THE STATE OF TEXAS	§	**CITY OF MCALLEN**
	§	
COUNTY OF HIDALGO	§	

FIRST AMENDMENT TO
INTERLOCAL AGREEMENT

In consideration of the covenants set forth herein, and subject to the terms and conditions herein, the Parties hereby agree that this agreement (the "Amendment") shall be supplemental to and amend that certain Interlocal Agreement executed between the CITY, the COUNTY, the ZONE, and the DEVELOPER, on the 17th day of March, 2015, (the "Interlocal Agreement"), and that all defined terms contained in this Amendment shall have the meanings assigned in the Interlocal Agreement unless expressly indicated otherwise herein. The terms and conditions set forth and agreed to in the Interlocal Agreement remain binding on the Parties as amended and supplemented by this Amendment.

I. PARTIES & INDEX

A. Parties

1. THIS AMENDMENT is made by and between the **CITY OF MCALLEN, TEXAS** (hereafter referred to as the "CITY"), a Texas Home Rule Municipality, acting through its City Manager pursuant to Ordinance No. 2015-79, passed and approved by the City Commission on September 15, 2015; **HIDALGO COUNTY,** a political subdivision of the State of Texas, acting through its County Judge pursuant to authority granted by the Hidalgo County Commissioners Court on September 15, 2015 (hereafter referred to as the "COUNTY"); the **TAX INCREMENT REINVESTMENT ZONE NUMBER ONE (1), CITY OF MCALLEN, TEXAS**, a reinvestment zone created by the CITY pursuant to Chapter 311 of the Texas Tax Code (hereafter referred to as the "ZONE"), acting by and through its duly authorized Board of Directors (the "ZONE BOARD"), established to administer manage and/or operate the ZONE pursuant to Sections §311.009(b) and 311.010, Texas Tax Code, as well as to implement and fund the Project and Supplemental Project (as such term is defined below); the **TRES LAGOS PUBLIC IMPROVEMENT DISTRICT** (hereafter referred to as the "PID"), and **RHODES ENTERPRISES, INC.**, the developer, its successors and assigns (hereafter referred to as "DEVELOPER"). Collectively, the CITY, COUNTY, ZONE, PID, and DEVELOPER may be referred to as the "Parties." This Amendment is made pursuant to Chapter 791 Texas Government Code and Chapter 311 of the Texas Tax Code for the participation of the CITY, the ZONE BOARD, the DEVELOPER, and the COUNTY in the Supplemental Project.

B. Parts Incorporated

All of the following described exhibits, as amended hereby, are hereby incorporated into this Amendment by this reference for all purposes:

Exhibit "I" Amended and Supplemental Project and Finance Plan Approved by the ZONE BOARD on August 27, 2015 and by the Commission of the CITY on September 15, 2015; and

Exhibit "II" Interlocal Agreement executed between the CITY, the COUNTY, the ZONE, and the DEVELOPER, on the 17th day of March, 2015, and its respective Exhibits and Attachments.

Exhibit "III" Map and description of +/- 100 acre tract within the Project which is to be conveyed from DEVELOPER to CITY for the Supplemental Project.

Exhibit "IV" Map and description of two tracts located east of the Project which are to be conveyed by CITY to DEVELOPER.

II. DEFINITIONS

All defined terms used in this Amendment shall have the meanings assigned to such terms in the Interlocal Agreement. In addition, the following defined terms shall have the following meanings:

1. "4B CORPORATION" has the meaning set forth in Section V.C.1 below.
2. "4B CORPORATION Payments" has the meaning set forth in Section IV.A.3 below.
3. "Additional Available Tax Increment" shall mean (1) as to the CITY, 20% of the CITY's Aggregate Available Tax Increment (as defined below); and (2) as to the COUNTY, 23% of the COUNTY's Aggregate Available Tax Increment.
4. "Additional Payments" has the meaning set forth in Section V.D.1. below.
5. "Aggregate Available Tax Increment" shall mean (1) as to CITY, an amount calculated as a millage rate per $100 of Captured Appraised Value of real property in the Zone that equals 100% of the CITY's M&O Tax Rate as levied, collected, and allocated to the general fund (i.e., excluding only the portion of the CITY's property tax rate that is apportioned for payment of outstanding general obligation bonded indebtedness commonly referred to as the "interest and sinking fund rate"); and (2) as to COUNTY, an amount calculated as a millage rate per $100 of Captured Appraised Value of real property in the Zone that equals 100% of the COUNTY's M&O Tax Rate levied, collected and allocated to the general fund (excluding only that portion of the COUNTY's property tax rate that is apportioned for payment of outstanding general obligation bond indebtedness commonly referred to as the "interest and sinking fund rate."). To avoid doubt, for both the CITY and the COUNTY, the Available Tax Increment, as defined in the Interlocal Agreement, (80% with respect to the CITY and 77% with respect to the COUNTY) and the Additional Available Tax Increment together amount to the Aggregate Available Tax Increment.
6. "Amendment" has the meaning set forth in the introductory paragraph above.
7. "CITY" has the meaning set forth in Section I.A.1. above.
8. "CITY's Additional Pledge" has the meaning set forth in Section V.A. below.
9. "CITY's Approved Pre-TIRZ Administrative Costs" shall mean the CITY's out-of-pocket Administrative Costs incurred prior to December 22, 2014, in the amount of $70,000.00.
10. "Combined Original Tax Increment" has the meaning set forth in Section III.B below.
11. "COUNTY" has the meaning set forth in Section I.A.1. above.
12. "COUNTY's Additional Pledge" has the meaning set forth in Section IV.A.1. below.
13. "DEVELOPER" has the meaning set forth in Section I.A.1. above.
14. "DEVELOPER's Pledge" has the meaning set forth in Section VI.A.2. below.
15. " "Educational Facilities Lease" has the meaning set forth in Section V.C.1. below.
16. "Educational Facilities Project Interlocal Funding Agreement" has the meaning set forth in Section V.C.1. below.
17. "Interlocal Agreement" has the meaning set forth in the introductory paragraph above, and is attached hereto as Exhibit "II".
18. "Letter of Intent" shall mean that certain letter of intent anticipated between The Texas A&M University System, Texas A&M University, the COUNTY and the CITY dated September 15, 2015, relating to the Texas A&M University campus to be developed as part of the Supplemental Project.
19. "LGC" has the meaning set forth in Section V.C.1. below.
20. "LOC" has the meaning set forth in Section VI.A.3.(e). below.
21. "Original Project and Finance Plan" shall mean the Project and Finance Plan approved by the CITY for the original Project and which is attached as Exhibit "A" to the Interlocal Agreement.
22. "Participating Taxing Entity" shall mean the CITY and the COUNTY.
23. "Parties" has the meaning set forth in Section I.A.1. above.
24. "PID" has the meaning set forth in Section I.A.1. above.
25. "PID Assessment" has the meaning set forth in Section VI.A.3. below.
26. "Pledged PID Revenues" has the meaning set forth in Section VI.A.3. below.

27. "Proposed Supplemental Educational Facilities Project Financing Structure" has the meaning set forth in Section V.C.1. below.

28. "Separate Additional Funds" has the meaning set forth in Section V.D.1 below.

29. "Soft Project Costs" shall mean those costs identified as "Soft Project Costs" in the Project and Finance Plan, Exhibit 5, Sources and Uses Table, that are related to the Supplemental Project.

30. "Supplemental Debt Service Shortfall" has the meaning set forth in Section IV.A.3. below.

31. "Supplemental Educational Facilities Contract Revenue Bonds" shall mean the contract revenue bonds, as further described in Section V.C.1. hereof, issued by the CITY or the LGC on behalf of the CITY, in the face amount of +/- $10,000,000.00 to finance the construction of the Supplemental Educational Facilities Project.

32. "Supplemental Educational Facilities Project" shall mean the construction of a building and related site work to serve as the initial buildings for the new Texas A&M University campus to be located on a +/- 100 acre tract within the Project, with a CITY contribution of approximately $10,000,000.00, toward the more than approximately $50,000,000.00 of buildings to be constructed in phase one of the campus.

33. "Supplemental Educational Facilities Project Costs" shall mean the costs of Supplemental Project improvements that are eligible for reimbursement under Chapter 311 of the Texas Tax Code, as described in the Supplemental Project and Finance Plan, and which shall not exceed $10,000,000.00.

34. "Supplemental Master Infrastructure Taxable Certificates of Obligation" shall mean the certificates of obligation, as further described in Section V.C.2. hereof, issued by the CITY to raise the amount of +/- $24,500,000.00 to finance the Supplemental Master Infrastructure Project.

35. "Supplemental Master Infrastructure Project" shall mean the construction of the infrastructure for the tract whereupon the Supplemental Educational Facilities Project will be located and included in the Original Project and Finance Plan to be completed in Phase I of the Project.

36. "Supplemental Project" shall mean the Supplemental Educational Facilities Project and the Supplemental Master Infrastructure Project.

37. "Supplemental Project and Finance Plan" shall mean the Supplemental Project and Finance Plan approved by the ZONE BOARD on August 27, 2015, and by the Commission of the CITY on September 15, 2015, a copy of which is attached hereto as Exhibit "I".

38. "Supplemental Project Obligations" shall mean the Supplemental Educational Facilities Contract Revenue Bonds and the Supplemental Master Infrastructure Taxable Certificates of Obligation.

39. "ZONE" has the meaning set forth in Section I.A.1. above.

40. "ZONE BOARD" has the meaning set forth in Section I.A.1. above.

III. BACKGROUND

A. On December 22, 2014, the City Commission of the CITY created the ZONE as set forth in the Interlocal Agreement.

B. On March 17, 2015 the CITY, the COUNTY, the ZONE, and the DEVELOPER approved and executed the Interlocal Agreement to implement and fund the Project and Finance Plan for the ZONE with the CITY contributing 80% and the COUNTY contributing 77% of their respective Aggregate Available Tax Increment during the Term of the ZONE (the "Combined Original Tax Increment"), as more fully described in, and subject to the terms and conditions of, the Interlocal Agreement.

C. The ZONE BOARD and the CITY have approved the Supplemental Project and Finance Plan to add the Supplemental Project, and fund the construction of the Supplemental Educational Facilities Project, through: (a) the CITY pledging an additional 20% of its Aggregate Available Tax Increment during the remaining term of the ZONE; (b) the DEVELOPER assigning 10% of the combined Aggregate Available Tax Increment contributed by the CITY and the COUNTY during years 2015 through 2025 for the payment of Supplemental Educational Facilities Project Costs that would have otherwise been used to reimburse the DEVELOPER under the Project and Finance Plan and the Development Agreement; and, (c) the COUNTY contributing an additional 23% of

its Aggregate Available Tax Increment subject to the terms described in Section IV. of this Amendment.

D. This Amendment is being executed by the Parties to facilitate the funding and construction of the Supplemental Project pursuant to the Supplemental Project and Finance Plan and the expedited construction of the Phase I improvements pursuant to the Original Finance and Project Plan to facilitate the Supplemental Project.

IV. RIGHTS AND OBLIGATIONS OF THE COUNTY

A. Additional Pledge of Tax Increment Participation by the COUNTY

1. In addition to the agreement by the COUNTY to participate in the ZONE at a rate of 77% as set forth in the Interlocal Agreement, the COUNTY agrees to participate in the ZONE by contributing to the Tax Increment Fund an additional amount equal to 23% of the revenue generated from the COUNTY M&O Tax Rate as assessed and collected on the Captured Appraised Value within the ZONE, with said additional contribution being subject to the limitations contained herein (the "COUNTY's Additional Pledge").

2. For the purpose of this Amendment, the COUNTY M&O Tax Rate and payments shall be calculated as set forth in section IV(B) of the Interlocal Agreement, including without limitation with respect to resolving conflicts in calculation. The Parties agree that the Administrative Costs that the COUNTY has the right to deduct pursuant to Section IV.B.1 of the Interlocal Agreement shall be deducted from the Tax Increment Payment due pursuant to the Interlocal Agreement and not from the COUNTY's Additional Pledge. In accordance with Section IV.B.9.b. of the Interlocal Agreement, the Parties agree that, notwithstanding anything to the contrary contained herein, in the event any of the property within the Zone is also within the Transportation Zone, during any period with respect to which the COUNTY is obligated to pay part of the tax increment on such real property in the ZONE to the Transportation Zone, in lieu of the aggregate amounts otherwise specified herein and in the Interlocal Agreement, the COUNTY's aggregate contribution to the ZONE with respect to property that is within the overlap between the Transportation Zone and the ZONE shall not exceed fifty percent (50%) of the Applicable M&O Tax Rate.

3. The Parties expressly agree that the COUNTY's Additional Pledge will only be contributed by the COUNTY to the Tax Increment Fund, subject to Section IV.A.4, if for any year the sum of the CITY's Additional Pledge together with the DEVELOPER's Pledge for such tax year is not sufficient to pay the debt service on the Supplemental Educational Facilities Contract Revenue Bonds during such year (the "Supplemental Debt Service Shortfall") and/or there are any amounts outstanding necessary for the ZONE to reimburse the 4B CORPORATION for any 4B CORPORATION Payments, as defined below, which have been made by the 4B CORPORATION and not previously reimbursed.

a. In the event the Supplemental Debt Service Shortfall for any tax year exceeds the amount of the COUNTY's Additional Pledge for such year, the COUNTY shall contribute the full amount of the COUNTY's Additional Pledge for that respective tax year to the Tax Increment Fund and the 4B CORPORATION shall be obligated (as contemplated and described in Section 5.C.1. below) to contribute its available sales tax revenues to the Tax Increment Fund in an amount sufficient to cover the remaining Supplemental Debt Service Shortfall for that respective tax year. Funds contributed by the 4B CORPORATION to cover the remaining Supplemental Debt Service Shortfall for any tax year (after accounting for the full amount of the COUNTY's Additional Pledge for such year) as contemplated and described in Section 5.C.1. below are herein referred to as the "4B CORPORATION Payments."

b. In the event the Supplemental Debt Service Shortfall for any tax year is less than the amount of the COUNTY's Additional Pledge for such tax year, the COUNTY shall contribute to the Tax Increment Fund, all or a portion of the COUNTY's Additional Pledge equal to: (1) the Supplemental Debt Service Shortfall for such tax year and/or (2) an amount necessary for, and which shall be utilized by, the ZONE to reimburse the 4B CORPORATION for any 4B CORPORATION Payments which have been made by the 4B CORPORATION and not previously reimbursed.

c. To the extent that the COUNTY's Additional Pledge for any tax year is more than (1) any Supplemental Debt Service Shortfall for such tax year and (2) any amounts necessary for the ZONE to reimburse the 4B CORPORATION for any 4B CORPORATION Payments which have been made by the 4B CORPORATION and not previously reimbursed, such excess amount shall not be part of the COUNTY's Additional Pledge or contributed to the Tax Increment Fund, and shall instead be retained by the COUNTY and may be used by the COUNTY for any lawful purpose.

4. The Parties agree that in no event shall the COUNTY's Additional Pledge to the Tax Increment Fund and to reimburse the 4B CORPORATION for any 4B CORPORATION Payments exceed an aggregate total of Six Million Eight Hundred Thousand and No/100 Dollars ($6,800,000.00).

5. The COUNTY's contribution of the COUNTY's Additional Pledge to the Tax Increment Fund is conditioned upon the CITY issuing the Supplemental Educational Facilities Contract Revenue Bonds to fund the Supplemental Project as set forth in the Supplemental Project and Finance Plan attached hereto as Exhibit "I". In the event the CITY does not issue the Supplemental Educational Facilities Contract Revenue Bonds to fund the Supplemental Project as prescribed in the Supplemental Project and Finance Plan, the COUNTY shall have no obligation to contribute the COUNTY's Additional Pledge to the Tax Increment Fund under this Amendment. The Parties hereto agree that all funds contributed by the COUNTY to the Tax Increment Fund pursuant to the COUNTY's Additional Pledge shall only be used to fund debt service payments on the Supplemental Educational Facilities Contract Revenue Bonds to pay the Supplemental Debt Service Shortfall and to pay amounts necessary for the ZONE to reimburse the 4B CORPORATION for any 4B CORPORATION Payments not previously reimbursed. The COUNTY's obligation to contribute the COUNTY's Additional Pledge to the Tax Increment Fund shall end when the aggregate contribution made under the COUNTY's Additional Pledge reaches Six Million Eight Hundred Thousand and No/100 Dollars ($6,800,000.00). The COUNTY'S obligations pursuant to this Amendment shall terminate if the Amendment is not duly approved by the PID's Board of Directors and executed by a duly authorized representative of the PID within thirty (30) days after the date of the County's approval of this Amendment.

