

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSIONERS COURT OF HIDALGO COUNTY, TEXAS, APPROVING AND ADOPTING DOCUMENTS RELATING TO THE LOS PRADOS DOWNPAYMENT ASSISTANCE PROGRAM (“LPDAP”) AS RECOMMENDED BY THE BOARD OF DIRECTORS FOR REINVESTMENT ZONE NUMBER ONE, HIDALGO COUNTY

WHEREAS, tax increment financing is an economic and community development tool authorized by the Tax Increment Financing Act, Texas Tax Code, Chapter 311 (the “Act” or “Chapter 311”), used to promote development or redevelopment in areas where development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the Commissioners Court (“Court”) of Hidalgo County, Texas (“County”) desires to increase the affordability and availability of housing, encourage economic growth, and expand employment opportunities within the County by utilizing economic development tools and methods existing under Chapter 311 to help encourage growth and development within the County in furtherance of the above stated objectives; and

WHEREAS, in accordance with the Act, the Court approved and adopted Order No. 97397 on November 12, 2024 (the “Creation Order”), which, *inter alia*, designated and created Reinvestment Zone Number One, Hidalgo County (“Zone” or “TIRZ”), and established a Tax Increment Financing Fund for the Zone; and

WHEREAS, pursuant to Section 4 of the Creation Order, the Court created a board of Directors for the Zone (the “Board”) with all such rights, powers, and duties as provided under Chapter 311 and in the Creation Order; and

WHEREAS, pursuant to the Creation Order, the Board has the authority to recommend the County to approve such documents as may be necessary to effectuate the purpose(s) of the Zone, including, but not limited to, those documents relating to the Los Prados Downpayment Assistance Program (“LPDAP”) to be administered through the Zone; and

WHEREAS, the TIRZ Board of Directors (“TIRZ Board”) duly passed Resolution No. 2026-69 at a meeting held open to the public on June 9, 2026, recommending approval of documents relating to the LPDAP on behalf of the Zone, copies of which are attached hereto as **Exhibits A-G** (the “LPDAP Documents”) and incorporated herein; and

WHEREAS, the Court desires to approve the LPDAP Documents for the Zone, as recommended by the TIRZ Board, through adoption of this Resolution.

NOW, THEREFORE, BR IT RESOLVED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY, TEXAS, THAT:

Section 1. Findings.

The Court hereby finds and determines that:

- (a) The facts, recitations, and exhibits contained in the preamble of this Resolution are true and correct and are adopted as part of this Resolution for all purposes;

Section 2. Approval of LPDAP Documents

The Court determines that finds that the LPDAP Documents for the Zone, as recommended for approval by the TIRZ Board, are feasible and accomplish the stated purpose of the Zone and the LPDAP.

As such, the Court hereby approves and adopts the LPDAP Documents for the Zone attached hereto as **Exhibits A-G** and fully incorporated herein.

Section 3. Severability.

If any provision, section, subsection, sentence, clause or phrase of this Resolution, or the application of same to any person or to any set circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Resolution or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the Court in adopting this Resolution that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Resolution are declared severable for that purpose.

Section 4. Open Meetings.

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the Hidalgo County Courthouse for the time required by law preceding its meeting, as required by the Open Meetings Law, Chapter 551, as amended, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter hereof has been discussed, considered and formally acted upon. The Court further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 5. Effective Date.

The effective date of this Resolution and its attachments shall be July ____, 2026.

[Signature and Attestation on Following Page]

PASSED AND APPROVED ON THIS THE ___ DAY OF JULY, 2026.

COUNTY OF HIDALGO, TEXAS

Honorable Richard F. Cortez
Hidalgo County Judge

ATTEST:

Arturo Guajardo, Jr.

EXHIBIT A
LPDAP Application

LOS PRADOS DOWNPAYMENT ASSISTANCE PROGRAM

Application

Applicants and Co-Applicants, as applicable, must provide sufficient evidence that their combined income does not exceed One Hundred and Eighty (180%) Percent of the most recently calculated and published Area Median Income (“AMI”) for Hidalgo County, as such AMI is calculated by the United States Department of Housing and Urban Development (“HUD”). For the year 20____, individuals are eligible to submit an application if their household income is below \$ _____.

The following information must be provided. Please complete each answer with clear, printed handwriting.

1. Applicant Information. In addition to completing this section of the Application, Applicant must provide their LPDAP Approved Lender with previous six (6) months of pay stubs for Applicant as well as Applicant’s income tax return for the most recent filing year.

Applicant’s Name: _____
Last, First Middle

Birthdate: _____
Month/Day/Year

Address: _____

Email Address: _____ Ph. No.: _____

Employer: _____

Employer Contact Information:

Supervisor’s Name Employer’s Address Phone No.

Job Title: _____ Time in Position: _____

Monthly Income: _____

2. Co-Applicant Information. A Co-Applicant is a spouse or significant other of Applicant residing in the same household. Complete this section and attach the previous six (6) months of pay stubs for this individual as well as their income tax return for the most recent filing year.

Relationship to Applicant: _____

Co-Applicant’s Name: _____
Last, First Middle

Birthdate: _____
Month/Day/Year

Address: _____

Email Address: _____ Ph. No.: _____

Employer: _____

Employer Contact Information:

Supervisor's Name	Employer's Address	Phone No.
-------------------	--------------------	-----------

Job Title: _____ Time in Position: _____

Monthly Income: _____

3. Application Preference Criteria. LPDAP gives preference to certain applicants. Applicants and Co-Applicants, as applicable, may be entitled to preference in LPDAP if they meet certain criteria. As the Applicant or Co-Applicant, I qualify for preference for consideration of my application because I:

- Am a first-time homebuyer.
- Have not owned a home in the previous three years.
- Am a public employee or essential employee working for a city, county, state, or the federal government.
- Am a teacher or nurse.
- Am a veteran or active-duty military personnel.
- Am a critical public service professional.

By submitting this Application, I certify that all the information I am providing is true and correct. I understand that incomplete applications may be rejected and that the Los Prados Downpayment Assistance Program ("LPDAP") has sole discretion regarding the administration of the program. Further, I understand that I may be disqualified from participating in LPDAP if I provide false or misleading information.

Date: _____

Applicant: _____

Signature

Date: _____

Co-Applicant: _____

Signature

EXHIBIT B
Borrower's Disclosure and Acknowledgement

LOS PRADOS DOWNPAYMENT ASSISTANCE PROGRAM

Borrower's Disclosure and Acknowledgment

This Borrower's Disclosure ("Disclosure") is provided to ensure that Borrower and Co-Borrower, as applicable (collectively, "Borrower"), fully understands the terms, conditions, and limitations of the Los Prados Downpayment Assistance Program ("LPDAP" or "Program"). The undersigned Borrower(s) acknowledge, understand, and certify the following. Borrowers are strongly encouraged to review this Disclosure carefully, retain a copy for their records, and seek independent legal or financial advice if needed.

