, official or agent of the County, shall be personally responsible for any liability arising under or growing out of this Agreement.

SECTION 7.2. UT OFFICIALS To the extent permitted by State law, no employee of UT, nor any regent or agent of UT, shall be personally responsible for any liability arising under or growing out of this Agreement.

SECTION 7.3. COMMITMENT OF CURRENT REVENUES ONLY. The Support Payments made hereunder shall be paid solely from lawfully available funds that have been appropriated by the County. Under no circumstances shall the County's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the County shall have no obligation or liability to pay any Support Payments unless the County appropriates funds to make such payment during the year in which such Support Payment(s) is payable.

SECTION 7.4. AUTHORITY. If the final judgment of a court of competent jurisdiction determines that any party to this Agreement lacked the necessary authority to make a commitment expressed in the Agreement, the party is released from the commitment, and that party is entitled to and shall receive a refund of any money paid, transferred, or provided under this Agreement.

ARTICLE VIII INFORMATION

UT shall, at such times and in such form as County may reasonably require, furnish periodic information concerning the status of the performance of its obligations under this Agreement as may be requested in writing by the County.

ARTICLE IX MISCELLANEOUS

SECTION 9.1. ENTIRE AGREEMENT. This Agreement, including exhibits hereto, contains the entire agreement between the parties with respect to the transactions contemplated herein.

SECTION 9.2. AMENDMENT. This Agreement may only be amended, altered, or revoked by written instrument signed by all parties.

SECTION 9.3. SUCCESSORS AND ASSIGNS. In this Agreement, unless a clear contrary intention appears, reference to any party includes such party's successors and assigns, and reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns. This Agreement is not assignable without the prior written permission of the other party thereto.

SECTION 9.4. WAIVER. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel to enforce any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel.

SECTION 9.5. REMEDIES. Upon breach of this Agreement, including any of the covenants contained in Article V or the representations and warranties contained in Article VI, the aggrieved party shall have such remedies as are available in law or equity for breach of contract; provided, however, that no party shall be liable to any other party for incidental or consequential damages.

SECTION 9.6. NOTICES. Any notice, statement and/or communication required and/or permitted to be delivered hereunder shall be in writing and shall be mailed by first-class mail, postage prepaid, or delivered by hand, messenger, telecopy, or reputable overnight carrier, and shall be deemed delivered when received at the addresses of the parties set forth below, or at such other address furnished in writing to the other parties thereto:

UT:

Scott C. Kelley
Executive Vice Chancellor for Business Affairs
201 West 7th Street
Austin, TX 78701-2982
(512) 400-4560
(512) 499-2982 (fax)

COUNTY:

Hidalgo County
302 West University Drive
Edinburg, Texas 78539
Attn: County Judge
Telephone: (956) 318-2600
Facsimile: (956) 318-2699

With a copy to:

Hidalgo County Attorney
Attn: Stephen L. Crain, Attorney
Atlas, Hall & Rodriguez, LLP
818 Pecan Blvd.
McAllen, TX 78501
Telephone: (956) 632-8221
Facsimile: (956) 686-6109

SECTION 9.7. APPLICABLE LAW. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas, and venue shall lie in State courts located in Hidalgo County, Texas.

SECTION 9.8. SEVERABILITY. In the event any provision of this Agreement is illegal, invalid, or unenforceability under the present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceability and is a similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

SECTION 9.9. NO THIRD-PARTY BENEFICIARIES. The County and UT intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any third-party beneficiary, or any individual or entity other than the County and UT or permitted assignees of the County and UT.

SECTION 9.10. NO JOINT VENTURE. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either party as an agent of the other for any purpose whatsoever. Except as otherwise specifically provided herein, neither party shall in any way assume any of the liability of the other for acts of the other or obligations of the other.

SECTION 9.11. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which constitute one instrument.

SECTION 9.12. FORCE MAJEURE. Means an event beyond the reasonable control of a party obligated to perform an act or take some action under this Agreement including, but not limited to, acts of God, earthquake, fire, explosion, war, civil insurrection, acts of the public enemy, act of civil or military authority, sabotage, terrorism, floods, lightning, hurricanes, tornadoes, severe snow storms or utility disruption, strikes, lockouts, major equipment failure or the failure of any major supplier to perform its obligations.

EXECUTED to be effective as of the Effective Date.

COUNTY OF HIDALGO, TEXAS

By: Ramon Garcia
Name: Ramon Garcia
Title: County Judge

ATTEST:

[Signature]
County Clerk

APPROVED BY
COMMISSIONERS' COURT
ON: 12/16/14

UNIVERSITY OF TEXAS SYSTEM

By: _____
Name: Scott C. Kelley
Title: Executive Vice Chancellor for Business Affairs

SECTION 9.11. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which constitute one instrument.

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EXECUTED to be effective as of the Effective Date.

COUNTY OF HIDALGO, TEXAS

ATTEST:

By: _____

Name: Ramon Garcia

Title: County Judge

County Clerk

UNIVERSITY OF TEXAS SYSTEM

By: Scott C. Kelley

Name: Scott C. Kelley

Title: Executive Vice Chancellor for Business Affairs