B. Tax Increment Payment

The COUNTY's obligation to contribute its Tax Increment Payment to the Tax Increment Fund pursuant to the COUNTY's Additional Pledge, as provided in this Amendment, shall accrue as the COUNTY collects its Aggregate Available Tax Increment. The Parties hereto agree that all ad valorem property taxes collected each year by the COUNTY that are attributable to real property in the ZONE shall first constitute taxes on the Tax Increment Base and after the total amount of taxes on the value of the Tax Increment Base have been collected, then the remaining ad valorem taxes collected shall constitute the taxes collected on the value of the Tax Increment. COUNTY agrees to collect and to deposit any Tax Increment Payment required to be made under the COUNTY's Additional Pledge in the manner set forth in section IV B of the Interlocal Agreement, including, without limitation, that no Tax Increment Payment is due from the COUNTY until the applicable time following delivery to the COUNTY of the required reports and documentation. Such reports and documentation shall include sufficient information on the Supplemental Debt Service Shortfall, the CITY's Additional Pledge, the 4B CORPORATION Payment, the DEVELOPER's Pledge and the debt service obligation to allow the COUNTY and the Hidalgo County

Auditor to confirm the calculation of the amount due, if any, on the COUNTY's Additional Pledge.

C. Rights of the County

The CITY, the COUNTY, and the ZONE agree and acknowledge that the COUNTY is entering into this Amendment and agreeing to the COUNTY's Additional Pledge in reliance on the commitments made by the CITY, the DEVELOPER and the ZONE BOARD to: (a) in the case of the CITY, (i) timely contribute its Tax Increment Payments to the Tax Increment Fund as they become due in accordance with and subject to the terms of the Interlocal Agreement and the CITY's Additional Pledge to the Tax Increment Fund as they become due in accordance with and subject to the terms of this Amendment; (ii) issue and pay the Supplemental Project Obligations in accordance with this Amendment, and (iii) fulfill its obligations with respect to the Interlocal Agreement, this Amendment and the Supplemental Project Obligations; (b) in the case of the DEVELOPER, contribute the DEVELOPER's Pledge and fulfill its obligations with respect to the Interlocal Agreement, this Amendment and the Supplemental Project Obligations, and (c) on the commitment of the ZONE to comply with the Project and Finance Plan and Supplemental Project and Finance Plan. Any failure to fulfill such commitments will be considered a breach of the Interlocal Agreement, as amended by this Amendment, and such breach shall be subject to the cure provisions contained in Section IV.B.6. of the Interlocal Agreement.

V. RIGHTS AND OBLIGATIONS OF CITY AND ZONE

A. Tax Increment Participation by the CITY

In addition to the agreement by CITY to participate in the Zone at a rate of 80% under the terms of the Interlocal Agreement and the Development Agreement, the CITY agrees to participate in the Supplemental Project and Finance Plan for the ZONE by contributing to the Tax Increment Fund an additional amount equal to twenty percent (20%) of the revenue generated from the CITY M&O Tax Rate as levied and collected on the Captured Appraised Value each year during the Term of the ZONE, beginning with the 2015 tax year (the "CITY's Additional Pledge"). The CITY agrees to, and agrees to require the ZONE BOARD to, implement the Supplemental Project and Finance Plan. The CITY's contributions to the Tax Increment Fund of the CITY's Additional Pledge shall end upon the earlier of: (a) the CITY making all required principal and interest payments on the Supplemental Educational Facilities Contract Revenue Bonds using the CITY's Additional Pledge, the DEVELOPER's Pledge, and the COUNTY's Additional Pledge (if required due to a Supplemental Debt Service Shortfall) until such bonds are paid in full; or (b) the ZONE termination date in 2044, whichever occurs first. As a condition of the COUNTY's participation through the COUNTY's Additional Pledge under this Amendment, the Supplemental Finance and Project Plan must be followed and implemented by the City and the ZONE BOARD.

The CITY shall have an obligation to assure that the ZONE BOARD follows and implements the Supplemental Project and Finance Plan. In the event the CITY and/or ZONE fails to appropriately implement the Supplemental Project and Finance Plan, such failure will be considered a breach of the Interlocal Agreement, as amended by this Amendment, and such breach shall be subject to the cure provisions contained in Section IV.B.6. of the Interlocal Agreement.

B. Tax Increment Payment

1. The CITY's obligation to contribute its Tax Increment Payment under the CITY's Additional Pledge to the Tax Increment Fund as provided above in Section V.A. of this Amendment shall accrue as the CITY collects its Tax Increment. The CITY agrees to deposit its first Tax Increment Payment under the CITY's Additional Pledge to the Tax Increment Fund for tax year 2015 by May 1, 2016. The amount of the first Tax Increment Payment shall be based on the Tax Increments that were received through January 31, 2016, but only for the tax year 2015 beginning January 1, 2015. For subsequent Tax Increment Payments, the CITY agrees to contribute its Tax Increment Payment under the CITY's Additional Pledge to the Tax Increment Fund annually on or before May 1st (or the first business day thereafter) of each tax

year. Any delinquent deposit of a Tax Increment Payment by the CITY under this Amendment shall be administered as provided in Section 311.013(c) of the Texas Tax Code (or its successor provision).

2. The COUNTY, the CITY and the ZONE expressly agree that the COUNTY and the CITY shall not owe any interest on Tax Increments that have been levied, but not received by the COUNTY or the CITY by the delinquency dates specified herein.

C. Financing of Supplemental Project

1. Supplemental Educational Facilities Contract Revenue Bonds. The CITY shall create a "local government corporation" (the "LGC") pursuant to Subchapter D of Chapter 431 of the Transportation Code to issue two series of contract revenue bonds, a tax-exempt series and a taxable series (collectively, the "Supplemental Educational Facilities Contract Revenue Bonds") to finance the construction of the Supplemental Educational Facilities Project pursuant to Section 1509.003 of the Texas Government Code, as amended.

Pursuant to this proposed financing structure (the "Proposed Supplemental Educational Facilities Project Financing Structure"), the CITY, the LGC, the ZONE and the Development Corporation of McAllen, Inc. (the "4B CORPORATION"), a nonprofit economic development corporation originally created pursuant Section 4B of Article 5190.6, Texas Revised Civil Statutes (now codified primarily in Chapters 501 and 505 of the Local Government Code and known as the Development Corporation Act), would enter into an inter-local agreement (the "Educational Facilities Project Interlocal Funding Agreement") whereby the 4B CORPORATION and the ZONE, from the respective sources set forth herein, would obligate themselves to pay the LGC an amount sufficient to pay debt service on the Supplemental Educational Facilities Contract Revenue Bonds.

The 4B CORPORATION's payment obligation pursuant to the Educational Facilities Project Interlocal Funding Agreement would be subordinate only to the obligation of the 4B CORPORATION to make debt service payments on its outstanding Sales Tax Revenue Bonds, Series 1998. The ZONE's payment obligation pursuant to the Educational Facilities Project Interlocal Funding Agreement would be limited to the availability of Additional Payments, as defined in Section V.D.1. hereof. Pursuant to the Educational Facilities Project Interlocal Funding Agreement, the 4B CORPORATION's source of pledge (its sales tax) would only be utilized to pay debt service on the Supplemental Educational Facilities Contract Revenue Bonds in the event that the Additional Payments would be insufficient to pay such debt service on the Supplemental Educational Facilities Contract Revenue Bonds. The Parties to this Amendment acknowledge that the 4B CORPORATION's pledge of its sales tax and the LGC's issuance of one series of the Supplemental Educational Facilities Contract Revenue Bonds as tax-exempt bonds shall significantly reduce the interest rate paid on the Supplemental Educational Facilities Contract Revenue Bonds.

Pursuant to the Educational Facilities Project Interlocal Funding Agreement, the CITY and the LGC would be required to construct the Supplemental Educational Facilities Project. The CITY and the LGC would also be required to enter into a lease (the "Educational Facilities Lease") with Texas A&M University for such Supplemental Educational Facilities Project. The Educational Facilities Lease would be for a term lasting as long as the Supplemental Educational Facilities Contract Revenue Bonds are outstanding and the lease would require only a nominal lease payment. At such time the Supplemental Educational Facilities Contract Revenue Bonds would be paid in full, the City, pursuant to Section 272.001(j) of the Texas Local Government Code, would donate the Supplemental Educational Facilities Project to Texas A&M University.

The City and the LGC would enter into the Educational Facilities Lease pursuant to Section 1509.001 of the Texas Government Code, as amended, to develop and diversify the economy of this state and eliminate unemployment or underemployment in this state under the authority granted by Section 52-a, Article III, Texas Constitution. The Educational Facilities Lease would necessarily terminate by its own terms should

the Supplemental Educational Facilities Project cease to be operated as an institution of higher education during the time that the Supplemental Educational Facilities Contract Revenue Bonds are outstanding.

The Proposed Supplemental Educational Facilities Project Financing Structure described above and the issuance of the Supplemental Educational Facilities Contract Revenue Bonds by the LGC are contingent on their approval by the Public Finance Division of the Texas Attorney General.

2. Supplemental Master Infrastructure Taxable Certificates of Obligation. The CITY shall issue Certificates of obligation (the "Supplemental Master Infrastructure Taxable Certificates of Obligation") pursuant to Subchapter C of Chapter 271, Texas Local Government Code (the Certificate of Obligation Act of 1971) to finance the Supplemental Master Infrastructure Project. The Certificates of Obligation shall be secured by a continuing ad valorem tax levied on all taxable property within the CITY, within the limits prescribed by law, and a pledge of the Pledged PID Revenues, as further defined below in Section VI.A.3.

Notwithstanding the CITY's pledge of city-wide ad valorem taxes to the payment of the Supplemental Master Infrastructure Taxable Certificates of Obligation, city-wide ad valorem taxes shall only be utilized to pay debt service on the Supplemental Master Infrastructure Taxable Certificates of Obligation in the event that the Available Tax Increment contributed by the CITY and COUNTY under the Original Project and Finance Plan and the Interlocal Agreement are insufficient, and then only in the event the Pledged PID Revenues are insufficient to pay the debt service on the Supplemental Master Infrastructure Taxable Certificates of Obligation. As further described in Section VI.A.3., the Available Tax Increment contributed by the CITY and COUNTY under the Original Project and Finance Plan and the Interlocal Agreement are intended as the primary source of payment of the principal and interest on the Supplemental Master Infrastructure Taxable Certificates of Obligation, and the Pledged PID Revenues are intended as the initial source of payment until the said Available Tax Increment is sufficient to pay the debt service. Further, the Pledged PID Revenues are intended as the secondary source of payment to the extent Available Tax Increment is insufficient to pay all of the said debt service on an annual basis.

The Parties to this Amendment acknowledge that the City's pledge of city-wide ad valorem taxes to the payment of the Supplemental Master Infrastructure Taxable Certificates of Obligation shall significantly reduce the interest rate paid on the Supplemental Master Infrastructure Taxable Certificates of Obligation.

3. Each Participating Taxing Entity and Party shall participate in the payment of the Supplemental Educational Facilities Project Costs only to the extent described herein. The CITY, PID, and/or the ZONE shall be entitled to enter into any other agreements for the CITY, the PID or the ZONE to pay the costs of the Supplemental Project and other reasonable expenses from the Available Tax Increments paid into the Tax Increment Fund without the consent of any other Participating Taxing Entity, but they will provide notice of such agreement(s) to each Participating Taxing Entity.

D. Disbursement of Separate Additional Funds in the Tax Increment Fund

1. Each Participating Taxing Entity agrees the ZONE BOARD shall administer the Tax Increment Fund on behalf of the ZONE, pursuant to Ordinance No. 2014-75 passed and approved by City Commission of the CITY on December 22, 2014 and pursuant to this Amendment. No funds that are deposited in or credited to the Tax Increment Fund as a result of the CITY's Additional Pledge, the DEVELOPER's Pledge, or the COUNTY's Additional Pledge (except for that portion of the COUNTY's Additional Pledge, if any, which is to be used by the ZONE to pay amounts necessary for the ZONE to reimburse the 4B CORPORATION for any 4B CORPORATION Payments not previously reimbursed, all as further described in Section IV.A.3. of this Amendment) (collectively the "Additional Payments") shall be disbursed from the Tax Increment Fund for any purpose other than paying the costs of issuance for and making debt service payments on the Supplemental Educational Facilities Contract Revenue Bonds that shall be issued by the CITY or the LGC on behalf of the CITY. The Additional Payments shall be accounted

for separately from other funds held within the Tax Increment Fund (the "Separate Additional Funds"), and no payments may be made from the Separate Additional Funds held within the Tax Increment Fund without the prior written approval of the ZONE BOARD. Notice of the amount of Separate Additional Funds used, disbursed, and remaining in the Tax Increment Fund shall be given at least annually to the COUNTY.

2. In the Educational Facilities Project Interlocal Funding Agreement, the CITY and the ZONE shall limit the use of the Separate Additional Funds in the Tax Increment Fund as set forth in the Supplemental Project and Finance Plan, and only for the cost of issuance and repayment of principal and interest on the Supplemental Educational Facilities Contract Revenue Bonds.

3. The Parties agree and covenant that the Additional Payments shall only be used to fund the costs of issuance of and pay debt service on the Supplemental Educational Facilities Contract Revenue Bonds pursuant to the Supplemental Project and Finance Plan; and, that the Available Tax Increment contributed by the CITY and COUNTY under the Original Project and Finance Plan and Interlocal Agreement shall be used as they are received on an annual basis under the following priority: first, to fund the debt service on the Supplemental Master Infrastructure Taxable Certificates of Obligation that is due each year that said Supplemental Master Infrastructure Taxable Certificates of Obligation are outstanding; and, second, other uses according to the Priority of Payment set forth in Section 3.7.2 of the Development Agreement. The Parties further agree and covenant that the proceeds from the sale of the Supplemental Educational Facilities Contract Revenue Bonds and Supplemental Master Infrastructure Taxable Certificates of Obligation required to be issued by the CITY, or the LGC, as the case may be, pursuant to this Amendment shall be deposited in the Tax Increment Fund, accounted for separately, and only be used for the respective purposes and under the respective priority of uses as follows:

(a) Proceeds from the Supplemental Educational Facilities Contract Revenue Bonds: All Proceeds from the Supplemental Educational Facilities Contract Revenue Bonds shall only be used to fund the following costs and expenses in the following priority: first, payment of the CITY's obligations under the agreement with Texas A&M University, anticipated to be entered into pursuant to the LOI, related to the funding of buildings and related site work according to the Supplemental Project and Finance Plan to provide an initial Texas A&M University campus within the Project; and, second, other uses according to the Priority of Payment set forth in Section 3.7.2 of the Development Agreement.

(b) Proceeds from the Supplemental Master Infrastructure Taxable Certificates of Obligation: All Proceeds from the Supplemental Master Infrastructure Taxable Certificates of Obligation shall only be used to fund the following costs and expenses in the following priority: first, payment or reimbursement for Project Costs and Soft Project Costs for Phase I of the Project and Supplemental Project infrastructure as approved by the ZONE BOARD; second, payment of City's Approved Pre-TIRZ Administrative Costs; third, payment of City and County accrued incremental Administrative Costs; and fourth, other uses according to the priority of payment set forth in Section 3.7.2 of the Development Agreement.

VI. RIGHTS AND OBLIGATIONS OF DEVELOPER

A. Agreement by Developer

1. In return for the covenants and agreements made by the CITY, the COUNTY, and the ZONE in this Amendment, the DEVELOPER agrees to faithfully perform its obligations under this Amendment, the Interlocal Agreement and the Development Agreement, including without limitation the obligation to follow and implement the Project and Finance Plan and the Supplemental Project and Finance Plan as that obligation is imposed by the Development Agreement and this Amendment. If the DEVELOPER fails to meet the obligations contained in this Amendment or in the Development Agreement,

it shall constitute a breach of this Amendment and be subject to the cure provisions contained in Section IV.B.6. of the Interlocal Agreement.

2. The Parties acknowledge that the Development Agreement provides the DEVELOPER the right to receive reimbursements for eligible approved Project Costs from the Available Tax Increment deposited in the Tax Increment Fund pursuant to the Project and Finance Plan and the Interlocal Agreement. To assist in the funding of the Supplemental Project, and in partial consideration for the transfer of land between the CITY and DEVELOPER described below, DEVELOPER hereby agrees that during years 2015 through 2025 ten percent (10%) of the amount of the Available Tax Increment contributed by the CITY and the COUNTY to the Tax Increment Fund under the Original Project and Finance Plan, the Interlocal Agreement, and the Development Agreement may be redirected and applied to the payment of debt service on the Supplemental Educational Facilities Contract Revenue Bonds, subject to the terms of this Amendment (the "DEVELOPER's Pledge"). The Parties expressly agree that the DEVELOPER's Pledge will only be contributed by the DEVELOPER towards the Separate Additional Funds if the sum of CITY's Additional Pledge during years 2015 through 2025 of the Zone is not sufficient to pay the debt service on the Supplemental Educational Facilities Contract Revenue Bonds during such years. The Parties further agree that in no event shall the DEVELOPER's Pledge exceed an aggregate amount of Two Million Five Hundred Thousand and No/Hundred Dollars ($2,500,000.00).