- 1. Program Overview.** The Los Prados Downpayment Assistance Program ("LPDAP" or "Program") is designed to encourage and support ownership of homes available for purchase in the Los Prados Subdivision. It is the mission of LPDAP to increase the availability of affordable housing options to current and future inhabitants of Hidalgo County, Texas.
 - a. The Los Prados Downpayment Assistance Program ("LPDAP" or "Program") is designed to provide financial assistance to qualified homebuyers in the Los Prados Subdivision to help reduce the upfront cost of purchasing a home.
 - b. The assistance is provided in the form of a zero-interest, forgivable loan.
 - c. Forgiveness occurs in accordance with the Program's published schedule, typically over a three-year period, provided that Borrower remains in compliance with all Program requirements.
 - d. The Program is funded through Reinvestment Zone Number One, Hidalgo County (the "TIRZ"), which allocates incremental tax revenues to support the Program.

- 2. Eligibility.** Eligibility to qualify for participation in the Program, is conditioned upon applicants meeting the below general requirements, with priority being given, to the extent permitted under law, as follows:
 - a. Borrower has represented and certified eligibility for participation in the Program based on household income, property location within the Los Prados Subdivision, and other requirements established by the Program and applicable law.
 - b. Eligibility requires compliance with maximum income limits tied to Area Median Income (AMI) as published by the U.S. Department of Housing and Urban Development (HUD).
 - i. Borrowers' combined income must not exceed One Hundred Eighty (180%) Percent of AMI for Hidalgo County, based on the most recently published AMI-HUD Report for Hidalgo County.
 - c. Borrower must occupy the property as their primary residence. Investment properties or second homes are not eligible for participation in the Program.
 - d. Borrower understands that eligibility does not guarantee award of Program funds.
 - i. Assistance is strictly subject to the availability of funds at the time of loan closing.

3. Loan Terms and Disclosures

- a. The downpayment assistance is provided in the form of a subordinate lien against the property purchased.
- b. The loan carries zero percent (0%) interest.
- c. The loan is eligible for forgiveness in one-third increments beginning at the end of Year One (1), continuing through the end of Year Three (3), provided Borrower complies with occupancy and other Program requirements.
- d. If Borrower sells, conveys, refinances, or otherwise transfers any interest in the property prior to full forgiveness, the unforgiven portion of the loan shall immediately become due and payable in full.
- e. The lien securing the loan will be recorded in the real property records of Hidalgo County, Texas, and shall remain until satisfied or released in accordance with Program rules.
- f. Borrower acknowledges that this assistance is separate and apart from any first-lien mortgage loan originated by a private lender, and that the terms of Borrower's primary mortgage are governed solely by the promissory note and deed of trust for that loan.

4. Funding Limitations

- a. Borrower understands that participation in the Program is strictly contingent upon the availability of Program funds.
- b. Funds are limited and may be allocated on a first-come, first-served basis, or in accordance with other Program prioritization criteria.
- c. Borrower accepts that approval of eligibility does not equate to guaranteed funding.
- d. If funds are unavailable at the time of Borrower's closing, Borrower will not receive downpayment assistance and shall have no claim against the Program, the TIRZ, Hidalgo County, Texas, and/or the Developer or its affiliated entities, for damages or other compensation.

5. Borrower Acknowledgments and Responsibilities

- a. Borrower agrees to comply with all Program guidelines, including occupancy, reporting, and cooperation with monitoring requirements.
- b. Borrower acknowledges responsibility for all closing costs, prepaid expenses, and other amounts not covered by the Program.
- c. Borrower understands that failure to comply with Program rules may result in disqualification, acceleration of repayment obligations, or legal enforcement of the lien.

6. Borrower Indemnification. Borrower agrees to indemnify, defend, and hold harmless the Los Prados Downpayment Assistance Program, Reinvestment Zone Number One, Hidalgo

County, Texas, and/or the Developer, and their respective officers, employees, agents, and representatives from and against any and all claims, demands, liabilities, losses, damages, costs, or expenses (including reasonable attorneys' fees) arising out of or related to:

- a. Borrower's participation in or reliance upon the Program;
- b. Borrower's representations of eligibility or compliance with Program requirements;
- c. Any denial of funding due to unavailability of Program funds;
- d. Any action or inaction by Borrower in connection with the underlying mortgage transaction; and
- e. Any misrepresentation or failure to disclose material facts by Borrower.

7. Borrower Certification. By signing below, Borrower and/or Co-Borrower certifies that they:

- a. Have read and understood this Disclosure in its entirety;
- b. Understand the terms, conditions, and limitations of the Los Prados Downpayment Assistance Program;
- c. Acknowledge the Program is subject to funding availability;
- d. Understand that eligibility does not guarantee receipt of downpayment assistance; and
- e. Release and indemnify the Program, TIRZ, Hidalgo County, Texas, and Developer from liability as set forth above.

Borrower Signature

Printed Name:

Date

Co-Borrower Signature (if applicable):

Printed Name

Date:

EXHIBIT C
Borrower's Eligibility Certificate

LOS PRADOS DOWNPAYMENT ASSISTANCE PROGRAM

Borrower Eligibility Certificate

The Los Prados Down-Payment Assistance Program (“LPDAP”) is designed to encourage and support home ownership in the Los Prados Subdivision. As a LPDAP Approved Lender, Stonewood Home Lending, LLC, a Texas limited liability company (“Stonewood”) has reviewed the documentation and information provided by:

_____ (“Borrower”)

_____ (“Co-Borrower”)

and hereby certifies that Borrower and Co-Borrower, as applicable (collectively, “Borrower”) meets the eligibility criteria set forth in Section 2 below to receive funding from the LPDAP in connection with the purchase of the Property located at:

_____ (“Property”).

1. **Los Prados Downpayment Assistance Program.** LPDAP provides downpayment assistance to eligible applicants in the form of zero-interest forgivable loans of Fifteen Thousand Dollars (\$15,000.00) to be used for downpayment and other related closing costs in connection with the purchase of a new home within the Los Prados Subdivision (“LPDAP Loan”).