3 The CITY finds that the Supplemental Project promotes the interests of the CITY, and that the Supplemental Project will confer a special benefit on the part of the CITY located within the PID. The Parties expressly agree to the following in relation to the issuance and payment of the Supplemental Master Infrastructure Taxable Certificates of Obligation by the CITY:

(a) The DEVELOPER hereby agrees and consents to the CITY and PID levying an annual PID assessment pursuant to Texas Local Government Code Section 372.017 (the "PID Assessment") on all property within the PID for the purpose and in the amount necessary to fund the annual debt service payments due on the Supplemental Master Infrastructure Taxable Certificates of Obligation (the "Pledged PID Revenues").

(b) The PID hereby agrees to take all actions as required by law to cause the levy of the PID Assessment by the CITY for the purpose of funding the initial and supplemental debt service on the Supplemental Master Infrastructure Taxable Certificates of Obligation by the PID pursuant to this agreement.

(c) The PID agrees to deposit the Pledged PID Revenues into the PID fund as the PID Assessments are collected. The Parties agree that after the Pledged PID Revenues are deposited in the PID fund they will be accounted for separately and shall only be used to pay the annual debt service on the Supplemental Master Infrastructure Taxable Certificates of Obligation to the extent the amount of Available Tax Increment deposited by the CITY and COUNTY into the Tax Increment Fund pursuant to the Original Project and Finance Plan and the Interlocal Agreement (less the DEVELOPER's Pledge) is insufficient to pay the said debt service for such year. To the extent that the Pledged PID Revenues are required to pay debt service on the Supplemental Master Infrastructure Taxable Certificates of Obligation, the PID hereby agrees to take all actions necessary to transfer the necessary Pledged PID Revenues in the PID Fund to the City's interest and sinking fund that will be created for the benefit of the Supplemental Master Infrastructure Taxable Certificates of Obligation.

(d) The Parties expressly agree that the PID will only be required to contribute the annual Pledged PID Revenues in the event the amount of Available Tax Increment deposited

by the CITY and COUNTY into the Tax Increment Fund pursuant to the Original Project and Finance Plan and the Interlocal Agreement (less the DEVELOPER's Pledge) is, or is projected to be, insufficient to pay the debt service on the Supplemental Master Infrastructure Taxable Certificates of Obligation for such year.

The Parties agree that the PID Assessment levied to fund the Pledged PID Revenues will no longer be levied or assessed once the combined amount of the Available Tax Increment deposited by the CITY and COUNTY into the Tax Increment Fund each year under the Original Project and Finance Plan and the Interlocal Agreement (less the DEVELOPER's Pledge) is equal to 120% or more of the debt service required to be paid on the Supplemental Master Infrastructure Taxable Certificates of Obligation annually.

(e) The DEVELOPER agrees to provide the CITY with an irrevocable letter of credit (the "LOC") which will be automatically renewed each year in the amount of the annual debt service payment due to be paid on the Supplemental Master Infrastructure Taxable Certificates of Obligation for the year in which the LOC is provided. The first LOC required must be provided to the CITY no less than 30 days prior to the Supplemental Master Infrastructure Taxable Certificates of Obligation being issued. The LOC for each subsequent year must be provided to the CITY no later than January 15th of the year in which it is required to be provided. The LOC for each year will be released upon the PID making the debt service payment of the Supplemental Master Infrastructure Taxable Certificates of Obligation due in each respective year. The DEVELOPER will no longer be required to provide a LOC to the CITY once the combined amount of the Available Tax Increment deposited by the CITY and COUNTY into the Tax Increment Fund (less the DEVELOPER's Pledge) equals 120% of the annual debt service required to be paid on the Supplemental Master Infrastructure Taxable Certificates of Obligation.

B. Rights of Developer

1. The CITY, the COUNTY, and the ZONE agree and acknowledge that DEVELOPER is making the commitments identified herein in reliance on the commitments made by the CITY and the COUNTY to: (a) timely contribute their respective Tax Increment Payments to the Tax Increment Fund as they become due in accordance with and subject to the terms of the Interlocal Agreement, (b) timely contribute their respective Additional Pledge to the Tax Increment Fund as they become due in accordance with and subject to the terms of this Amendment; and, (c) on the commitment of the ZONE to comply with the Project and Finance Plan and Supplemental Project and Finance Plan and properly and timely (within 30 days of approval if funds are available) process payments and reimbursements for proper work completed by the DEVELOPER and/or its successors, assigns, contractors or subcontractors.

2. The DEVELOPER shall have the right to serve as Project manager for the construction and installation of all public improvements and public infrastructure identified in the Project and Finance Plan and the Supplemental Project and Finance Plan, save and except for those obligations to be managed by the CITY or Texas A&M University under the Letter of Intent between said parties.

3. The DEVELOPER shall have the right to adjust or prioritize the schedule of construction of improvements within each Phase of the Project, provided that such adjustment or prioritization does not cause a Material Change in the Supplemental Project and Finance Plan.

4. The DEVELOPER shall have the right to use anticipated reimbursements to the DEVELOPER and other rights of the DEVELOPER under this Amendment and the Development Agreement (subject to the DEVELOPER's Pledge) to obtain financing for funding required to construct

improvements within the Project, including the assignment or use of such reimbursements or rights as collateral, or the factoring of such rights and obligations to third parties, subject to the limitations contained in the Development Agreement.

5. The CITY and DEVELOPER agree that the DEVELOPER will convey to the CITY fee simple title to the +/- 100 acre site identified on Exhibit "III" for use as the site for the campus of Texas A&M University; and, in return, the CITY shall convey to the DEVELOPER fee title to the two (2) tracts identified on Exhibit "IV". The CITY and DEVELOPER agree that the value of the +/- 100 acre tract to be conveyed by the DEVELOPER to the CITY together with the DEVELOPER's Pledge exceeds the value of the two (2) tracts which are to be conveyed from the CITY to the DEVELOPER. All conveyances required to be made under this subsection shall be closed within thirty (30) days from the execution of this Amendment with the DEVELOPER and CITY each paying one-half of the closing costs.

VII. TERM AND TERMINATION

A. Term of the ZONE and Termination

This Amendment shall become effective as of the last date of execution by the Parties hereto, and shall remain in effect until December 31, 2044, unless earlier terminated as provided herein.

B. Early Termination

Neither the CITY, the COUNTY, nor the ZONE BOARD shall take any action to terminate the ZONE earlier than the term of the ZONE, except as set forth in the Development Agreement.

C. Disposition of Tax Increments

Upon expiration or termination of the ZONE and after all bonds and/or notes have been paid and all reimbursements have been made, any money from the Separate Additional Funds remaining in the Tax Increment Fund shall be paid to the Participating Taxing Entities on a pro rata basis in accordance with Section 311.014(d) of the Texas Tax Code, or any successor provision thereto. Accounting to determine the pro rata distribution of remaining Separate Additional Funds to the respective taxing entities shall be conducted according to generally accepted accounting principles, and shall be subject to review and audit by the COUNTY upon reasonable request. In the event a discrepancy occurs between the reviews conducted by the CITY and COUNTY, said dispute will be resolved by the respective audit offices of the CITY and COUNTY. In the event the dispute cannot be resolved it shall be submitted to mediation under the rules of the American Mediation Association with a mediator agreed upon by the County Judge of the COUNTY and the City Manager of the CITY.

VIII. MISCELLANEOUS

A. Understanding

Any and all costs, including with respect to the Supplemental Project Obligations, incurred by the CITY, COUNTY or DEVELOPER are not, and shall never become, general obligations or debt of the COUNTY. The Separate Additional Funds in the Tax Increment Fund shall only be used as set forth in the Supplemental Project and Finance Plan and only for the payment of the costs of issuance of and repayment of principal and interest on the Supplemental Educational Facilities Contract Revenue Bonds.

B. Severability

In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained.

C. Entire Agreement

The Interlocal Agreement and this Amendment merges the prior negotiations and understandings of the Parties hereto and embodies the entire agreement of the Parties. There are no other agreements, assurances, conditions, covenants (express or implied), or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof. It is the intent of the Parties that the Interlocal Agreement shall govern the relationship between the Parties regarding the Project and Finance Plan, and this Amendment shall govern the relationship of the parties regarding the Supplemental Project and Finance Plan. If a conflict between the language of the Interlocal Agreement and this Amendment occurs that cannot be reasonably resolved to carry forth the intent of the Parties, the language of this Amendment shall prevail. With respect to the COUNTY's obligations, to the extent there is any discrepancy between this Amendment and any exhibit hereto, the terms of this Amendment shall control. All relevant provisions of the Interlocal Agreement shall apply to and be used in the interpretation and enforcement of this Amendment to the extent the same are not in irreconcilable conflict herewith.

Upon the occurrence of any event that allows the CITY to terminate hereunder or under the Interlocal Agreement, the COUNTY shall have the right to withhold tax increment payments under this Amendment until such time as such event is cured, and the COUNTY shall not incur any penalties or interest with respect to any such withheld payments notwithstanding any provision herein to the contrary.

D. Written Amendment

This Amendment may be changed or amended only by a written instrument duly executed on behalf of each Party hereto. All Parties to this Amendment understand and recognize that only the City Commission of CITY and only the Commissioners Court of the COUNTY have authority to approve a change or amendment to this Amendment on behalf of the CITY or the COUNTY, respectively.

E. Notices

All notices required or permitted hereunder shall be in writing and delivered by personal delivery, facsimile or United States Postal Service (certified mail, return receipt requested) and addressed to the respective other Party at the address prescribed in Section I of the Interlocal Agreement, or at such other address as the receiving Party may have theretofore prescribed by notice to the sending Party. Such notices shall be deemed delivered the earlier of: (i) when actually received by personal delivery or facsimile if received during normal business hours and on the next business day if received after normal business hours; or (ii), if sent by the United States Postal Service, on the date indicated by the United States Postal Service on the return receipt as the date on which it was received by the respective other Party.

F. Non-Waiver

Failure of any Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, or to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

G. Assignment

All Parties to this Amendment understand and recognize that only the City Commission of the CITY and only the Commissioners Court of the COUNTY have authority to approve a delegation or assignment of the COUNTY's or the CITY's rights in this Amendment on behalf of the CITY or the COUNTY, respectively. All Parties further agree that the DEVELOPER shall have the right to assign the

right to receive reimbursements to a third party for the purpose of obtaining financing, or to a related third party without obtaining consent of any other Party, provided that such reimbursements have been approved by the ZONE BOARD and such assignments are made in compliance with the Development Agreement.

H. Successors

This Amendment shall bind and benefit the Parties and their legal successors or assigns. This Amendment does not create any personal liability on the part of any trustee, officer, owner, partner, principal, employee, elected official or agent of a Party to this Amendment.

I. Amendments to Supplemental Project and Finance Plan

The COUNTY acknowledges that it was provided with a copy of the initial preliminary supplemental project and finance plan for review and comment before the Supplemental Project and Finance Plan was finalized and approved by the City Commission of the CITY. The Parties agree that a Material Change to the Supplemental Project and Finance Plan shall not apply to the COUNTY unless the COUNTY approves the change as provided herein. Further, if such amendment to the Supplemental Project and Finance Plan (i) has the effect of directly or indirectly increasing the percentage of Tax Increment to be contributed by the COUNTY; or (ii) increases or reduces the geographical area of the ZONE set forth in the Supplemental Project and Finance Plan, the COUNTY must approve said amendment in order for the amendment to be binding on the COUNTY.

J. Access to Financial Information

The ZONE BOARD agrees to conduct or to cause to be conducted, at a minimum, an annual financial review, a copy of which will be provided to the COUNTY. Furthermore, each Party to this Amendment shall have reasonable access to financial or other information and audit reports regarding the operation of the ZONE, contribution of Tax Increment Payments, including the Additional Payments, to the Tax Increment Fund, and expenditures from the Tax Increment Fund for Project Costs and Supplemental Educational Facilities Project Costs, including all expenditures from the Separate Additional Funds. In addition, the CITY agrees, during the term of this Amendment, to prepare and deliver an annual report to the COUNTY in accordance with Section 311.016 and 311.0101(c), Texas Tax Code. The COUNTY shall have the right to withhold or delay payments to the Tax Increment Fund until such time as it has received the financial report from the CITY for the applicable tax year, and shall not incur any penalties or interest with respect to any such withheld or delayed payments notwithstanding any provision herein to the contrary.

IN WITNESS HEREOF, the CITY OF MCALLEN; HIDALGO COUNTY; DEVELOPER; AND TAX INCREMENT REINVESTMENT ZONE NUMBER ONE (1), CITY OF MCALLEN, TEXAS have made and executed this Amendment in quadruplicate originals on this 15th day of September, 2015.

CITY OF MCALLEN

Jim Darling
City Mayor

ATTEST/SEAL:

Perla Lara
Interim City Secretary

CITY OF McALLEN
McALLEN, TEXAS

HIDALGO COUNTY

Hon. Ramon Garcia
County Judge

ATTEST/SEAL:

Arturo Guajardo, Jr.
County Clerk

Approved by Commissioners' Court on 9/15/15

APPROVED AS TO FORM FOR THE CITY OF MCALLEN:

Kevin Pagan, City Attorney

APPROVED AS TO FORM FOR HIDALGO COUNTY:

Atlas, Hall, & Rodriguez, LLP

By: _____
Stephen L. Crain

DEVELOPER:
RHODES ENTERPRISES, INC.

Mike Rhodes
President

REINVESTMENT ZONE NUMBER ONE, CITY OF MCALLEN, TEXAS
(Tres Lagos Development Project)

Mike Rhodes
Presiding Officer

ATTEST/SEAL:

Megan J. Clay
Board Secretary

IN WITNESS HEREOF, the TRES LAGOS PUBLIC IMPROVEMENT DISTRICT, of the City of McAllen, Texas, has agreed to and executed this Amendment in quadruplicate originals on this ___th day of September, 2015.

TRES LAGOS PUBLIC IMPROVEMENT DISTRICT, CITY OF MCALLEN, TEXAS

Presiding Officer

ATTEST/SEAL:

Megan J. Clay
Board Secretary

Exhibit I
Supplemental Project and Finance Plan

EXHIBIT I

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND ADOPTING THE CITY OF MCALLEN, TEXAS TAX INCREMENT REINVESTMENT ZONE NUMBER ONE "SUPPLEMENTAL PROJECT AND FINANCING PLAN" AS APPROVED BY THE TAX INCREMENT REINVESTMENT ZONE NUMBER ONE BOARD OF DIRECTORS AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of McAllen, Texas believes in improving the quality of life of its citizens and encourages new growth and job creation,

WHEREAS, the City of McAllen, Texas understands that support of revitalization, economic development and additional residential and commercial development will attract necessary job opportunities and investment to the community,

WHEREAS, the City of McAllen, Texas is committed to economic development and recognizes that Tax Increment Financing is an important tool for economic and community development,

WHEREAS, the City of McAllen, Texas created Tax Increment Reinvestment Zone Number One and created a Tax Increment Financing Fund by passing Ordinance No. 2014-75 on December 22, 2014,

WHEREAS, the Board of Directors of Tax Increment Reinvestment Zone Number One passed Resolution TIRZ #1-2015-8-27-7 on August 27, 2015, approving the Tax Increment Reinvestment Zone Number One Supplemental Project and Financing Plan,

WHEREAS, proper notice of the hearing was provided as required by law, and the City Commission of the City of McAllen, Texas held a public hearing as required by Section 311.011 of the Texas Tax Code prior to adoption of the Ordinance,

NOW, THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MCALLEN, TEXAS THAT:

1) The City Commission of the City of McAllen, Texas finds the above recitations to be true and accurate.

2) The City Commission of the City of McAllen, Texas finds that the "Supplemental Project and Financing Plan" for Tax Increment Reinvestment Zone Number One is feasible and conforms with the City of McAllen Master Plan.

3) The City Commission of the City of McAllen, Texas approves the Tax Increment Reinvestment Zone Number One "Supplemental Project and Financing Plan" as outlined in the attached Exhibit "A" and incorporated herein.

4) The Effective Date of the Ordinance and its attachments shall be September 15, 2015.

Passed and **Approved** at McAllen, Texas this **15th** day of **September, 2015.**

CITY OF MCALLEN, TEXAS

_____

James Darling, Mayor

Attest:

_____

City Secretary

Approved as to Form:

_____

City Attorney

City of McAllen, TX
Integrity · Accountability · Commitment

City of McAllen
Project "Titan"

Supplemental Project & Financing Plan

Approved by TIRZ Board on August 27, 2015

CONFIDENTIAL

The contents of this presentation are confidential and not subject to disclosure under the Texas Open Records Act because they pertain to Real Estate Transactions and Economic Development Matters. This material may not be disclosed until disclosure is made by the City of McAllen City Commission in taking action on such matters.

CITY OF
McALLEN, TEXAS

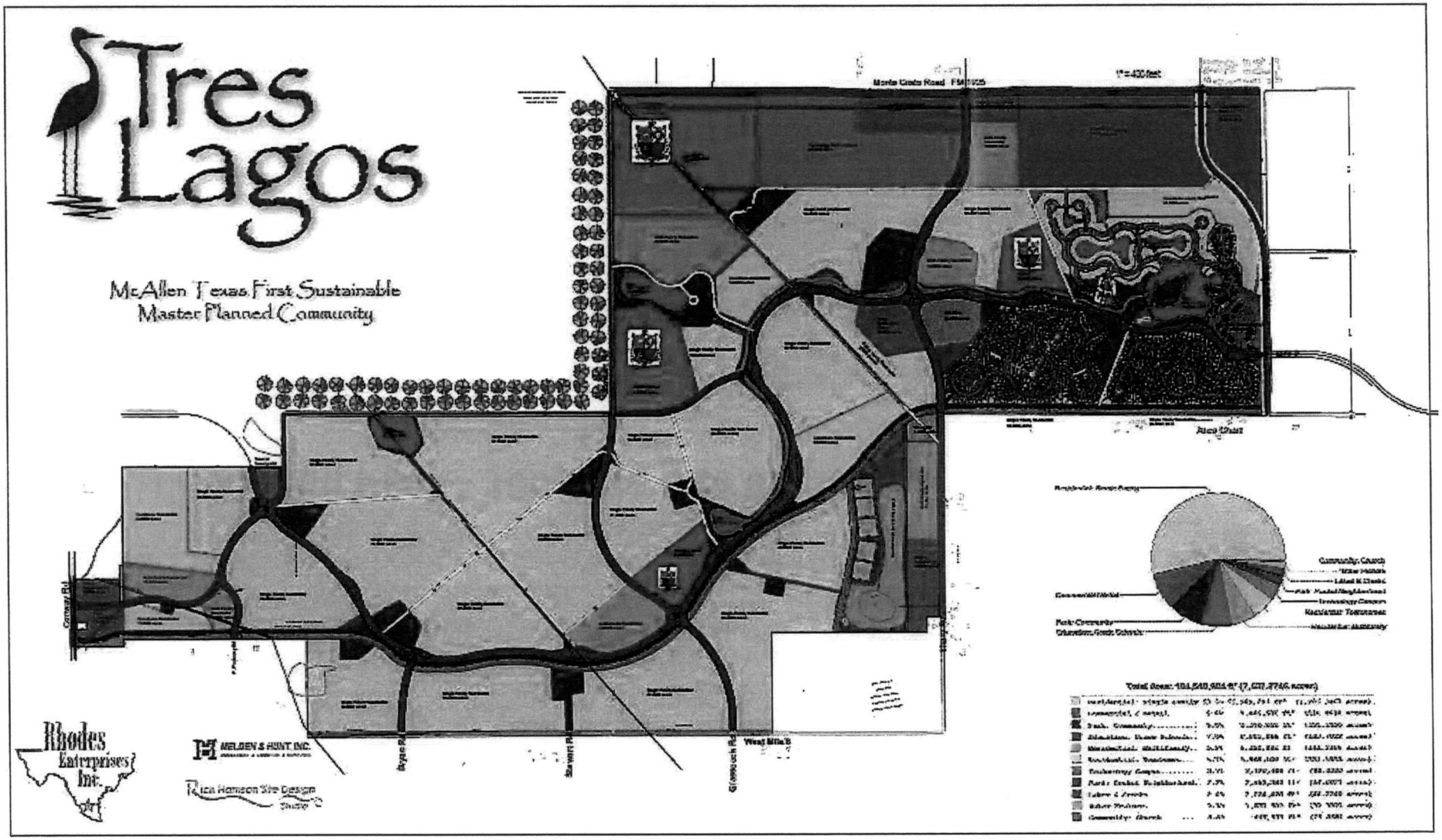
Table of Contents

Section	Page
Project Location Plan	3
Project Titan Financing Plan	8
Project Plan and Finance Plan – General Information	23

Project Location Plan – 100 Acre Site in Tres Lagos

CITY OF
McALLEN, TEXAS

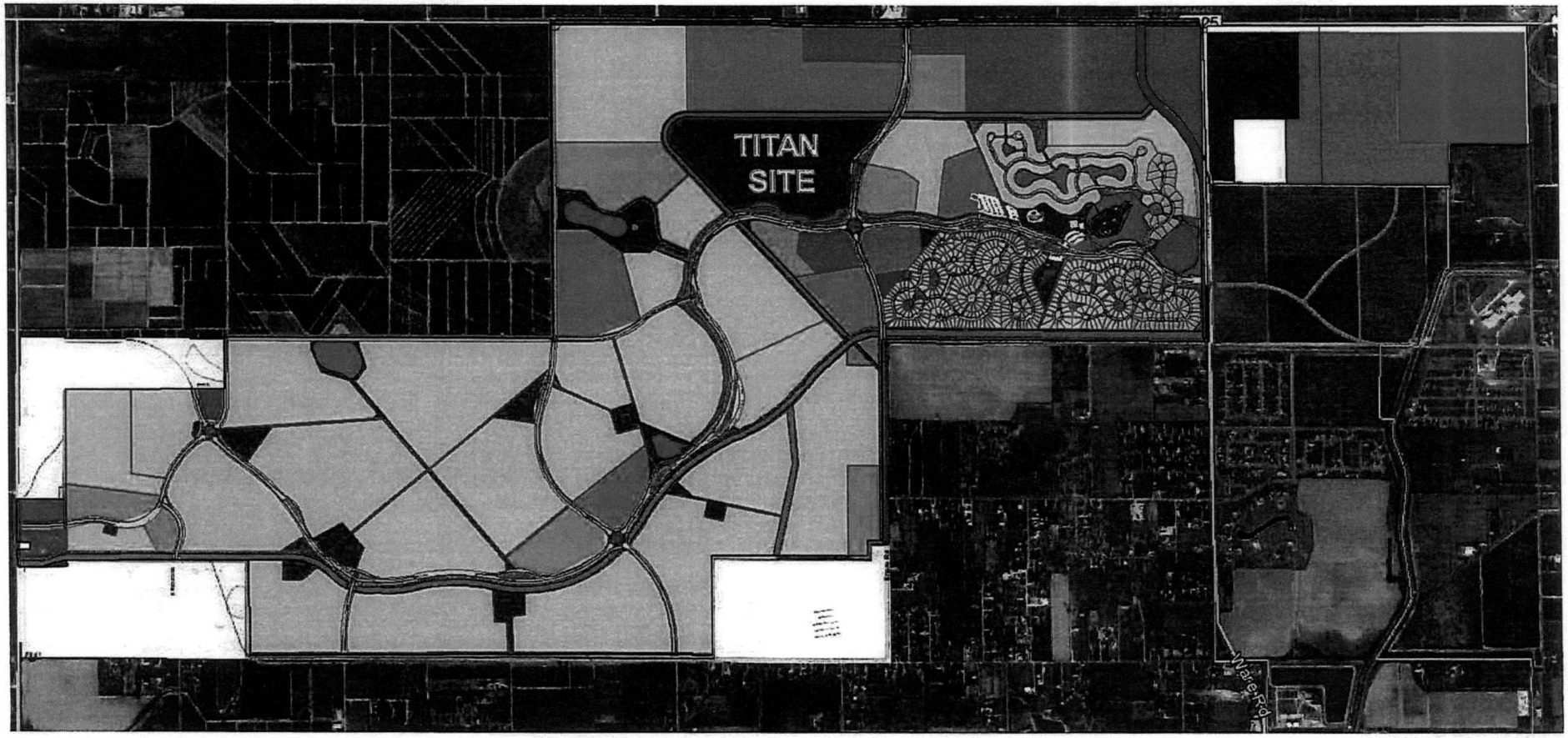
Original Tres Lagos Plan with High School



CITY OF McALLEN, TEXAS

Jefferies

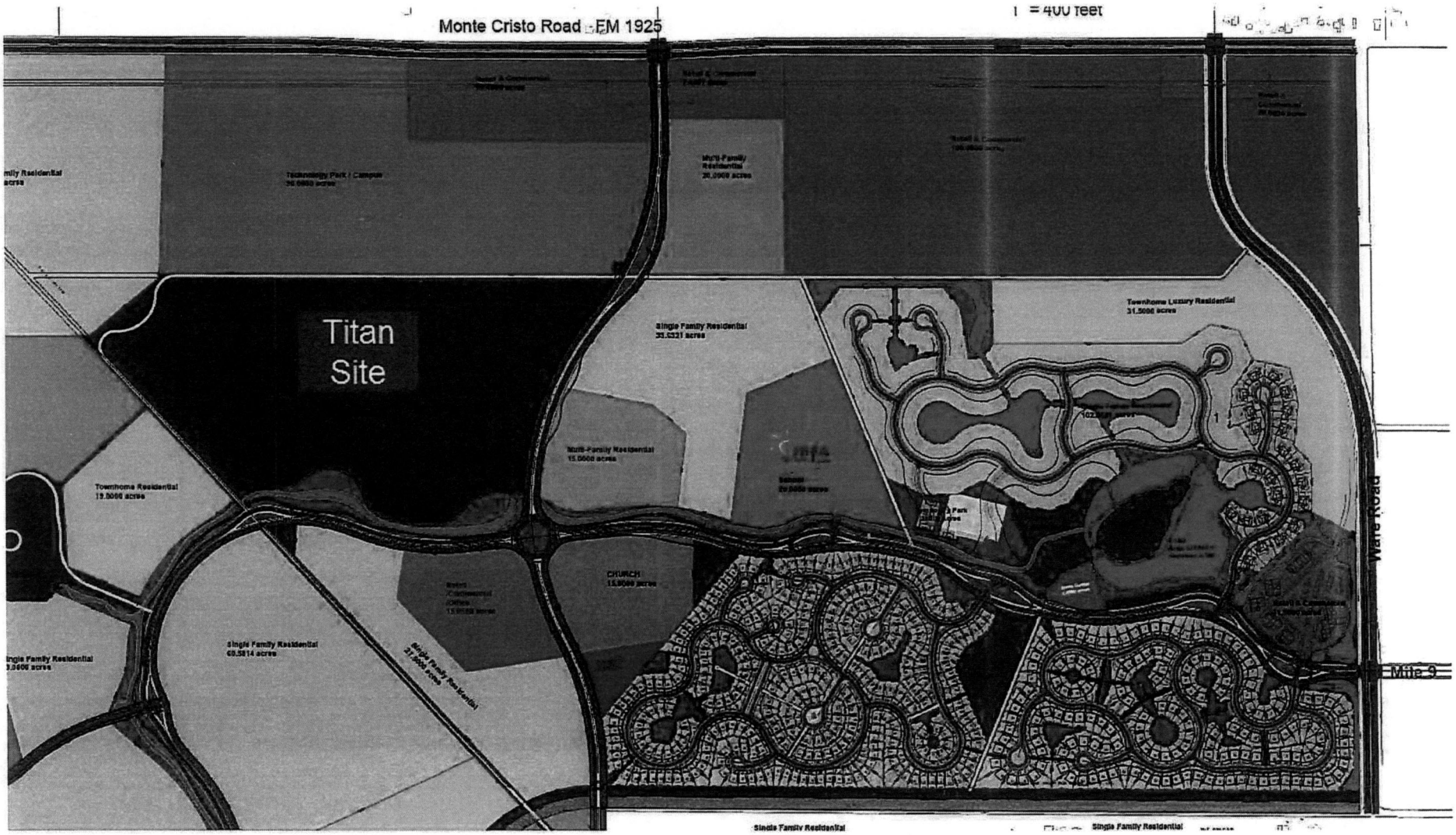
Revised Tres Lagos Plan with 100 Acre Project Titan Site



CITY OF
McALLEN, TEXAS

Jefferies

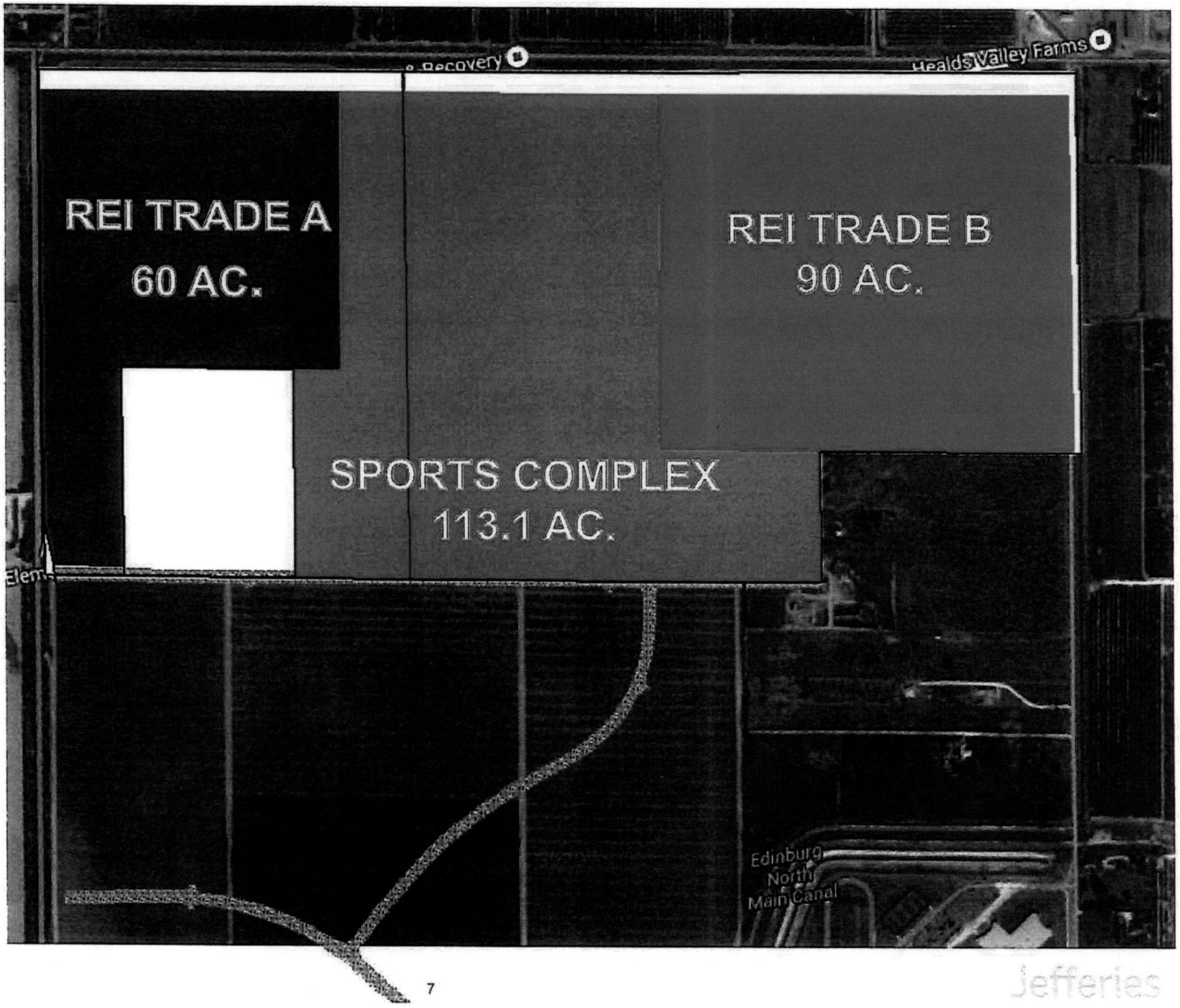
Local View of Project Titan Site



CITY OF McALLEN, TEXAS

Jefferies

City Tracts traded for REI 100 Acre Tract for Project Titan (with Proposed Sports Complex)



CITY OF McALLEN, TEXAS

Jefferies

Project Titan Financing Plan

Titan Site Building & Expanded Phase I Infrastructure

CITY OF
McALLEN, TEXAS

leffenps

Supplemental Financing Plan for Project Titan

- Original Phase I of Tres Lagos Project required $16.5mm in public infrastructure

- Phase I costs increase from $16.5mm to $24.5mm, and $10.0mm additional for vertical construction required to accommodate Project Titan, the $24.5mm in infrastructure costs are already in Original Project and Finance Plan, but supplemental plan amendments are required to fund Vertical Costs

- **Goals:**
  - Facilitate Infrastructure and New Vertical costs at Lowest reasonable overall expense
  - Minimum City General Fund Exposure
  - Ultimate reliance on the Tax Increment Financing (TIF)