2. **Eligibility Criteria.** Borrower has provided Stonewood with sufficient evidence and/or confirmation for Stonewood to confirm to LPDAP that as of the date Borrower made application for the LPDAP Loan Borrower met the following requirements:

- a. Borrower has an income that does not exceed One Hundred and Eighty Percent (180%) of the most recently calculated and published Area Median Income (“AMI”) for Hidalgo County, as such AMI is calculated by the United States Department of Housing and Urban Development (“HUD”).
- b. Borrower will be required to sign documents for the LPDAP Loan acknowledging that any downpayment assistance funds received through LPDAP will be used toward the purchase of a home in the Los Prados Subdivision and that the home will be Borrower’s primary residence.
- c. Borrower has represented that it is entitled to preference in LPDAP because:

Borrower is a first-time home Borrower or has not owned a home in the previous three years;

Borrower is a public employee or an essential employee working for a city, county, state, or the federal government, or is a teacher or nurse; or

- Borrower is a veteran or active-duty military personnel; or
- Borrower is a critical public service professional.

3. **LPDAP Requirements.**

- a. Stonewood is an LPDAP Approved Lender and is the loan originator for the purchase money mortgage on the Property which mortgage has been underwritten to the requirements of _____ (the “Investor”) which is obligated to purchase such mortgage from Stonewood concurrently with the closing. The LPDAP Approved Title Company, San Jacinto Title Services, will be used for the closing of the purchase money mortgage to Borrower. The \$15,000.00 LPDAP Funds to be used by Borrower in connection with the purchase of the Property may be sent to the escrow account of San Jacinto Title Services utilizing the below wiring instructions:

San Jacinto Title Services
 File/Escrow Number: _____
 Property Address: _____
 Borrower Name: _____
 Co-Borrower Name (if applicable): _____
 Seller Name: _____
 Bank Name: _____
 Bank Address: _____
 Routing Number (ABA): _____
 Account Number: _____
 Account Name: _____
 Reference/Memo: _____
 Contact Person: _____
 Contact Phone: _____
 Contact Email: _____

- b. The information that has been provided by LPDAP to Borrower requires Borrower to provide annual documentation to verify that the home remains Borrower’s primary residence in the form of utility bills or property tax statements.

[Signature Located on Following Page]

**Stonewood Home Lending, LLC, a Los Prados
Downpayment Assistance Program
Approved Lender**

By: _____
Signature *Date*

Printed Name: _____

Title: _____

E-Mail: _____

Phone: _____

EXHIBIT D
LPDAP Promissory Note

FORGIVABLE LOAN AGREEMENT AND PROMISSORY NOTE

This Loan Agreement and Promissory Note (the "Note"), effective this the ____ day of _____, 20__, is entered into between the following parties:

Lender: Hidalgo County, Texas

_____, Texas 78____
Contact Person/Title: Letty Chavez, Hidalgo County Auditor
Phone: _____ E-mail: _____

Borrower: _____ ("Borrower")

_____, Texas 78____
Phone: _____ E-mail: _____

Co- Borrower: _____ ("Co-Borrower")

_____, Texas 78____
Phone: _____ E-mail: _____

WHEREAS, it has been determined by the Lender that a unique economic need and opportunity exist in Hidalgo County, Texas, which warrants funding to secure downpayment assistance for qualified borrowers under the terms of the Los Prados Downpayment Assistance Program ("LPDAP") which is sponsored by Reinvestment Zone Number One, Hidalgo County; and

WHEREAS, the Borrower and Co-Borrower, as applicable (collectively, the "Borrower"), has specified that this funding will be solely used to assist Borrower in paying allowable expenses associated with the acquisition of a single-family residence located in the Los Prados Subdivision development in Hidalgo County, Texas for use as a primary residence; and

WHEREAS, the Lender has authorized an expenditure of \$15,000.00 for the purpose of making a forgivable loan to the Borrower under such terms and conditions as may be prescribed by the Lender.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements, the parties agree as follows:

1) **Loan Amount and Terms**: Subject to the terms and conditions of the Agreement, the Lender hereby agrees to provide the Borrower with the principal sum of \$15,000.00 for a thirty-six (36) month period. Interest will accrue from the date of disbursement at a rate of zero (0.00%) percent per annum on the unpaid balance. Should a default occur, repayment of all principal and interest will be made immediately in accordance with the provisions shown below. This Loan is not transferable.

2) **Forgiveness of Debt:** The Borrower promises to occupy and maintain the property as their primary residence for the entire Occupancy Period, as defined in the LPDAP Regulations. If the Borrower complies with LPDAP Regulations, including, but not limited to, compliance with the Occupancy Period, forgiveness of the principal balance of the loan will occur at the end of each of three (3) years as shown in the following schedule:

	Year 1 (20__)	Year 2 (20__)	Year 3 (20__)
Balance at Beginning of Year:	\$15,000.00	\$10,000.00	\$5,000.00
Balance at End of Year:	\$10,000.00	\$5,000.00	\$0.00

The outstanding principal balance will be divided by the total number of years in the term, and the resulting figure will be the “installment.” The first anniversary date for meeting the LPDAP Regulations and Occupancy Period requirements shall be exactly one (1) year from the date of execution of this Note. On the first anniversary and at each scheduled anniversary date thereafter where the Borrower has achieved compliance with the LPDAP Regulations and Occupancy Period requirements, an amount equal to an installment, plus any accrued interest, will be forgiven.

However, in the event Borrower fails to maintain compliance with the LPDAP Regulations and/or Occupancy Period requirements during the term of this Note agreement, any unforgiven principal and/or interest must be repaid by Borrower in accordance with paragraph (6) below.

In the event of a technical default under this section, the Borrower has the right of appeal to Lender, if compelling evidence can be presented demonstrating that the default is the result of substantial, unforeseen changes in economic conditions, market conditions, or through deployment for service in the armed forces or federal agencies. In the event of an appeal, the Lender will have the sole discretion to enforce the provisions as set forth in paragraph (6) below.

3) **Collateral:** Second Lien Deed of Trust on all property and improvements located at:

[Insert Property Description]

shall be executed by Borrower in favor of Lender of even date herewith, to be filed and recorded in the Official Public Records of Hidalgo County, Texas.

4) **Mortgage/Security Agreement:** This Note is secured by that certain Second Deed of Trust dated of even date herewith (“Deed of Trust”) granted by Borrower to Lender to be recorded against the Property owned by the Borrower located in Hidalgo County, Texas and further described herein and in the Deed of Trust (the “Property”). The holder of this Note shall be subject to the obligations and entitled to the benefits provided in the Deed of Trust.

5) **Insurance:** Borrower must keep the improvements now existing or subsequently erected on the Property insured against loss by all hazards as required by any lender who has a first position lien on the Property.