- **Financing Plan Proposal:**
  - Series A Bonds: ~$12.8mm City Secured Bonds to Fund Project Titan Vertical Construction
    - During first 10 years, Developer will pledge 10% of Existing Tax Increment Revenue from Original Tres Lagos Project to cover Series A Debt Service ("Developer Pledge")
    - City will fund remaining Series A debt service using City's 20% residual Tax Increment not pledged to Original TIRZ Project Cost ("City Pledge")
    - If City Pledge and Developer Pledge are not sufficient to cover Series A Debt Service County will contribute it's 23% residual Tax Increment during years 2019 thru 2026 to cover any shortfall up to a maximum of $6.8mm ("County Pledge")
  - Series B: ~$24.77mm City Secured Bond to Fund Required Infrastructure
    - Original City 80% and County 77% TIF Increment pledged to Fund Debt Service
    - Developer pays & guarantees Balance of Series B Debt Service with Irrevocable Bank LOC (1 year D.S.) and Public Improvement District Special Assessment on Project Land

Financing Plan Mechanics

- City issues 2 Series of City guaranteed bonds with AA rating
  - Assumed to be one notch below current GO Rating

- Series A: ~$12.8mm 20 Year, Fixed Rate, Amortizing, Level Debt
  - Interest Capitalized Years 1 to 3, Amortization Deferred

- Series B: ~$24.77mm 30 Year, Fixed Rate, Amortizing, Increasing Debt Service
  - Financing structured as interest only for 5 years and then gradual amortization of principal in years 6 to 30.
  - For first 10 Years, Developer Pledge will flow back to City for Series A Debt Service
  - Annual revenues from 77% and 80% original TIF pledged to fund debt service.
  - If Original TIF funds (77% and 80%) are not fully able to pay annual debt service:
    - Years 3 to 30 – Developer guarantees & pays annual balance of debt service
  - Developer provides City with Irrevocable Bank issued LOC equal to one year debt service for Series B Bonds
  - PID Assessment for guaranteeing payment of Debt Service until original TIF increment generates at least 120% of annual Series B debt service, then PID assessment extinguished

PID Credit Enhancement Mechanics

- PID Special Assessment put in place in 2015 but first Special Assessments for Debt Guarantee (SADG) not levied for debt service until 2019
- PID levy is basically credit enhancement to the growing TIF revenue stream
- PID levy expected to decrease each year starting in 2019 as TIF revenues increase
- If development occurs as expected, PID levy would never be called on
- If development occurs at 50% of expected value, PID levy extinguished by 2025

City Benefits

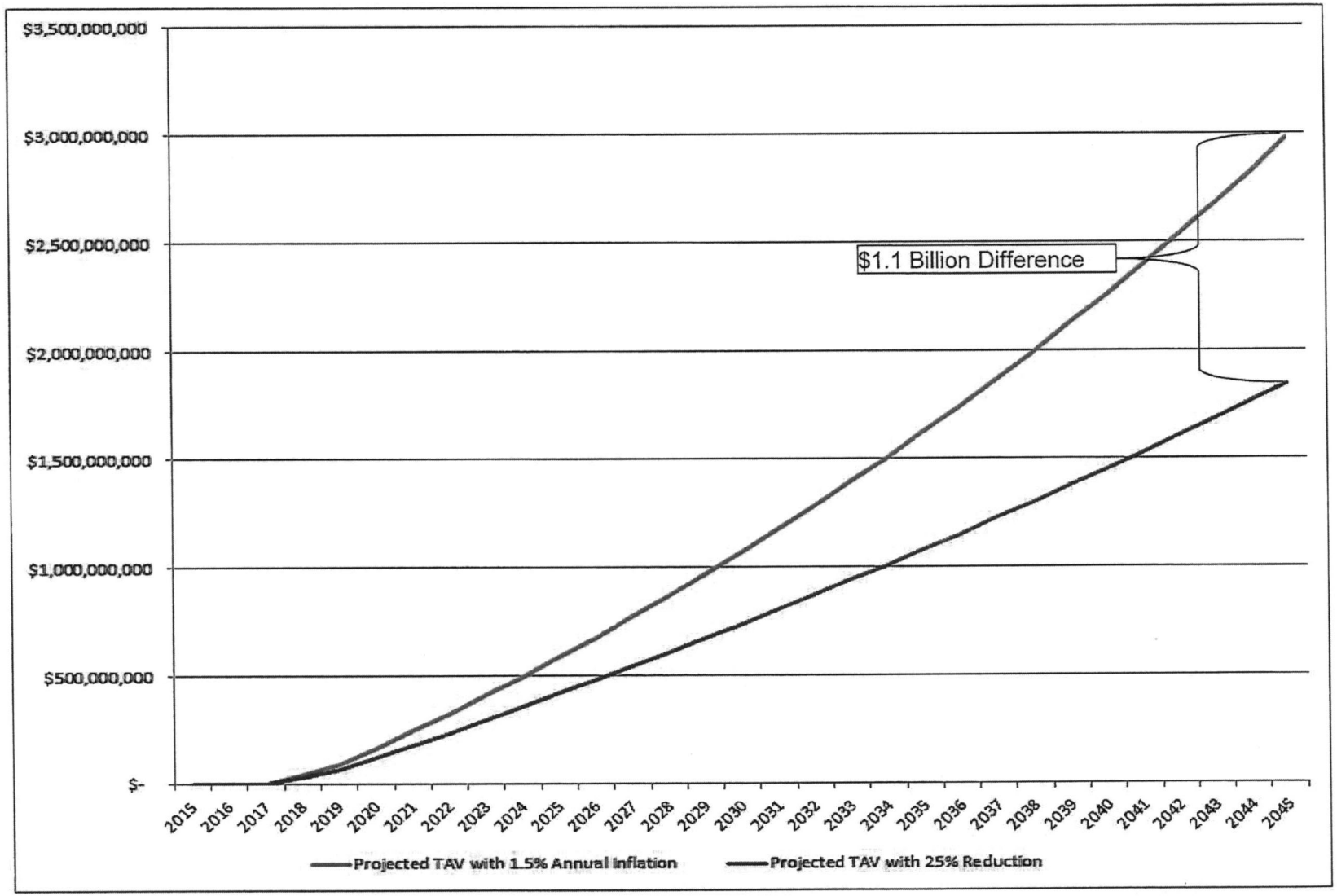
- Lowest possible cost of capital for the Project
- Minimizes tax increment required for this project component so that TIF funds can more efficiently be applied to other projects
- Bootstraps project development both efficiently and quickly
- PID lien on the private property provided to assure payment of Series B Bonds
- City receives $2.19mm of Original TIF from Developer to offset Series A Bond obligation
- City receives PID lien on Developers Undeveloped Land to back Series B debt
- City obtains Developer's 100 AC site with all improvements and utilities for Project Titan by land swap to Developer of less valuable City land (Slide 7)

Summary of Assumptions for Supplemental Project and Finance Plane

The Two Scenarios Presented below are: Expected Growth(1) and Low Growth(2)

- **Each Scenario Assumes a 4% Property Tax Delinquency Rate**
  - This Revenue is Not Recaptured in the Model
- **Expected Growth**
  - Property Added to Roles is Subject to Inflationary Adjustment Before Being Added to the Tax Role to reflect normal conservative value increase over time
  - Property On Tax Roles Increases in TAV at 1.5% Annually
- **Low Growth**
  - Property Added to Roles is Reduced by 25% Before Being Added to the Tax Role
  - No Inflationary Adjustment Throughout Model Period
- **City Debt Amortizes**
  - Amortizes over 17 Year Period with Level Payments
  - Three Years of Capitalized Interest

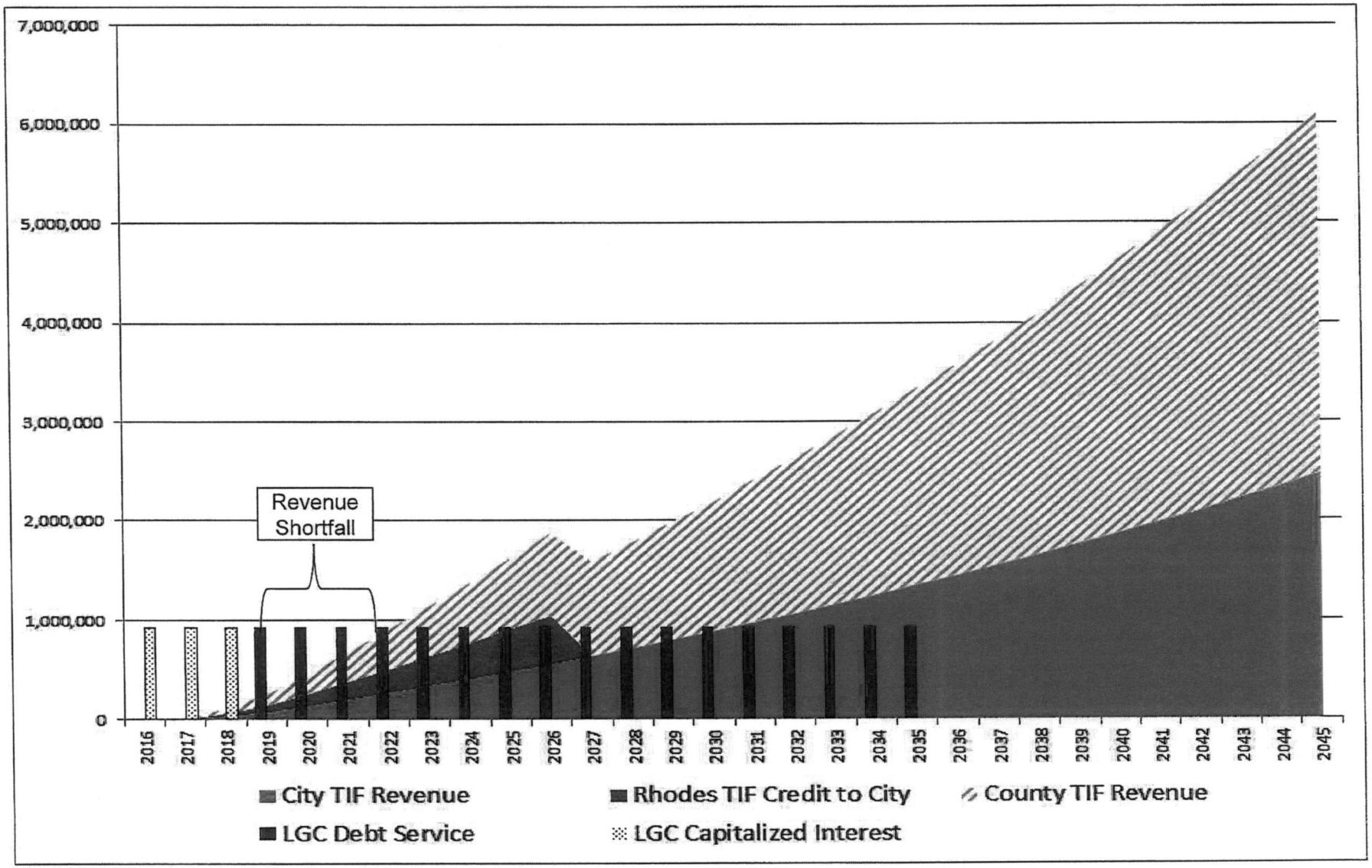
Projected Assessed Value – Expected Case and Low Growth ("Stress Case")



CITY OF McALLEN, TEXAS

Jefferies

Revenue vs. Debt Service – Expected Case



CITY OF McALLEN, TEXAS

Jefferies

Revenue vs. Debt Service - REI

Scenario 1
City of McAllen, TX
Tres Lagos Master Planned Community
Taxable Assessed Value, Tax Increment Revenue and Debt Service Coverage - Rhodes Enterprises, Inc.
$10mm Titan Project Fund with 20 Year Debt Amortization, 1.5% Annual Growth In Taxable Assessed Value

		Calculation of Rhodes Tax Increment Revenue					Debt Service Coverage				
FYE	Taxable Assessed Value	City Tax Rate Rhodes Share 0.0034504	County Tax Rate Rhodes Share 0.00408716	Delinquency Rate 4.0%	Net Collected Tax Increment Revenues	Rhodes Tax Increment Credit to City	Net Rhodes Tax Increment Revenues	Master Infrastructure Debt Service	Debt Service Coverage	Excess (Shortfall)	Total Rhodes Obligation
2016								866,163	-	(866,163)	(866,163)
2017	250,000	863	1,022	(75)	1,809	181	1,628	866,163	0.00	(864,535)	(863,842)
2018	42,227,026	145,700	172,589	(12,732)	305,557	30,556	275,001	866,163	0.32	(591,161)	(474,085)
2019	88,677,592	305,973	362,440	(26,737)	641,676	64,168	577,509	866,163	0.67	(288,654)	(968,530)
2020	162,465,752	560,572	664,024	(48,984)	1,175,612	117,561	1,058,050	866,163	1.22	191,888	(282,969)
2021	244,828,374	844,756	1,000,653	(73,816)	1,771,592	177,159	1,594,433	1,345,956	1.18	248,477	2,899
2022	323,398,838	1,115,855	1,321,783	(97,506)	2,340,133	234,013	2,106,119	1,368,811	1.54	737,308	710,982
2023	410,494,061	1,416,369	1,677,755	(123,765)	2,970,359	297,036	2,673,323	1,384,382	1.93	1,288,941	1,501,190
2024	493,555,748	1,702,965	2,017,241	(148,808)	3,571,398	357,140	3,214,258	1,398,698	2.30	1,815,560	2,261,264
2025	585,590,552	2,020,522	2,393,402	(176,557)	4,237,367	423,737	3,813,630	1,417,075	2.69	2,396,555	3,096,442
2026	673,603,118	2,324,200	2,753,124	(203,093)	4,874,231	487,423	4,386,808	1,433,875	3.06	2,952,933	3,896,913
2027	771,046,536	2,660,419	3,151,391	(232,472)	5,579,337		5,579,337	1,448,632	3.85	4,130,706	4,788,056
2028	864,235,629	2,981,959	3,532,269	(260,569)	6,253,659		6,253,659	1,470,842	4.25	4,782,817	5,628,305
2029	966,819,225	3,335,913	3,951,545	(291,498)	6,995,960		6,995,960	1,485,520	4.71	5,510,440	6,564,590
2030	1,065,411,976	3,676,097	4,354,509	(321,224)	7,709,382		7,709,382	1,503,341	5.13	6,206,042	7,466,953
2031	1,173,618,875	4,049,455	4,796,768	(353,849)	8,492,374		8,492,374	1,519,224	5.59	6,973,150	8,453,864
2032	1,278,105,256	4,409,974	5,223,821	(385,352)	9,248,443		9,248,443	1,537,065	6.02	7,711,378	9,406,378
2033	1,392,185,421	4,803,597	5,690,085	(419,747)	10,073,934		10,073,934	1,563,744	6.44	8,510,190	10,440,333
2034	1,502,318,755	5,183,601	6,140,217	(452,953)	10,870,865		10,870,865	1,577,790	6.89	9,293,075	11,447,492
2035	1,622,524,510	5,598,359	6,631,517	(489,195)	11,740,681		11,740,681	1,595,400	7.36	10,145,281	12,547,117
2036	1,738,810,528	5,999,592	7,106,797	(524,256)	12,582,133		12,582,133	1,616,384	7.78	10,965,749	14,528,460
2037	1,865,407,947	6,436,404	7,624,221	(562,425)	13,498,199		13,498,199	1,633,652	8.26	11,864,548	15,686,649
2038	1,988,116,348	6,859,797	8,125,750	(599,422)	14,386,124		14,386,124	1,659,289	8.67	12,726,835	16,800,359
2039	2,121,381,992	7,319,616	8,670,428	(639,602)	15,350,442		15,350,442	1,677,083	9.15	13,673,359	18,019,935
2040	2,250,793,137	7,766,137	9,199,352	(678,620)	16,286,869		16,286,869	1,697,778	9.59	14,589,091	19,200,822
2041	2,391,014,448	8,249,956	9,772,459	(720,897)	17,301,518		17,301,518	1,721,174	10.05	15,580,344	20,479,379
2042	2,527,419,750	8,720,609	10,329,969	(762,023)	18,288,555		18,288,555	1,745,799	10.48	16,542,756	21,721,277
2043	2,674,895,452	9,229,459	10,932,726	(806,487)	19,355,698		19,355,698	1,762,114	10.98	17,593,584	23,074,273
2044	2,818,597,793	9,725,290	11,520,060	(849,814)	20,395,536		20,395,536	1,786,139	11.42	18,609,396	24,384,523
2045	2,973,638,316	10,260,242	12,153,736	(896,559)	21,517,418		21,517,418	1,812,198	11.87	19,705,220	25,798,015
Total		127,704,248	151,271,648	(11,159,036)	267,816,861	2,188,973	265,627,887	43,492,779		222,135,109	284,450,880

CITY OF McALLEN, TEXAS

Jefferies

Revenue vs. Debt Service – City of McAllen

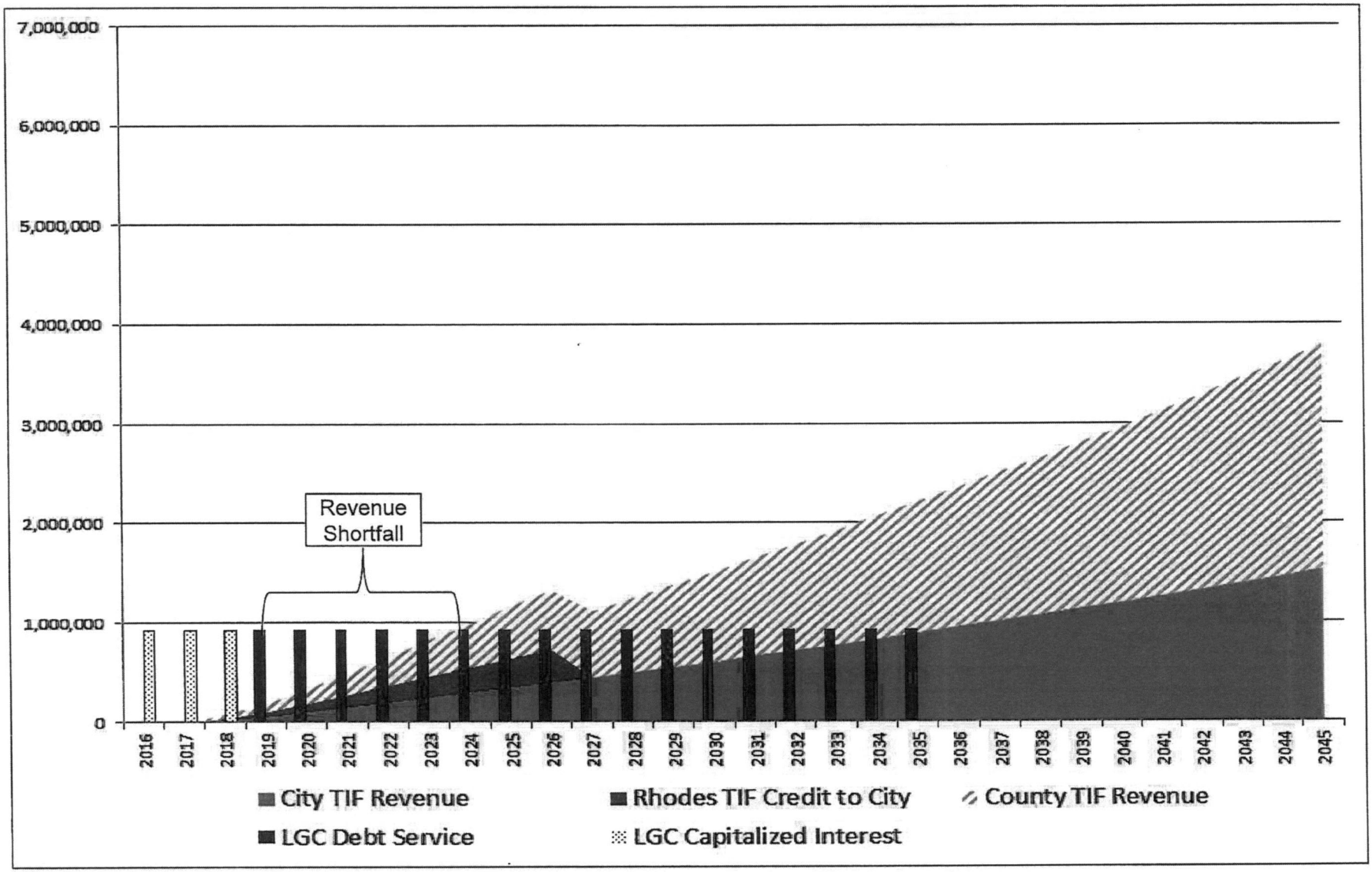
Scenario 1
City of McAllen, TX
Tres Lagos Master Planned Community
Taxable Assessed Value, Tax Increment Revenue and Debt Service Coverage - City and Local Government Corp. 4B
$10mm Titan Project Fund with 20 Year Debt Amortization, 1.5% Annual Growth In Taxable Assessed Value

		Calculation of City Tax Increment Revenue					Debt Service Coverage				Addtnl		
FYE	Taxable Assessed Value	City Tax Revenue 0.0008626	Delinquency Rate 4.0%	Net Collected Tax Increment Revenues	Rhodes Tax Increment Credit to City	Tres Lagos Project Revenue	Tres Lagos City Tax Revenue	LGC Debt Service	Debt Service Coverage	Excess (Shortfall)	County Revenue 0.00122084	Excess (Shortfall)	Cumulative Balance
2016								-					
2017	250,000	216	(9)	207	181	388	388	-	-	388	305	693	693
2018	42,227,026	36,425	(1,457)	34,968	30,556	65,524	65,524	-	-	65,524	51,552	117,076	117,769
2019	88,677,592	76,493	(3,060)	73,434	64,168	137,601	137,601	925,738	0.15	(788,137)	108,261	(679,876)	(562,106)
2020	162,465,752	140,143	(5,606)	134,537	117,561	252,098	252,098	925,300	0.27	(673,202)	198,345	(474,857)	(1,036,963)
2021	244,828,374	211,189	(8,448)	202,741	177,159	379,901	379,901	924,375	0.41	(544,474)	298,896	(245,578)	(1,282,541)
2022	323,398,838	278,964	(11,159)	267,805	234,013	501,819	501,819	922,963	0.54	(421,144)	394,818	(26,326)	(1,308,868)
2023	410,494,061	354,092	(14,164)	339,928	297,036	636,964	636,964	925,863	0.69	(288,899)	501,148	212,249	(1,096,619)
2024	493,555,748	425,741	(17,030)	408,712	357,140	765,851	765,851	922,700	0.83	(156,849)	602,553	445,704	(650,915)
2025	585,590,552	505,130	(20,205)	484,925	423,737	908,662	908,662	923,688	0.98	(15,026)	714,912	699,886	48,972
2026	673,603,118	581,050	(23,242)	557,808	487,423	1,045,231	1,045,231	923,613	1.13	121,618	822,362	943,980	992,951
2027	771,046,536	665,105	(26,604)	638,501	-	638,501	638,501	922,475	0.69	(283,974)	941,324	657,350	1,650,301
2028	864,235,629	745,490	(29,820)	715,670	-	715,670	715,670	925,275	0.77	(209,605)	1,055,093	845,488	2,495,790
2029	966,819,225	833,978	(33,359)	800,619	-	800,619	800,619	926,800	0.86	(126,181)	1,180,332	1,054,151	3,549,941
2030	1,065,411,976	919,024	(36,761)	882,263	-	882,263	882,263	922,050	0.96	(39,787)	1,300,698	1,260,911	4,810,851
2031	1,173,618,875	1,012,364	(40,495)	971,869	-	971,869	971,869	923,956	1.05	47,913	1,432,801	1,480,714	6,291,565
2032	1,278,105,256	1,102,494	(44,100)	1,058,394	-	1,058,394	1,058,394	923,756	1.15	134,638	1,560,362	1,695,000	7,986,565
2033	1,392,185,421	1,200,899	(48,036)	1,152,863	-	1,152,863	1,152,863	922,356	1.25	230,507	1,699,636	1,930,143	9,916,708
2034	1,502,318,755	1,295,900	(51,836)	1,244,064	-	1,244,064	1,244,064	923,738	1.35	320,326	1,834,091	2,154,417	12,071,125
2035	1,622,524,510	1,399,590	(55,984)	1,343,606	-	1,343,606	1,343,606	922,613	1.46	420,993	1,980,843	2,401,836	14,472,961
2036	1,738,810,528	1,499,898	(59,996)	1,439,902	-	1,439,902	1,439,902	-		1,439,902	2,122,809	3,562,711	18,035,672
2037	1,865,407,947	1,609,101	(64,364)	1,544,737	-	1,544,737	1,544,737	-		1,544,737	2,277,365	3,822,101	21,857,774
2038	1,988,116,348	1,714,949	(68,598)	1,646,351	-	1,646,351	1,646,351	-		1,646,351	2,427,172	4,073,523	25,931,297
2039	2,121,381,992	1,829,904	(73,196)	1,756,708	-	1,756,708	1,756,708	-		1,756,708	2,589,868	4,346,576	30,277,873
2040	2,250,793,137	1,941,534	(77,661)	1,863,873	-	1,863,873	1,863,873	-		1,863,873	2,747,858	4,611,731	34,889,604
2041	2,391,014,448	2,062,489	(82,500)	1,979,990	-	1,979,990	1,979,990	-		1,979,990	2,919,046	4,899,036	39,788,640
2042	2,527,419,750	2,180,152	(87,206)	2,092,946	-	2,092,946	2,092,946	-		2,092,946	3,085,575	5,178,521	44,967,161
2043	2,674,895,452	2,307,365	(92,295)	2,215,070	-	2,215,070	2,215,070	-		2,215,070	3,265,619	5,480,690	50,447,851
2044	2,818,597,793	2,431,322	(97,253)	2,334,070	-	2,334,070	2,334,070	-		2,334,070	3,441,057	5,775,126	56,222,977
2045	2,973,638,316	2,565,060	(102,602)	2,462,458	-	2,462,458	2,462,458	-		2,462,458	3,630,337	6,092,795	62,315,772
Total		31,926,062	(1,277,042)	30,649,020	2,188,973	32,837,993	32,837,993	15,707,259		17,130,734	45,185,038	62,315,772	

CITY OF McALLEN, TEXAS

Jefferies

Revenue vs. Debt Service – 25% Reduction in TAV



CITY OF McALLEN, TEXAS

Jefferies

Revenue vs. Debt Service – REI - 25% Reduction in TAV

Scenario 2
City of McAllen, TX
Tres Lagos Master Planned Community
Taxable Assessed Value, Tax Increment Revenue and Debt Service Coverage - Rhodes Enterprises, Inc.
$10mm Titan Project Fund with 20 Year Debt Amortization, 25% Reduction in Taxable Assessed Value

		Calculation of Rhodes Tax Increment Revenue					Debt Service Coverage				
FYE	Taxable Assessed Value	City Tax Rate Rhodes Share 0.0034504	County Tax Rate Rhodes Share 0.00408716	Delinquency Rate 4.0%	Net Collected Tax Increment Revenues	Rhodes Tax Increment Credit to City	Net Rhodes Tax Increment Revenues	Master Infrastructure Debt Service	Debt Service Coverage	Excess (Shortfall)	Total Rhodes Obligation
2016								866,163	-	(866,163)	(866,163)
2017	187,500	647	766	(57)	1,357	136	1,221	866,163	0.00	(864,942)	(864,422)
2018	31,667,457	109,265	129,430	(9,548)	229,148	22,915	206,233	866,163	0.24	(659,930)	(572,131)
2019	66,030,328	227,831	269,877	(19,908)	477,799	47,780	430,019	866,163	0.50	(436,143)	(1,178,810)
2020	120,373,825	415,338	491,987	(36,293)	871,032	87,103	783,929	866,163	0.91	(82,234)	(673,793)
2021	180,318,051	622,169	736,989	(54,366)	1,304,792	130,479	1,174,313	1,345,956	0.87	(171,644)	(596,079)
2022	236,491,580	815,991	966,579	(71,303)	1,711,267	171,127	1,540,140	1,368,811	1.13	171,329	(95,951)
2023	298,174,760	1,028,822	1,218,688	(89,900)	2,157,610	215,761	1,941,849	1,384,382	1.40	557,467	458,306
2024	355,852,967	1,227,835	1,454,428	(107,291)	2,574,973	257,497	2,317,475	1,398,698	1.66	918,778	982,695
2025	419,326,568	1,446,844	1,713,855	(126,428)	3,034,271	303,427	2,730,844	1,417,075	1.93	1,313,769	1,552,682
2026	478,748,099	1,651,872	1,956,720	(144,344)	3,464,249	346,425	3,117,824	1,433,875	2.17	1,683,949	2,087,685
2027	544,252,628	1,877,889	2,224,448	(164,093)	3,938,243		3,938,243	1,448,632	2.72	2,489,612	2,682,276
2028	605,470,174	2,089,114	2,474,653	(182,551)	4,381,217		4,381,217	1,470,842	2.98	2,910,375	3,225,670
2029	672,685,220	2,321,033	2,749,372	(202,816)	4,867,589		4,867,589	1,485,520	3.28	3,382,069	3,833,558
2030	735,753,067	2,538,642	3,007,141	(221,831)	5,323,952		5,323,952	1,503,341	3.54	3,820,611	4,406,072
2031	804,922,357	2,777,304	3,289,846	(242,686)	5,824,465		5,824,465	1,519,224	3.83	4,305,241	5,030,519
2032	870,083,930	3,002,138	3,556,172	(262,332)	6,295,977		6,295,977	1,537,065	4.10	4,758,912	5,617,902
2033	941,265,370	3,247,742	3,847,102	(283,794)	6,811,050		6,811,050	1,563,744	4.36	5,247,306	6,253,543
2034	1,008,203,284	3,478,705	4,120,688	(303,976)	7,295,417		7,295,417	1,577,790	4.62	5,717,627	6,859,633
2035	1,081,456,514	3,731,458	4,420,086	(326,062)	7,825,482		7,825,482	1,595,400	4.91	6,230,082	7,523,304
2036	1,150,417,627	3,969,401	4,701,941	(346,854)	8,324,488		8,324,488	1,616,384	5.15	6,708,104	9,065,236
2037	1,225,804,073	4,229,514	5,010,057	(369,583)	8,869,989		8,869,989	1,633,652	5.43	7,236,337	9,747,931
2038	1,296,849,534	4,474,650	5,300,432	(391,003)	9,384,078		9,384,078	1,659,289	5.66	7,724,789	10,381,951
2039	1,374,432,458	4,742,342	5,617,525	(414,395)	9,945,472		9,945,472	1,677,083	5.93	8,268,389	11,084,513
2040	1,447,625,270	4,994,886	5,916,676	(436,462)	10,475,100		10,475,100	1,697,778	6.17	8,777,322	11,743,413
2041	1,527,469,830	5,270,382	6,243,014	(460,536)	11,052,860		11,052,860	1,721,174	6.42	9,331,685	12,461,373
2042	1,602,874,894	5,530,560	6,551,206	(483,271)	11,598,495		11,598,495	1,745,799	6.64	9,852,696	13,136,884
2043	1,685,048,198	5,814,090	6,887,062	(508,046)	12,193,106		12,193,106	1,762,114	6.92	10,430,992	13,883,548
2044	1,762,732,380	6,082,132	7,204,569	(531,468)	12,755,233		12,755,233	1,786,139	7.14	10,969,094	14,580,819
2045	1,847,303,547	6,373,936	7,550,225	(556,966)	13,367,195		13,367,195	1,812,198	7.38	11,554,997	15,340,004
Total		84,092,533	99,611,534	(7,348,163)	176,355,904	1,582,650	174,773,254	43,492,779		131,280,476	167,092,169

CITY OF McALLEN, TEXAS

Revenue vs. Debt Service – City of McAllen - 25% Reduction in TAV

Scenario 2
City of McAllen, TX
Tres Lagos Master Planned Community
Taxable Assessed Value, Tax Increment Revenue and Debt Service Coverage - City and Local Government Corp. 4B
$10mm Titan Project Fund with 20 Year Debt Amortization, 25% Reduction in Taxable Assessed Value