6) **Default:** This Note shall be considered in default:

a. Upon any default or failure to properly perform under any clause in this Note (or the provisions of any security agreement(s), deed(s) of trust, or other mortgage documents which may secure this Note).

i. If Borrower fails to occupy the Property as Borrower's primary residency for the entire Occupancy Period.

ii. If upon audit, any loan funds are shown to have been used for any purpose other than the intended purposes, such funds shall be repaid to Lender by Borrower. Such unintended purposes would include, but not be limited to, use of loan proceeds for any expenses other than downpayment or closing cost assistance.

iii. If the Borrower otherwise defaults in any manner on the obligations set forth in this Agreement, which default continues for ninety (90) days after written notice of such default from Lender to Borrower, the following repayment is required:

1. Any unforgiven principal balance outstanding on the loan is due and payable.

b. Upon any occurrence under this Note or security agreements, deed(s) of trust, or other mortgage documents by which this loan may or shall become due and payable.

In the event of a continued default following a ninety (90) day written notice of default, the Lender may, at its option, execute any of the following remedies:

7) **Remedies:**

a. **Notice of Default.** Lender will give a notice of Default, as defined above, to Borrower and Borrower's lender holding a first lien on the Property prior to acceleration following Borrower's Default, unless Applicable Law provides otherwise. The notice will specify, in addition to any other information required by Applicable Law: (i) the Default; (ii) the action required to cure the Default; (iii) a date, not less than ninety (90) days (or as otherwise specified by Applicable Law) from the date the notice is given to Borrower and Borrower's lender holding a first lien on the Property, by which the Default must be cured; (iv) that failure to cure the Default on or before the date specified in the notice may result

in acceleration of the sums provided under this Note and sale of the Property; (v) Borrower's right to reinstate after acceleration; and (vi) Borrower's right to bring a court action to deny the existence of a Default or to assert any other defense of Borrower to acceleration and sale.

b. Acceleration; Power of Sale; Expenses. If the Default is not cured on or before the date specified in the notice, Lender may require immediate payment in full of all outstanding unforgiven loan balance remaining under this Note without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender will be entitled to collect all expenses incurred in pursuing the remedies provided by the Remedies, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect Lender's interest and/or rights under this Note.

c. Notice of Sale; Sale of Property. If Lender invokes the power of sale, Lender its designee, or Trustee will give notice of the date, time, place, and terms of sale by posting and filing the notice as provided by Applicable Law. Lender or its designee will mail a copy of the notice to Borrower and Borrower's lender holding a first lien on the Property in the manner prescribed by Applicable Law. Sale will be public, occurring between the hours of 10 a.m. and 4 p.m. on a date and at a location permitted by Applicable Law. The time of sale must begin at the time stated in the notice of sale or not later than three hours after that stated time.

8) **Notices:** All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and given to the addresses set forth in the first paragraph of this Note except as to Borrower's lender holding a first lien on the Property, which shall be separately provided to the County.

9) **Invalidity of any Part:** If any provision or part of any provision of this Note shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Note and this Note shall be construed as if such invalid, illegal or unenforceable provision or party hereof had never been contained herein, but only to the extent of if its invalidity, illegality or unenforceability.

10) **Survival:** All agreements, representations and warranties made in this Note and in any other agreements to be executed and delivered pursuant hereto shall survive the execution and delivery to the Lender of this Note and all other documents delivered hereunder or contemplated hereby and shall continue in full force and effect so long as this Note remains outstanding, unperformed or unpaid.

11) **Maximum Rate of Interest; Zero Interest Loan:** Notwithstanding any provision of this Note to the contrary, the Borrower shall not be obligated to pay interest pursuant to this

Note in excess of the maximum rate of interest permitted by the laws of any state determined to govern this Note or the laws of the United States applicable to loans in such state. If any provision of this Note shall ever be construed to require the payment of any amount of interest in excess of that permitted by applicable law, then the interest to be paid pursuant to this Note shall be held subject to reduction to the amount allowed under applicable law, and any sums paid in excess of the interest rate allowed by law shall be applied in reduction of the balance of the aggregate principal amounts outstanding pursuant to this Note. The Borrower warrants that this Note evidences a consumer loan transaction and that no proceeds of such loan transaction are being used by the Borrower for any commercial purpose.

12) **Construction; Governing Law:** All issues and questions concerning the construction, validity and interpretation of this Note and all matters pertaining hereto shall be governed by and construed in accordance with the laws of the State of Texas, without regard to any choice of law or conflict of law rules or provisions (whether of the State of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Texas.

13) **Loan Expenses:** Borrower unconditionally agrees to pay all reasonable expenses in connection with this Note and any and all other fees owing to Lender pursuant to any of the documents executed in connection with this Note, including, without limiting the generality of the foregoing, all recording, filing and registration fees and charges, mortgage or documentary taxes, all insurance premiums, title insurance premiums, appraisal fees, environmental consultant's fees, and all legal fees incurred by Lender in connection with this Note and the other loan documents and all costs and expenses of Lender (including, without limitation, court costs and reasonable counsel's fees) incurred in attempting to enforce payment of the Note.

14) **Governing Law; Severability; Rules of Construction:** This Promissory Note is governed by federal law and the law of the State of Texas. All rights and obligations contained in this Note are subject to any requirements and limitations of Applicable Law. If any provision of this Note or the Deed of Trust conflicts with Applicable Law (i) such conflict will not affect other provisions of this Note or the Deed of Trust that can be given effect without the conflicting provision, and (ii) such conflicting provision, to the extent possible, will be considered modified to comply with Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence should not be construed as a prohibition against agreement by contract. Any action required under this Note to be made in accordance with Applicable Law is to be made in accordance with the Applicable Law in effect at the time the action is undertaken.

As used in this Note: (a) words in the singular will mean and include the plural and vice versa; (b) the word "may" gives sole discretion without any obligation to take any action; (c) any reference to "Paragraph" in this document refers to Paragraph contained in this Note unless otherwise noted;

and (d) the headings and captions are inserted for convenience of reference and do not define, limit, or describe the scope or intent of this Note or any particular Paragraph, section or provision.

15) **Loan Not a Home Equity Loan:** The Loan evidenced by the Note is not an extension of credit as defined by Section 50(a)(6) or Section 50(a)(7), Article XVI, of the Texas Constitution. If the Property is used as Borrower's residence, then Borrower agrees that Borrower will receive no cash from the Loan evidenced by the Note and that any advances not necessary to purchase the Property will be used to reduce the balance evidenced by the Note or such Loan will be modified to evidence the correct Loan balance, at LPDAP's option. Borrower agrees to execute any documentation necessary to comply with this Paragraph.