		Calculation of City Tax Increment Revenue					Debt Service Coverage				Addtnl		
FYE	Taxable Assessed Value	City Tax Revenue 0.0008626	Delinquency Rate 4.0%	Net Collected Tax Increment Revenues	Rhodes Tax Increment Credit to City	Tres Lagos Project Revenue	Tres Lagos City Tax Revenue	LGC Debt Service	Debt Service Coverage	Excess (Shortfall)	County Revenue 0.00122084	Excess (Shortfall)	Cumulative Balance
2016								-					
2017	187,500	162	(6)	155	136	291	291	-	-	291	229	520	520
2018	31,667,457	27,316	(1,093)	26,224	22,915	49,138	49,138	-	-	49,138	38,661	87,799	88,319
2019	66,030,328	56,958	(2,278)	54,679	47,780	102,459	102,459	925,738	0.11	(823,279)	80,612	(742,666)	(654,347)
2020	120,373,825	103,834	(4,153)	99,681	87,103	186,784	186,784	925,300	0.20	(738,516)	146,957	(591,559)	(1,245,906)
2021	180,318,051	155,542	(6,222)	149,321	130,479	279,800	279,800	924,375	0.30	(644,575)	220,139	(424,436)	(1,670,341)
2022	236,491,580	203,998	(8,160)	195,838	171,127	366,964	366,964	922,963	0.40	(555,999)	288,718	(267,280)	(1,937,621)
2023	298,174,760	257,206	(10,288)	246,917	215,761	462,678	462,678	925,863	0.50	(463,185)	364,024	(99,161)	(2,036,782)
2024	355,852,967	306,959	(12,278)	294,680	257,497	552,178	552,178	922,700	0.60	(370,522)	434,440	63,917	(1,972,865)
2025	419,326,568	361,711	(14,468)	347,243	303,427	650,670	650,670	923,688	0.70	(273,018)	511,931	238,912	(1,733,953)
2026	478,748,099	412,968	(16,519)	396,449	346,425	742,874	742,874	923,613	0.80	(180,739)	584,475	403,736	(1,330,217)
2027	544,252,628	469,472	(18,779)	450,693	-	450,693	450,693	922,475	0.49	(471,782)	664,445	192,664	(1,137,553)
2028	605,470,174	522,279	(20,891)	501,387	-	501,387	501,387	925,275	0.54	(423,888)	739,182	315,295	(822,258)
2029	672,685,220	580,258	(23,210)	557,048	-	557,048	557,048	926,800	0.60	(369,752)	821,241	451,489	(370,769)
2030	735,753,067	634,661	(25,386)	609,274	-	609,274	609,274	922,050	0.66	(312,776)	898,237	585,461	214,692
2031	804,922,357	694,326	(27,773)	666,553	-	666,553	666,553	923,956	0.72	(257,403)	982,681	725,278	939,970
2032	870,083,930	750,534	(30,021)	720,513	-	720,513	720,513	923,756	0.78	(203,243)	1,062,233	858,990	1,798,960
2033	941,265,370	811,936	(32,477)	779,458	-	779,458	779,458	922,356	0.85	(142,898)	1,149,134	1,006,237	2,805,197
2034	1,008,203,284	869,676	(34,787)	834,889	-	834,889	834,889	923,738	0.90	(88,849)	1,230,855	1,142,006	3,947,203
2035	1,081,456,514	932,864	(37,315)	895,550	-	895,550	895,550	922,613	0.97	(27,063)	1,320,285	1,293,222	5,240,425
2036	1,150,417,627	992,350	(39,694)	952,656	-	952,656	952,656	-		952,656	1,404,476	2,357,132	7,597,557
2037	1,225,804,073	1,057,379	(42,295)	1,015,083	-	1,015,083	1,015,083	-		1,015,083	1,496,511	2,511,594	10,109,151
2038	1,296,849,534	1,118,662	(44,746)	1,073,916	-	1,073,916	1,073,916	-		1,073,916	1,583,246	2,657,162	12,766,313
2039	1,374,432,458	1,185,585	(47,423)	1,138,162	-	1,138,162	1,138,162	-		1,138,162	1,677,962	2,816,124	15,582,437
2040	1,447,625,270	1,248,722	(49,949)	1,198,773	-	1,198,773	1,198,773	-		1,198,773	1,767,319	2,966,092	18,548,529
2041	1,527,469,830	1,317,595	(52,704)	1,264,892	-	1,264,892	1,264,892	-		1,264,892	1,864,796	3,129,688	21,678,217
2042	1,602,874,894	1,382,640	(55,306)	1,327,334	-	1,327,334	1,327,334	-		1,327,334	1,956,854	3,284,188	24,962,405
2043	1,685,048,198	1,453,523	(58,141)	1,395,382	-	1,395,382	1,395,382	-		1,395,382	2,057,174	3,452,556	28,414,960
2044	1,762,732,380	1,520,533	(60,821)	1,459,712	-	1,459,712	1,459,712	-		1,459,712	2,152,014	3,611,726	32,026,686
2045	1,847,303,547	1,593,484	(63,739)	1,529,745	-	1,529,745	1,529,745	-		1,529,745	2,255,262	3,785,007	35,811,693
Total		21,023,133	(840,925)	20,182,208	1,582,650	21,764,858	21,764,858	15,707,259		6,057,599	29,754,095	35,811,693	

CITY OF McALLEN, TEXAS

Jefferies

Bond Financing Assumptions – Sources and Uses

Project Sources And Uses (1)

	LGC 4B Contract Revenue Bonds	Master Infrastructure Certficates of Obligation	Issue Summary
Sources Of Funds			
Par Amount of Bonds	$12,840,000.00	$24,770,000.00	$37,610,000.00
Total Sources	**$12,840,000.00**	**$24,770,000.00**	**$37,610,000.00**
Uses Of Funds			
Deposit to Project Construction Fund	10,000,000.00	24,500,000.00	34,500,000.00
Deposit to Capitalized Interest (CIF) Fund (2)	1,352,213.00	-	1,352,213.00
Deposit to Debt Service Reserve Fund (DSRF) (2)	1,284,000.00	-	1,284,000.00
Total Underwriter's Discount (0.600%) (2)	77,040.00	148,620.00	225,660.00
Costs of Issuance	122,500.00	122,500.00	245,000.00
Rounding Amount	4,247.00	(1,120.00)	3,127.00
Total Uses	**$12,840,000.00**	**$24,770,000.00**	**$37,610,000.00**

(1) Estimated Sources and Uses of Funds as of 8/27/2015.
(2) Capitalized Interest Funding, Debt Service Reserve Fund, and Underwriter Discount will change based on actual interest rates.

Financing Schedule

Financing Timeline	
Week 1	▪ Kickoff Meeting, ▪ Hire All Consultants ▪ Refine Business Points As Necessary
Week 2	▪ First Draft Bond Indenture Distributed
Week 3	▪ First Draft Preliminary Offering Statement (POS) Distributed ▪ Comments due on Indenture
Week 4	▪ Second Draft Indenture Distributed ▪ Comments due on POS
Week 5	▪ Second Draft POS Distributed ▪ Documents Sent to Rating Agencies and Bond Insurers ▪ [Prefile with Attorney General As Necessary]
Week 6	▪ Rating Agency Conference Calls and Presentations ▪ Receive Rating
Week 7	▪ Post POS Electronically ▪ Bond Marketing Begins
Week 8 & 9	▪ Bond Pricing
Week 11	▪ Bond Closing

Project Plan and Finance Plan – General Information

DESCRIPTION AND MAP SHOWING EXISTING USES AND CONDITIONS OF REAL PROPERTY IN THE ZONE

All real property in the Zone is currently undeveloped farm land, with no residential structures, and is under agricultural exemption.

CITY OF McALLEN, TEXAS

Jefferies

DESCRIPTION AND MAP SHOWING PROPOSED USES OF PROPERTY IN THE ZONE

The proposed uses in the Zone are as depicted in the Original Finance and Project Plan, as modified in the Below Land Plan
The proposed use of the 100 Acre Titan Site will be an institutional and/or office use meeting the requirements of the C-4 Zoning District
All other Land Use and Zoning will be adjusted as indicated below
No other changes in City or County Master Plan, building codes, other municipal ordinances, and subdivision rules and regulations are required
(A full size copy of the below plan is available for inspection and copying at the Board's Office)

OTHER PROJECT PLAN DETAILS:

ESTIMATED PROJECT COSTS:
Phase I of the Project will have $24.5mm in infrastructure costs which is included in the existing $258.9mm infrastructure costs in the Original Project and Finance Plan for the Zone. The Original Project and Finance Plan for the Zone is not reduced or diminished by this Amendment. This Amendment only structures bond financing for funding (Series B) of the first $24.5mm of the overall $258.9mm in infrastructure costs, and adds an additional $10mm in vertical and onsite project cost for building on the 100 acre Titan Site, and structures bond financing (Series A) for funding such $10.0mm.

ESTIMATED NON-PROJECT COSTS:
$0.00

METHOD OF RELOCATING PERSONS TO BE DISPLACED:
No displacement will occur as a result of the Project

OTHER FINANCE PLAN DETAILS:

ESTIMATED PROJECT COSTS OF THE ZONE:
The project costs for infrastructure and administrative expenses for the original Tres Logos Project is provided in the Original Project and Finance Plan for the Zone and will not substantially change as a result of this Amendment and Supplemental Project and Finance Plan for Project Titan. The only change to the Original Project and Finance Plan will be the issuance of Series B Bonds to fund Project Costs, and the priority of use of the bond proceeds which will be: (1st) Payment or reimbursement for Approved Project Infrastructure costs, (2nd) Payment of City's Approved Pre-TIRZ Administrative Costs, (3rd) Payment of City and County Approved Administrative Costs, and (4th) Payment of Developer's Pre-TIRZ Costs and formation costs. In addition, this Amendment and Supplemental Project and Finance Plan for Project Titan adds $10.0mm in project costs for vertical construction and associated site work for a building to facilitate placement of an economic generator and community benefit on the 100 Acre Project Titan Site. The funding for the $10.0mm Titan Project will occur and be derived solely from: (1) the City's 20% of Available Tax Increment not pledged to the Original Project and Finance Plan; (2) the Developer's assignment of 10% of the combined Tax increment pledged by the City (80%) and County (77%) which is generated in the Zone during years 1 thru 10; and, (3) up to $6.8mm from the County's 23% of Available Tax Increment not pledged to the Original Project and Finance Plan, but only to the extent required to make up any shortfall in Series A Bond debt service in years 3 thru 11 of the Zone.

PROPOSED KIND, NUMBER, AND LOCATION OF ALL PUBLIC WORKS OR PUBLIC IMPROVEMENTS TO BE FINANCED BY THE ZONE:
Those public works and public improvements in those locations and quantities as set forth in the Original Project and Finance Plan, as amended and supplemented hereby, together with $10.0mm for construction of a vertical building and associated site work to be located on the 100 acre Titan Project Site within the Zone.

OTHER FINANCE PLAN DETAILS (con't.):

ECONOMICALLY FEASIBILITY AND ECONOMIC FEASIBILITY STUDY DETAILS:
The economic feasibility of this Project Plan and Finance Plan, as amended and supplemented hereby, was analyzed by the independent economic consultant for the Developer, City Staff, and County Staff. In addition all financial projections contained in this Project and Finance Plan were reviewed, stress tested, and adjusted by the City's Financial Advisor, and by Jeffries, and the underwriter for the contemplated bond transactions. After consultation with the above parties, and after consideration of this Plan and its attachments, by their respective action approving this Amended and Supplemental Project Plan and Finance Plan, the Board of the Zone and the Commission for the City of McAllen find that this Project Plan and Finance Plan is Economically Feasible and will provide benefit to the City of McAllen and Hidalgo County.

ESTIMATED AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED:
(1) Series A for funding Project Cost of vertical construction and associated site work - $10,000,000.00 (plus cost of issuance)
(1) Series B for funding Project Cost of Master Infrastructure for expanded Phase I - $24,5000,000.00 (plus cost of issuance)

ESTIMATED TIME WHEN RELATED COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED:
Year 2016 -See slides on pages 8 thru 27 hereof for details of issuance of obligations

DESCRIPTION OF THE METHODS OF FINANCING ALL ESTIMATED PROJECT COSTS AND THE EXPECTED SOURCES OF REVENUE TO FINANCE OR PAY PROJECT COSTS, INCLUDING THE PERCENTAGE OF TAX INCREMENT TO BE DERIVED FROM THE PROPERTY TAXES OF EACH TAXING UNIT ANTICIPATED TO CONTRIBUTE TAX INCREMENT TO THE ZONE THAT LEVIES TAXES ON REAL PROPERTY IN THE ZONE:
Method of financing project costs and percent of Tax Increment to be derived from taxes of each taxing unit are set forth in the forgoing slides and spreadsheets on pages 9 thru 30 hereof. In summary they are:

	Original Project Tres Lagos	Supplemental Project Project Titan
City of McAllen Tax Increment	80%	20%
Hidalgo County Tax Increment	77%	23% (only if shortfall in Series A debt service)

CURRENT TOTAL APPRAISED VALUE OF TAXABLE REAL PROPERTY IN THE ZONE:
Appraised assessed value: $1,064,613.00

ESTIMATED CAPTURED APPRAISED VALUE OF THE ZONE DURING EACH YEAR OF ITS EXISTENCE:
See tables on page 17 hereof

DURATION OF THE ZONE:
30 years

BOND ISSUANCE TEAM:
Financial Adviser: First Southwest - Anne Burger Entrekin
Underwriter: Jeffries – Matt Challis

EXHIBIT II
Interlocal Agreement

Exhibit II is the original Interlocal Agreement with Hidalgo County as originally approved by the City Commission on March 9, 2015. It included copies of the original Project and Finance Plan as well as the original Development Agreement between the City, Rhodes Enterprises, Inc. and Reinvestment Zone #1.

To avoid confusion, the document was omitted from this packet, but is available upon request via e-mail from Michelle Leftwich.

EXHIBIT III

September 10, 2015

METES AND BOUNDS DESCRIPTION
100.00 ACRES OUT OF ALL OF LOTS 1-5, BLOCK 1, AND PORTIONS OF LOTS 6-10, BLOCK 5, M & M SUBDIVISION, HIDALGO COUNTY, TEXAS

A tract of land containing 100.00 acres situated in Hidalgo County, Texas, said 100.00 acres being all of Lots 1-5, Block 1, and part or portion out of Lots 6-10, Block 5, M & M SUBDIVISION, Recorded in Volume 8, Page 20, Hidalgo County Map Records, said 100.00 acres also being more particularly described as follows:

BEGINNING at the Northeast corner of said Lot 3, Block 1 said corner being within the right-of-way of Monte Cristo Road (FM 1925), for the Northeast corner of this tract;

1. THENCE, S 09° 01' 00" W along the East line of Lots 3, 4 and 5, Block 1, within the 40 foot right-of-way of 29th Street (Rooth Road) a distance of 1983.50 feet to the Southeast corner of this tract;

2. THENCE, N 80° 14' 00" W a distance of 2204.13 feet to the Southwest corner of this tract;

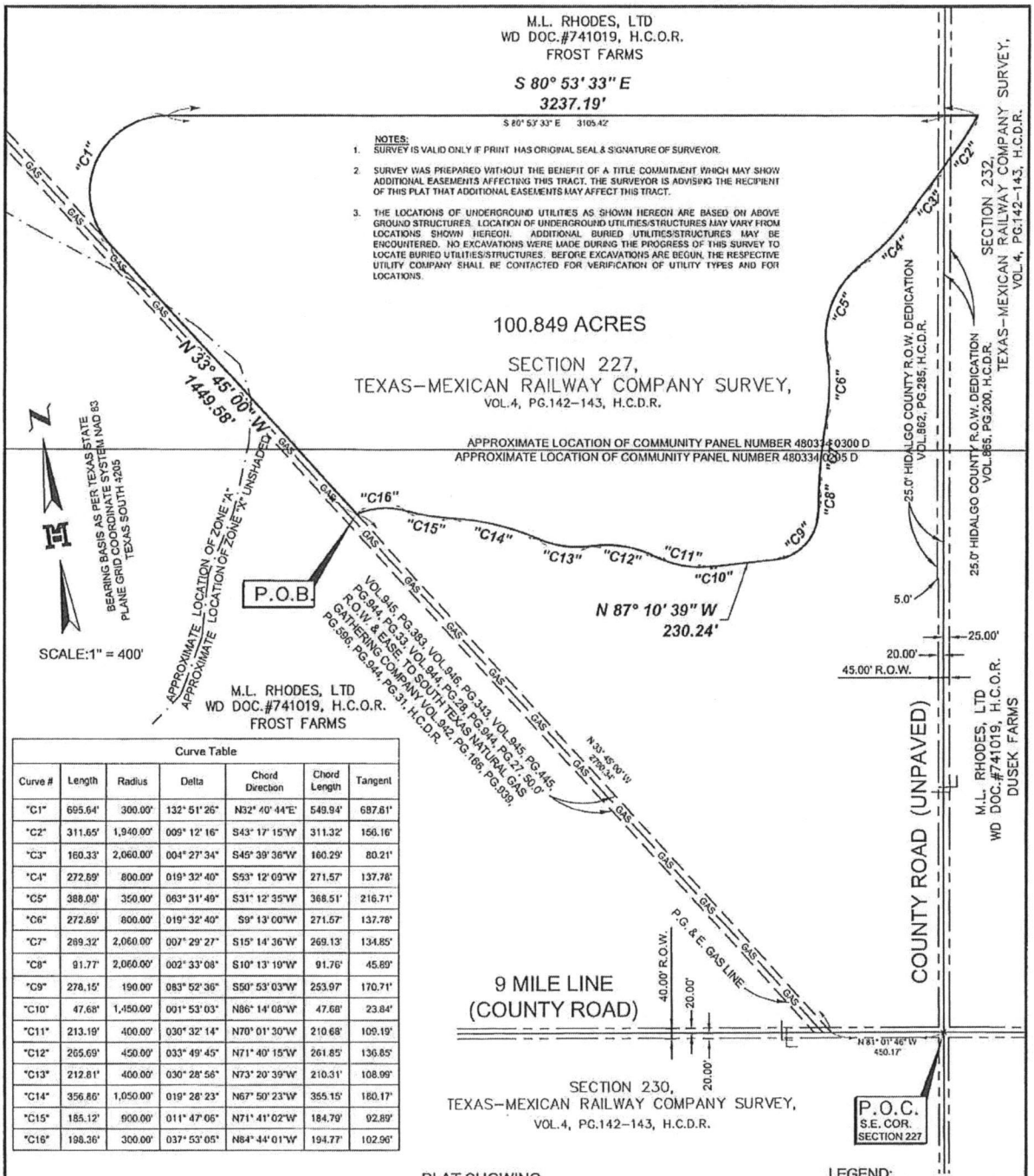
3. THENCE, N 09° 01' 00" E a distance of 1969.41 feet to the North line of said Lot 6, Block 5, for the Northwest corner of this tract;

4. THENCE, S 80° 36' 00" E along the North line of Lots 6, and 7, Block 5 and Lots 2 and 3, Block 1, and within the existing right-of-way of Monte Cristo Road (FM 1925), a distance of 2203.99 feet to the POINT OF BEGINNING and containing 100.00 acres, of which 1.625 acres lie within Monte Cristo Road (FM 1925), leaving a net of 98.375 acres of land, more or less.