16) **Joint and Several Liability:** If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

17) **Titles and Subtitles:** The titles of the Paragraphs of this Note are for convenience of reference only and are not to be considered in construing this Note.

18) **Indemnification:** Borrower agrees to indemnify and hold harmless Hidalgo County, Texas, the LPDAP, Reinvestment Zone Number One, Hidalgo County, and the LPDAP Administrator, together with their officers, employees, and agents, against any loss, claim, or demand arising from Borrower's default, misrepresentation, or ineligibility.

[Remainder of Page Left Intentionally Blank]

PROMISSORY NOTE SIGNATURE PAGE

IN WITNESS WHEREOF, the Borrower has executed this Promissory Note as of the date first above written.

LENDER:

HIDALGO COUNTY, TEXAS

Authorized Agent

ATTEST:

Secretary, Board of Directors

BORROWER:

By: [Printed Name]

CO-BORROWER:

By: [Printed Name]

EXHIBIT E
LPDAP Deed of Trust

hereinafter provided, in trust, with power of sale, the following described real property located in Hidalgo County, Texas:

[Insert Legal/Property Description]

together with all the improvements, easements, fixtures, rents, royalties and appurtenances now on said land and that may be placed thereon during the existence of this lien (the "Property").

TO HAVE AND TO HOLD the above-described Property together with all and singular the rights, privileges, easements and appurtenances thereto in anywise belonging, unto the said Trustee and to his successors and assigns and the assigns of any successor or substitute trustee hereunder, in fee simple title for the term of the Occupancy Period as hereinafter defined.

IN TRUST NEVERTHELESS, to secure the payment of the Grantor's obligations and indebtedness to **HIDALGO COUNTY, TEXAS**, including all extensions, renewals, or additional advancements thereupon, which indebtedness shall be evidenced by one or more promissory notes of even date herewith which refer to this Deed of Trust, including but not limited to the following described obligations, to wit:

Article I. Los Prados Downpayment Assistance Program ("LPDAP") Covenants

The sale and use of each Home purchased with funds received from Hidalgo County, Texas (the "County") through the Los Prados Downpayment Assistance Program ("LPDAP") administered by Reinvestment Zone Number One, Hidalgo County ("LPDAP Home") subject to this Deed of Trust is governed by the LPDAP program regulations governing controls on minimum occupancy periods ("Occupancy Period"), which are governed by the *Los Prados Downpayment Assistance Program (LPDAP) Hidalgo County, Texas - Program Guidelines, Policies, and Procedures* (the "LPDAP Regulations"). Consistent with the LPDAP Regulations, the following covenants (collectively, the "Covenants") shall run with the land, for each respective purchaser of the LPDAP Home referenced herein, for the period of time commencing upon the earlier of (a) the date hereof, or (b) the prior commencement of the Occupancy Period, as that term is defined herein and in the LPDAP Regulations, and terminating upon the expiration of the Occupancy Period as provided in those same LPDAP Regulations.

(a) The Los Prados Downpayment Assistance Program and Reinvestment Zone Number One, Hidalgo County, collectively appoint as an Administrative Agent:

_____.

(b) The Grantor may prepay the whole unpaid balance of this indebtedness at any time without penalty. **However**, the lien will not be released during the Occupancy Period.

(c) No refinancing, equity, loan, secured letter of credit, or any other mortgage obligation or other debt (collectively, "Debt") secured by the LPDAP Home may be incurred except as approved in advance and in writing by the County in accordance with the LPDAP Regulations. At no time shall the Administrative Agent approve any such debt. The original

amount of forgivable loan funds received at the initial purchase of the home will be due to the County, and payable in full to same, if there is a refinance or sale of the LPDAP Home during the Occupancy Period, subject to availability of funds at settlement after the first mortgage and closing costs have been paid.

(d) The owner of the LPDAP Home shall at all times maintain the LPDAP Home as his or her principal place of residence.

(e) At no time shall the owner of the LPDAP Home lease or rent the LPDAP Home to any person, persons or entity.

(f) The LPDAP Home governed by this Deed of Trust must be utilized by the certified low-income purchaser who has executed the documents required by the LPDAP Regulations for the entire Occupancy Period in order to remain eligible for complete forgiveness under the LPDAP.

(g) This Deed of Trust, in the principal sum of the LPDAP FORGIVABLE LOAN in the amount of fifteen thousand and no/100 (\$15,000.00) dollars, with no interest as agreed there upon, shall be forgiven so long as the Grantor occupies the Property as their primary residence over the entire Occupancy Period assigned to said forgivable loan.

(h) **RECAPTURE:** The entire principal and interest at a rate of zero (0.00%) percent on the Note shall be repaid to the Noteholder immediately if the Grantor fails to use the premises as his or her primary place of residence, within the Occupancy Period identified above. Notwithstanding any of the foregoing provisions, the Noteholder will waive and forgive payment of the principal and interest required by this Note so long as the maker owns and occupies the real property described in this Deed of Trust (and the Note) as his or her primary place of residence during the Occupancy Period the entire amount of the Note will be due and payable immediately. In the event of foreclosure, this agreement requires that the recaptured LPDAP investment from the homeowner is based on the total net proceeds available from the sale of the property.

(i) All restrictions identified in this Deed of Trust shall automatically terminate if title to the mortgaged property is transferred by foreclosure or deed-in-lieu of foreclosure.

Article II. Remedies for Breach of LPDAP Covenants

Section 1. General; Remedies.

A breach of the Covenants will cause economic harm to the County and to the residents of the Los Prados Subdivision, in light of the public policies and purposes set forth by Reinvestment Zone Number One, Hidalgo County, and the desire to assist in providing low and moderate-income housing through the LPDAP in accordance with LPDAP Regulations, accordingly:

- A. In the event of a threatened breach of any of the Covenants by the Grantor, or any successor in interest or other owner of the LPDAP Home, Reinvestment Zone Number One, Hidalgo

County shall have all remedies provided at law or equity, including, but not limited to, the right to seek injunctive relief or specific performance.

- B. Upon the occurrence of a breach of any Covenants by the Grantor, or any successor in interest or other owner of the Property, Reinvestment Zone Number One, Hidalgo County shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds stemming from any illegal rentals, injunctive relief to prevent further violation of said Covenants, or entry on the premises.

Section 2. Acceleration; Remedies.

(a) Notice of Default. The County will provide a notice of Non-Compliance with LPDAP Regulations or breach of LPDAP Covenants, including, but not limited to breach of the Occupancy Period (collectively, "Default"), to Grantor and Grantor's lender holding a first lien on the LPDAP Home prior to acceleration following Grantor's Default, except that such notice of Default will not be sent when the County exercises its right under Section 8 unless Applicable Law provides otherwise. The notice will specify, in addition to any other information required by Applicable Law: (i) the Default; (ii) the action required to cure the Default; (iii) a date, not less than ninety (90) days (or as otherwise specified by Applicable Law) from the date the notice is given to Grantor Grantor's lender holding a first lien on the LPDAP Home, by which the Default must be cured; (iv) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property; (v) Grantor's right to reinstate after acceleration; and (vi) Grantor's right to bring a court action to deny the existence of a Default or to assert any other defense of Grantor to acceleration and sale.

(b) Acceleration; Power of Sale; Expenses. If the Default is not cured on or before the date specified in the notice, the County may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. The County will be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 2, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect the County's interest in the Property and/or rights under this Deed of Trust.

(c) Notice of Sale; Sale of Property. If the County invokes the power of sale, the County, the County's designee, or Trustee will give notice of the date, time, place, and terms of sale by posting and filing the notice as provided by Applicable Law. The County or its designee will mail a copy of the notice to Grantor and Grantor's lender holding a first lien on the LPDAP Home in the manner prescribed by Applicable Law. Such sale will be public, occurring between the hours of 10 a.m. and 4 p.m. on a date and at a location permitted by Applicable Law. The time of sale must begin at the time stated in the notice of sale or not later than three hours after that stated time. Grantor authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels

and in any order Trustee determines. The County or its designee may purchase the Property at any sale.

(d) Trustee's Deed; Proceeds of Sale. Trustee will deliver to the purchaser a Trustee's deed conveying indefeasible title to the Property with covenants of general warranty from Grantor. Grantor covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed will be *prima facie* evidence of the truth of the statements made in that deed. Trustee will apply the proceeds of the sale in the following order: (i) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees and costs; (ii) to all sums secured by this Deed of Trust; and (iii) any excess to the person or persons legally entitled to it.

If the Property is sold pursuant to this Section 2, Grantor or any person holding possession of the Property through Grantor will immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Grantor or such person will be a Tenant at sufferance and may be removed by writ of possession or other court proceeding.

(e) Waiver of Deficiency Statute. To the maximum extent permitted by Applicable Law, Grantor waives all rights, remedies, claims, and defenses based upon or related to Sections 51.003, 51.004, and 51.005 of the Texas Property Code.

Section 3. Release.

Upon complete satisfaction of the LPDAP Regulations and Occupancy Period outlined in this Deed of Trust, the County will provide a Release of Lien from this Deed of Trust to Grantor or Grantor's designated agent in accordance with Applicable Law. Grantor will pay any recordation costs associated with such release. The County may charge Grantor a fee for releasing this Deed of Trust, only if the fee is paid to a third-party for services rendered, such as a County approved title company, and is permitted under Applicable Law.

If the Grantor is in breach of the LPDAP Regulations or does not fully satisfy the Occupancy Period and there is a remaining principal balance on the Note, the County will only provide a Release of Lien from this Deed of Trust upon full satisfaction of any unforgiven principal balance which may be outstanding.

Section 4. Substitute Trustee; Trustee Liability.

All rights, remedies, and duties of Trustee under this Deed of Trust may be exercised or performed by one or more trustees acting alone or together. The County at its option, itself or through the Loan Servicer, and with or without cause, may from time to time, by power of attorney or otherwise, remove or substitute any trustee, add one or more trustees, or appoint a successor trustee to any Trustee without the necessity of any formality other than a designation by the County

in writing. Without any further act or conveyance of the Property the substitute, additional or successor trustee will become vested with the rights, title, remedies, powers, and duties conferred upon Trustee in this Deed of Trust and by Applicable Law.

Trustee will not be liable if acting upon any notice, request, consent, demand, statement, or other document believed by Trustee to be correct. Trustee will not be liable for any act or omission unless such act or omission is willful.

Section 5. Subrogation.

Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by the County at Grantor's request and upon Grantor's representation that such amounts are due and are secured by valid liens against the Property. The County will be subrogated to any and all rights, superior titles, liens, and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by the County by assignment or are released by the holder of said liens or debts upon payment, or the lien established by this Deed of Trust is held to be invalid. Grantor agree that any statute of limitations related to a cause of action or right to foreclose based on such subrogated rights, superior title, liens, and equities are tolled to the extent necessary until, at the earliest, a final adjudication by a court of last resort that the lien established by this Deed of Trust is invalid. Grantor further agree that the County will have the same rights and powers provided in Section 2 in connection with any such subrogated rights, superior title, liens, and equities as the County has in connection with the lien established by this Deed of Trust.

Section 6. Partial Invalidity.

In the event any portion of the sums intended to be secured by this Deed of Trust cannot be lawfully secured, payments in reduction of such sums will be applied first to those portions not secured.

Section 7. Waiver of Consequential, Punitive, and Speculative Damages.

The County and Grantor agree that, in connection with any action, suit, or proceeding relating to or arising out of this Deed of Trust or any of the other Loan documents, each mutually waives to the fullest extent permitted by Applicable Law any claim for consequential, punitive, or speculative damages.

Section 8. Transfer of the Property or a Beneficial Interest in Grantor.

For purposes of this Section 8 only, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond

for deed, contract for deed, installment sales contract, or escrow agreement, the intent of which is the transfer of title by Grantor to a purchaser at a future date.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Grantor is not a natural person and a beneficial interest in Grantor is sold or transferred) without the County's prior written consent, the County may require immediate payment in full of all sums secured by this Deed of Trust. However, the County will not exercise this option if such exercise is prohibited by Applicable Law.

If the County exercises this option, the County will give Grantor notice of acceleration. The notice will provide a period of not less than thirty (30) days from the date the notice is given in accordance with Section 16 within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to, or upon, the expiration of this period, the County may invoke any remedies permitted by this Deed of Trust without further notice or demand on Grantor and will be entitled to collect all expenses incurred in pursuing such remedies, including, but not limited to: (a) reasonable attorneys' fees and costs; (b) property inspection and valuation fees; and (c) other fees incurred to protect the County's Interest in the Property and/or rights under this Deed of Trust.

Section 9. Grantor's Right to Reinstate the Loan after Acceleration.

If Grantor meet certain conditions, Grantor will have the right to reinstate the Loan and have enforcement of this Deed of Trust discontinued at any time up to the later of (a) five days before any foreclosure sale of the Property, or (b) such other period as Applicable Law might specify for the termination of Grantor's right to reinstate.

To reinstate the Loan, Grantor must satisfy all of the following conditions: (a) pay the County all sums that then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cure any Default of any other covenants or agreements under this Deed of Trust or the Note; (c) pay all expenses incurred in enforcing this Deed of Trust or the Note, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect the County's interest in the Property and/or rights under this Deed of Trust or the Note; and (d) take such action as the County may reasonably require to assure that the County's interest in the Property and/or rights under this Deed of Trust or the Note, and Grantor's obligation to pay the sums secured by this Deed of Trust or the Note, will continue unchanged.

Upon Grantor's reinstatement of the Loan, this Deed of Trust and obligations secured by this Deed of Trust will remain fully effective as if no acceleration had occurred.

Article III. Grantor Requirements

Section 10. Property Insurance.

(a) Insurance Requirement; Coverages. Grantor must keep the improvements now existing or subsequently erected on the Property insured against loss by fire, hazards included within the term “extended coverage,” and any other hazards including, but not limited to, earthquakes, winds, and floods, for which the County requires insurance. Grantor must maintain the types of insurance the County requires, all in accordance with the terms of any Deed of Trust which has a lien that has priority over this Deed of Trust. This insurance must be maintained in the amounts (including deductible levels) and for the periods that the County requires. What the County requires pursuant to the preceding sentences can change during the term of the Loan, and may exceed any minimum coverage required by Applicable Law. Grantor may choose the insurance carrier providing the insurance, subject to the County’s right to disapprove Grantor’s choice, which right will not be exercised unreasonably.

(b) Failure to Maintain Insurance. If the County has a reasonable basis to believe that Grantor has failed to maintain any of the required insurance coverages described above, the County may obtain insurance coverage, at the County’s option and at Grantor’s expense. The County is under no obligation to purchase any particular type or amount of coverage. Any such coverage will insure the County, but might not protect Grantor, Grantor’s equity in the Property, or the contents of the Property, against any risk, hazard, or liability and might provide greater or lesser coverage than was previously in effect.

(c) Insurance Policies. All insurance policies required by the County and renewals of such policies: (i) will be subject to the County’s right to disapprove such policies; (ii) must include a standard mortgage clause; and (iii) must name the County as mortgagee and/or as an additional loss payee in the order of the priority of its lien.

Section 11. Preservation, Maintenance, and Protection of the Property; Inspections.

Grantor will not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Whether or not Grantor is residing in the Property, Grantor must maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition.

The County may make reasonable entries upon and inspections of the Property. If the County has reasonable cause, the County may inspect the interior of the improvements on the Property. The County will give Grantor notice at the time of or prior to such an interior inspection specifying such reasonable cause.

THE GRANTOR FURTHER COVENANTS to promptly pay, when due, all taxes, levies, assessments, PID assessments, and/or TIRZ assessments upon the Property conveyed.

Article IV. Miscellaneous

Section 12. Sale of Note.

The Note or a partial interest in the Note, together with this Deed of Trust, may be sold or otherwise transferred one or more times. Upon such a sale or other transfer, all of the County's rights and obligations under this Deed of Trust will convey to the County's successors and assigns.

Section 13. Loan Servicer.

The County may take any action permitted under this Deed of Trust through the Loan Servicer or another authorized representative, such as a sub-servicer. Grantor understands that the Loan Servicer or other authorized representative of the County has the right and authority to take any such action.

The Loan Servicer may change one or more times during the term of the Note. The Loan Servicer may or may not be the holder of the Note. The Loan Servicer has the right and authority to exercise any rights under the Note, this Deed of Trust, and Applicable Law on behalf of the County. If required by Applicable Law, Grantor will receive notice of any change in the Loan Servicer.

Section 14. Notice of Grievance.

Until Grantor or the County has notified the other party (in accordance with Section 16) of an alleged breach and afforded the other party a reasonable period after the giving of such notice to take corrective action, neither Grantor nor the County may commence, join, or be joined to any judicial action (either as an individual litigant or a member of a class) that (a) arises from the other party's actions pursuant to this Deed of Trust or the Note, or (b) alleges that the other party has breached any provision of this Deed of Trust or the Note. If Applicable Law provides a time period that must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this Section 14. The notice of Default given to Grantor pursuant to Section 2(a) will be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 14.

Section 15. Electronic Note Signed with Grantor's Electronic Signature.

If the Note evidencing the debt for this Loan is electronic, Grantor acknowledges and represents to the County that Grantor: (a) expressly consented and intended to sign the electronic Note using an Electronic Signature adopted by Grantor ("Grantor's Electronic Signature") instead of signing a paper Note with Grantor's written pen and ink signature; (b) did not withdraw Grantor's express consent to sign the electronic Note using Grantor's Electronic Signature; (c)

understood that by signing the electronic Note using Grantor's Electronic Signature, Grantor promised to pay the debt evidenced by the electronic Note in accordance with its terms; and (d) signed the electronic Note with Grantor's Electronic Signature with the intent and understanding that by doing so, Grantor promised to pay the debt evidenced by the electronic Note in accordance with its terms.

Section 16. Notices; Grantor's Physical Address.

All notices given by Grantor or the County in connection with this Deed of Trust must be in writing.

(a) Notices to Grantor. Unless Applicable Law requires a different method, any written notice to Grantor in connection with this Deed of Trust will be deemed to have been given to Grantor when (i) mailed by first class mail, or (ii) actually delivered to Grantor's Notice Address (as defined in Section 16(c) below) if sent by means other than first class mail or Electronic Communication (as defined in Section 16(b) below). Notice to any one Grantor will constitute notice to all Grantors unless Applicable Law expressly requires otherwise. If any notice to Grantor required by this Deed of Trust is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Deed of Trust.

(b) Electronic Notice to Grantor. Unless another delivery method is required by Applicable Law, the County may provide notice to Grantor by e-mail or other electronic communication ("Electronic Communication") if: (i) agreed to by the County and Grantor in writing; (ii) Grantor has provided the County with Grantor's e-mail or other electronic address ("Electronic Address"); (iii) the County provides Grantor with the option to receive notices by first class mail or by other non-Electronic Communication instead of by Electronic Communication; and (iv) the County otherwise complies with Applicable Law. Any notice to Grantor sent by Electronic Communication in connection with this Deed of Trust will be deemed to have been given to Grantor when sent unless the County becomes aware that such notice is not delivered. If the County becomes aware that any notice sent by Electronic Communication is not delivered, the County will resend such communication to Grantor by first class mail or by other non-Electronic Communication. Grantor may withdraw the agreement to receive Electronic Communications from the County at any time by providing written notice to the County of Grantor's withdrawal of such agreement.

(c) Grantor's Notice Address. The address to which the County will send Grantor notice ("Notice Address") will be the Property Address unless Grantor has designated a different address by written notice to the County. If the County and Grantor have agreed that notice may be given by Electronic Communication, then Grantor may designate an Electronic Address as Notice Address. Grantor will promptly notify the County of Grantor's change of Notice Address, including any changes to Grantor's Electronic Address if designated as Notice Address. If the

County specifies a procedure for reporting Grantor's change of Notice Address, then Grantor will report a change of Notice Address only through that specified procedure.

(d) Notice to Primary Lender. Notwithstanding anything to the contrary in this Deed of Trust, the County shall provide copies of any notice of default, acceleration, foreclosure, or other notice regarding enforcement of this Deed of Trust or exercise of remedies hereunder to the holder of the first lien mortgage or deed of trust encumbering the Property ("Primary Lender"), provided that the Primary Lender has delivered to the County the Primary Lender's notice address and/or Electronic Address. Any notice to the Primary Lender shall be deemed given when mailed by first class mail or when actually delivered to the notice address provided by the Primary Lender. Failure of the County to provide notice to the Primary Lender shall not impair or invalidate any action taken by the County under this Deed of Trust unless otherwise required by Applicable Law.

(e) Notices to the County. Any notice to the County will be given by delivering it or by mailing it by first class mail to the County's address stated in this Deed of Trust unless the County has designated another address (including an Electronic Address) by notice to Grantor. Any notice in connection with this Deed of Trust will be deemed to have been given to the County only when actually received by the County at the County's designated address (which may include an Electronic Address). If any notice to the County required by this Deed of Trust is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Deed of Trust.

(f) Grantor's Physical Address. In addition to the designated Notice Address, Grantor will provide the County with the address where Grantor physically resides, if different from the Property Address, and notify the County whenever this address changes.

Section 17. Governing Law; Severability; Rules of Construction.

This Deed of Trust is governed by federal law and the law of the State of Texas. All rights and obligations contained in this Deed of Trust are subject to any requirements and limitations of Applicable Law. If any provision of this Deed of Trust or the Note conflicts with Applicable Law (i) such conflict will not affect other provisions of this Deed of Trust or the Note that can be given effect without the conflicting provision, and (ii) such conflicting provision, to the extent possible, will be considered modified to comply with Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence should not be construed as a prohibition against agreement by contract. Any action required under this Deed of Trust to be made in accordance with Applicable Law is to be made in accordance with the Applicable Law in effect at the time the action is undertaken.

As used in this Deed of Trust: (a) words in the singular will mean and include the plural and vice versa; (b) the word "may" gives sole discretion without any obligation to take any action; (c) any reference to "Section" in this document refers to Sections contained in this Deed of Trust

unless otherwise noted; and (d) the headings and captions are inserted for convenience of reference and do not define, limit, or describe the scope or intent of this Deed of Trust or any particular Section, paragraph, or provision.

Section 18. Loan Not a Home Equity Loan.

The Loan evidenced by the Note is not an extension of credit as defined by Section 50(a)(6) or Section 50(a)(7), Article XVI, of the Texas Constitution. If the Property is used as Grantor's residence, then Grantor agrees that Grantor will receive no cash from the Loan evidenced by the Note and that any advances not necessary to purchase the Property, extinguish an owelty lien, complete construction, or renew and extend a prior lien against the Property, will be used to reduce the balance evidenced by the Note or such Loan will be modified to evidence the correct Loan balance, at the County's option. Grantor agrees to execute any documentation necessary to comply with this Section.

Section 19. Termination of Certain Restrictions on First Lien FHA-Insured Deed of Trust.

In the event of foreclosure or deed in lieu of foreclosure of a prior deed of trust or assignment of the first deed of trust securing the first lien note to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property or otherwise restricting the Grantor's ability to sell the Property will have no further force or effect. Any person (including their successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of a prior deed of trust will receive title to the Property free and clear from such restrictions.

Section 20. Indemnification

Grantor agrees to indemnify and hold harmless the County, Reinvestment Zone Number One, Hidalgo County, and the Developer, together with their officers, employees, and agents, against any loss, claim, or demand arising from Grantor's default, misrepresentation, or ineligibility.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Deed of Trust and in any Note signed by Grantor and recorded with it.

EXECUTED ON THIS THE _____ DAY OF _____, 20____.

[Grantor]

[Grantor]

(Acknowledgement)

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20____, by _____ and _____.

Notary Public, State of Texas

AFTER RECORDING RETURN TO
TRUSTEE'S MAILINNG ADDRESS:

EXHIBIT F
Borrower's Certification of Primary Residence

**LOS PRADOS DOWNPAYMENT ASSISTANCE PROGRAM
CERTIFICATION OF PRIMARY RESIDENCE**

Borrower: _____

Co-Borrower: _____

Property Address: _____

I/We, the undersigned Borrower and Co-Borrower, if applicable, hereby certify and acknowledge the following with respect to participation in the **Los Prados Downpayment Assistance Program (“LPDAP”)**:

1. Primary Residence Requirement

- i. I/We certify that the property identified above will be occupied and maintained as my/our **primary residence** beginning at the time of closing.

2. Minimum Occupancy Period

- i. I/We agree to occupy the property as my/our primary residence for a period of not less than **three (3) consecutive years** from the date of closing to be eligible for full forgiveness.

3. Acknowledgement of Program Terms

- i. I/We understand that the LPDAP assistance is provided in the form of a zero-interest, forgivable loan. Forgiveness occurs in one-third (1/3) increments at the end of each year of compliance over the three-year period.

4. Consequence of Non-Compliance

- i. I/We further acknowledge that failure to comply with the primary residence requirement may result in repayment obligations in accordance with the LPDAP loan documents and program guidelines.

Borrower Certification

By signing below, I/We certify under penalty of perjury that the above statements are true and correct.

Borrower Signature & Date

Printed Name

Co-Borrower Signature & Date

Co-Borrower Printed Name

STATE OF TEXAS

§
§
§

COUNTY OF _____

This instrument was acknowledged before me on this the ____ day of _____, 202__, by _____, in his/her individual capacity as the Borrower.

Notary Public, State of Texas

My commission expires: _____

STATE OF TEXAS

§
§
§

COUNTY OF _____

This instrument was acknowledged before me on this the ____ day of _____, 202__, by _____, in his/her individual capacity as the Co-Borrower.

Notary Public, State of Texas

My commission expires: _____

EXHIBIT G
Future Release of Lien