I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY AFFIRM THAT THIS METES AND BOUNDS DESCRIPTION REPRESENTS THE RESULTS OF AN EASEMENT SURVEY MADE ON THE GROUND ON 09-10-2015 UNDER MY DIRECTION AND SUPERVISION.

FRED L. KURTH, R.P.L.S. #4750 DATE: 9/10/15

STATE OF TEXAS REGISTERED FRED L. KURTH 4750 PROFESSIONAL LAND SURVEYOR



NOTES:

1. SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL & SIGNATURE OF SURVEYOR.
2. SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT WHICH MAY SHOW ADDITIONAL EASEMENTS AFFECTING THIS TRACT. THE SURVEYOR IS ADVISING THE RECIPIENT OF THIS PLAT THAT ADDITIONAL EASEMENTS MAY AFFECT THIS TRACT.
3. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON ABOVE GROUND STRUCTURES. LOCATION OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE RESPECTIVE UTILITY COMPANY SHALL BE CONTACTED FOR VERIFICATION OF UTILITY TYPES AND FOR LOCATIONS.

Curve Table						
Curve #	Length	Radius	Delta	Chord Direction	Chord Length	Tangent
"C1"	695.64'	300.00'	132° 51' 26"	N32° 40' 44"E'	549.94'	687.81'
"C2"	311.65'	1,940.00'	009° 12' 16"	S43° 17' 15"W'	311.32'	156.16'
"C3"	160.33'	2,060.00'	004° 27' 34"	S45° 39' 36"W'	160.29'	80.21'
"C4"	272.89'	800.00'	019° 32' 40"	S53° 12' 09"W'	271.57'	137.78'
"C5"	388.08'	350.00'	063° 31' 49"	S31° 12' 35"W'	368.51'	216.71'
"C6"	272.69'	800.00'	019° 32' 40"	S9° 13' 00"W'	271.57'	137.78'
"C7"	269.32'	2,060.00'	007° 29' 27"	S15° 14' 36"W'	269.13'	134.85'
"C8"	91.77'	2,060.00'	002° 33' 08"	S10° 13' 19"W'	91.76'	45.89'
"C9"	278.15'	190.00'	083° 52' 36"	S50° 53' 03"W'	253.97'	170.71'
"C10"	47.68'	1,450.00'	001° 53' 03"	N86° 14' 08"W'	47.68'	23.84'
"C11"	213.19'	400.00'	030° 32' 14"	N70° 01' 30"W'	210.68'	109.19'
"C12"	265.69'	450.00'	033° 49' 45"	N71° 40' 15"W'	261.85'	136.85'
"C13"	212.81'	400.00'	030° 28' 56"	N73° 20' 39"W'	210.31'	108.99'
"C14"	356.86'	1,050.00'	019° 28' 23"	N67° 50' 23"W'	355.15'	180.17'
"C15"	185.12'	900.00'	011° 47' 06"	N71° 41' 02"W'	184.79'	92.89'
"C16"	198.36'	300.00'	037° 53' 05"	N84° 44' 01"W'	194.77'	102.96'

PLAT SHOWING
A 100.849 ACRES CONSISTING OF:
100.531 ACRES OUT OF SECTION 227, AND 0.318 OF ONE ACRE OUT OF SECTION 232,
TEXAS-MEXICAN RAILWAY COMPANY SURVEY
ACCORDING TO THE PATENT ISSUED BY THE STATE OF TEXAS, TO W. S. DAUGHERTY RECORDED
IN VOLUME 4, PAGES142-143, H.C.D.R.,
HIDALGO COUNTY, TEXAS

EXHIBIT "B"

LEGEND:
— GAS — GAS — GAS LINE
S.E. COR.- SOUTHEAST CORNER
P.O.B- POINT OF BEGINNING
P.O.C- POINT OF COMMENCING
R.O.W.- RIGHT-OF-WAY
H.C.D.R.-HIDALGO COUNTY DEED RECORDS
H.C.O.R.-HIDALGO COUNTY OFFICIAL RECORDS
℄ LOT LINE

SECTION 227 SUBJECT TO:

1.) C.P.L. EASEMENT VOL.682, PG.311, H.C.D.R. (E. 100 Ac. OF W. 200 Ac. OF N. 360 Ac.)
2.) C.P.L. EASEMENT VOL.628, PG.562, H.C.D.R. (W. 100 Ac. OF N. 360 Ac.)
3.) C.P.L. EASEMENT VOL.669, PG.119, H.C.D.R. (E. 160 Ac. OF N. 360 Ac.)

FLOOD ZONE
ZONE "X" UNSHADED
AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOODPLAIN.
COMMUNITY-PANEL NUMBER: 480334 0300 D
MAP REVISED: JUNE 06, 2000

ZONE "A"
SPECIAL FLOOD HAZARD AREAS INUNDATED BY 100-YEAR FLOOD.
NO BASE FLOOD ELEVATIONS DETERMINED.
COMMUNITY-PANEL NUMBER: 480334 0295 D
MAP REVISED: JUNE 06, 2000

I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE ON THE GROUND ON 09/10/15 UNDER MY DIRECTION AND SUPERVISION.

STATE OF TEXAS
REGISTERED
FRED L. KURTH
4750
PROFESSIONAL
LAND SURVEYOR

FRED L. KURTH, RPLS No. 4750 DATE:

MELDEN & HUNT INC.
CONSULTANTS • ENGINEERS • SURVEYORS
TBPLS No. 10096900
227 N. F.M. 3167
RIO GRANDE CITY, TX 78582
PH: (956) 487-8256
FAX: (956) 488-8591
115 W. McINTYRE
EDINBURG, TX 78541
PH: (956) 381-0981
FAX: (956) 381-1839
ESTABLISHED 1947
www.meldenandhunt.com

BOOK T-, PG.
DATE: 09-08-15
JOB No. 07105.02
FILE NAME: SURVEY TEXAS A&M
DRAWN BY: R.N.

© COPYRIGHT 2015 MELDEN & HUNT, INC. ALL RIGHTS RESERVED

EXHIBIT IV

September 10, 2015

METES AND BOUNDS DESCRIPTION
95.465 ACRES BEING ALL LOTS 1-5, BLOCK 1, AND PORTIONS OF LOTS 6-10, BLOCK 5, M & M SUBDIVISION, HIDALGO COUNTY, TEXAS

A tract of land containing 95.465 acres situated in Hidalgo County, Texas, said 95.465 acres being all of Lots 1-5, Block 1, and part or portion out of Lots 6-10, Block 5, all out of M & M SUBDIVISION, recorded in Volume 8, Page 20, Hidalgo County Map Records, said 95.465 acres also being more particularly described as follows:

BEGINNING at the Northeast corner of said Lot 3, Block 1 and being within the existing right-of-way of Monte Cristo Road (FM 1925), for the Northeast corner of this tract;

1. THENCE, S 09° 01' 00" W along the East line of said Lots 3, 4 and 5, Block 1, and within the existing right-of-way of 29th Street (Rooth Road), a distance of 1983.50 feet to the Southeast corner of this tract;

2. THENCE, N 80° 14' 00" W a distance of 2103.82 feet to the Southwest corner of this tract;

3. THENCE, N 09° 01' 00" E a distance of 1970.05 feet to the North line of said Lot 6, Block 5, for the Northwest corner of this tract;

4. THENCE, S 80° 36' 00" E along the North line of said Lots 6 and 7, Block 5 and Lots 2 and 3, Block 1, and within the existing right-of-way of Monte Cristo Road (FM 1925), a distance of 2103.68 feet to the POINT OF BEGINNING and containing 100.00 acres, of which 1.553 acres lie within Monte Cristo Road (FM 1925), leaving a net of 93.912 acres of land, more or less.

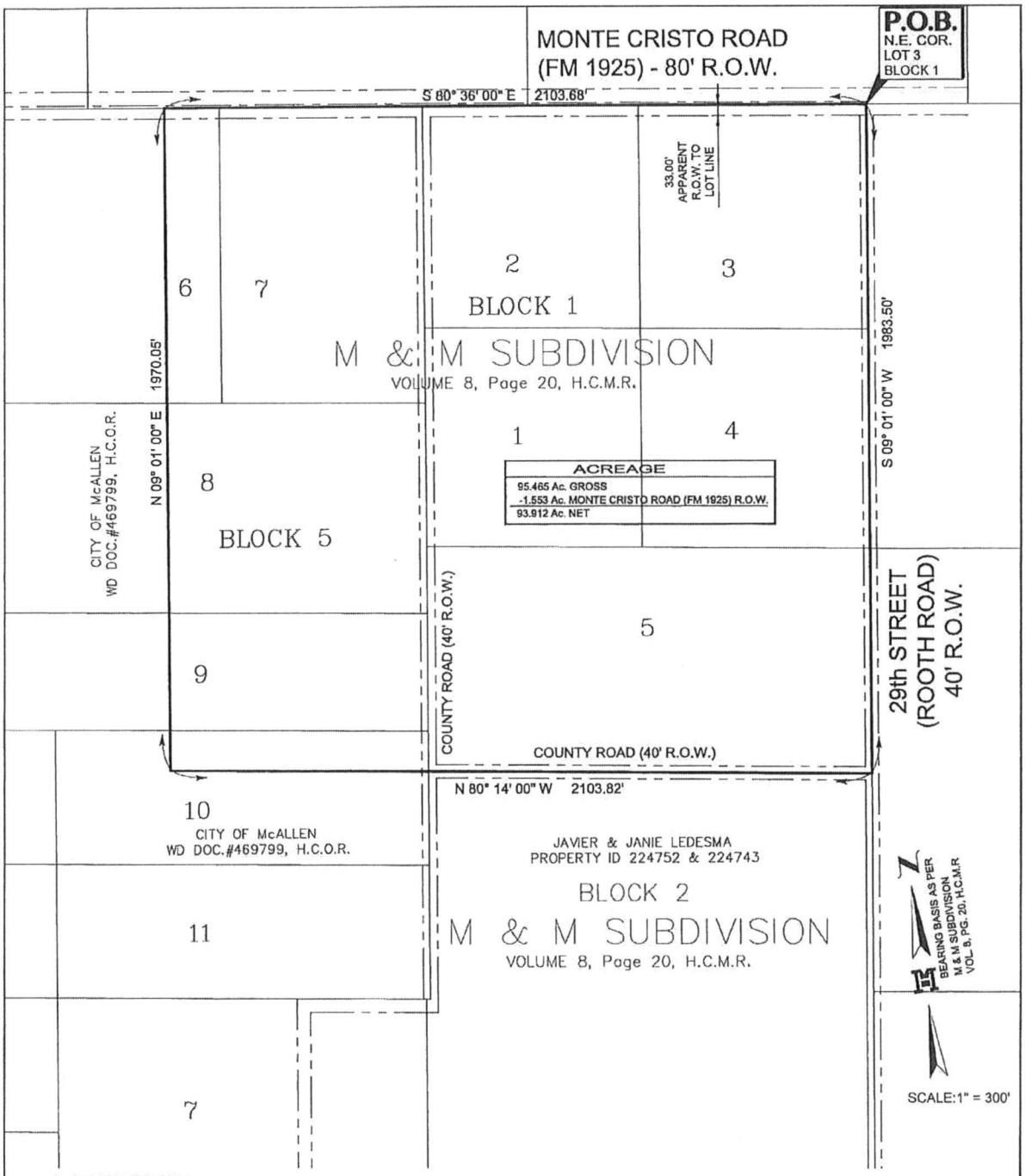
I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY AFFIRM THAT THIS METES AND BOUNDS DESCRIPTION REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND ON 09-10-2015 UNDER MY DIRECTION AND SUPERVISION.

Fred L. Kurth 9-11-15

FRED L. KURTH, R.P.L.S. #4750 DATE:

STATE OF TEXAS REGISTERED FRED L. KURTH 4750 PROFESSIONAL LAND SURVEYOR

Y:\Land Development\Residential\Mcallen\07105 - Tres Lagos\07105.00 - Plat Development\Metes & Bounds\M&B Mcallen Swap-East.Docx9/11/2015 10:50 AM



LEGEND

R.O.W. - RIGHT OF WAY
H.C.M.R. - HIDALGO COUNTY MAP RECORDS
H.C.O.R. - HIDALGO COUNTY OFFICIAL RECORDS
N.E. COR. - NORTHEAST CORNER
P.O.B. - POINT OF BEGINNING
W.D. - WARRANTY DEED
DOC. - DOCUMENT

PLAT SHOWING
95.465 ACRES BEING ALL OF LOTS 1-5, BLOCK 1,
AND PORTIONS OF LOTS 6-10, BLOCK 5,
M & M SUBDIVISION, RECORDED IN VOLUME 8, PAGE 20, H.C.M.R.,
HIDALGO COUNTY, TEXAS

NOTES:

1. SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL & SIGNATURE OF SURVEYOR.
2. SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT WHICH MAY SHOW EASEMENTS AFFECTING THIS TRACT. THE SURVEYOR IS ADVISING THE RECIPIENT OF THIS PLAT THAT EASEMENTS MAY AFFECT THIS TRACT.

I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE ON THE GROUND ON 09/10/15 UNDER MY DIRECTION AND SUPERVISION.

STATE OF TEXAS
REGISTERED
FRED L. KURTH
4750
PROFESSIONAL
LAND SURVEYOR

9-11-15

FRED L. KURTH, RPLS No. 4750 DATE:

FLOOD ZONE
ZONE "X" (UNSHADED)
AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOODPLAIN.

COMMUNITY-PANEL NUMBER: 480334 0325 C
MAP REVISED: JUNE 6, 2000
REVISED TO REFLECT LOMR: MAY 17, 2001

EXHIBIT "B"

MELDEN & HUNT INC.
CONSULTANTS • ENGINEERS • SURVEYORS
TBPLS No. 10096900
227 N. F.M. 3167
RIO GRANDE CITY, TX 78582
PH: (956) 487-8256
FAX: (956) 488-8591
115 W. McINTYRE
EDINBURG, TX 78541
PH: (956) 381-0981
FAX: (956) 381-1839
ESTABLISHED 1947
www.meldenandhunt.com

DATE: 09-10-15
JOB No. 07105.02
FILE NAME: SECURITY SURVEY
DRAWN BY: R.N.

© COPYRIGHT 2015 MELDEN & HUNT, INC. ALL RIGHTS RESERVED

September 10, 2015

METES AND BOUNDS DESCRIPTION
54.535 ACRES OUT OF SECTION 231, TEXAS-MEXICAN RAILWAY COMPANY SURVEY, HIDALGO COUNTY, TEXAS

A tract of land containing 54.535 acres situated in Hidalgo County, Texas, said 54.535 acres being a part or portion out of SECTION 231, TEXAS-MEXICAN RAILWAY COMPANY SURVEY, according to the patent issued by the State of Texas to W.S. Daugherty Recorded in Volume 4, Page 142-143, Hidalgo County Deed Records, said 54.535 acres also being more particularly described as follows:

BEGINNING at the Northwest corner of said Section 231, said corner being in the intersection of Ware Road (FM 2220) and Monte Cristo Road (FM 1925), for the Northwest corner of this tract;

1. THENCE, S 80° 33' 00" E a distance of 1273.16 feet to the Northeast corner of this tract;

2. THENCE, S 08° 57' 00" W a distance of 1557.13 feet to the Northernmost Southeast corner of this tract;

3. THENCE, N 80° 14' 00" W along the North line of ECISD #50 as recorded in Volume 41, Page 32, Hidalgo County Map Records, a distance of 871.20 feet to an inside corner of this tract;

4. THENCE, S 08° 57' 00" W along the West line of said ECISD #50, a distance of 1000.00 feet to the Southernmost Southeast corner of this tract;

5. THENCE, N 80° 14' 00" W along the existing North right-of-way line of Rogers Road (80' right-of-way) a distance of 289.48 feet to an outside point of this tract;

6. THENCE, N 35°38' 30" W along a corner clip of said Rogers Road, a distance of 71.23 feet to an inside corner of this tract;

7. THENCE, N 80°14' 00" W along a corner clip of said Rogers Road, a distance of 62.55 feet to the Southwest corner of this tract;

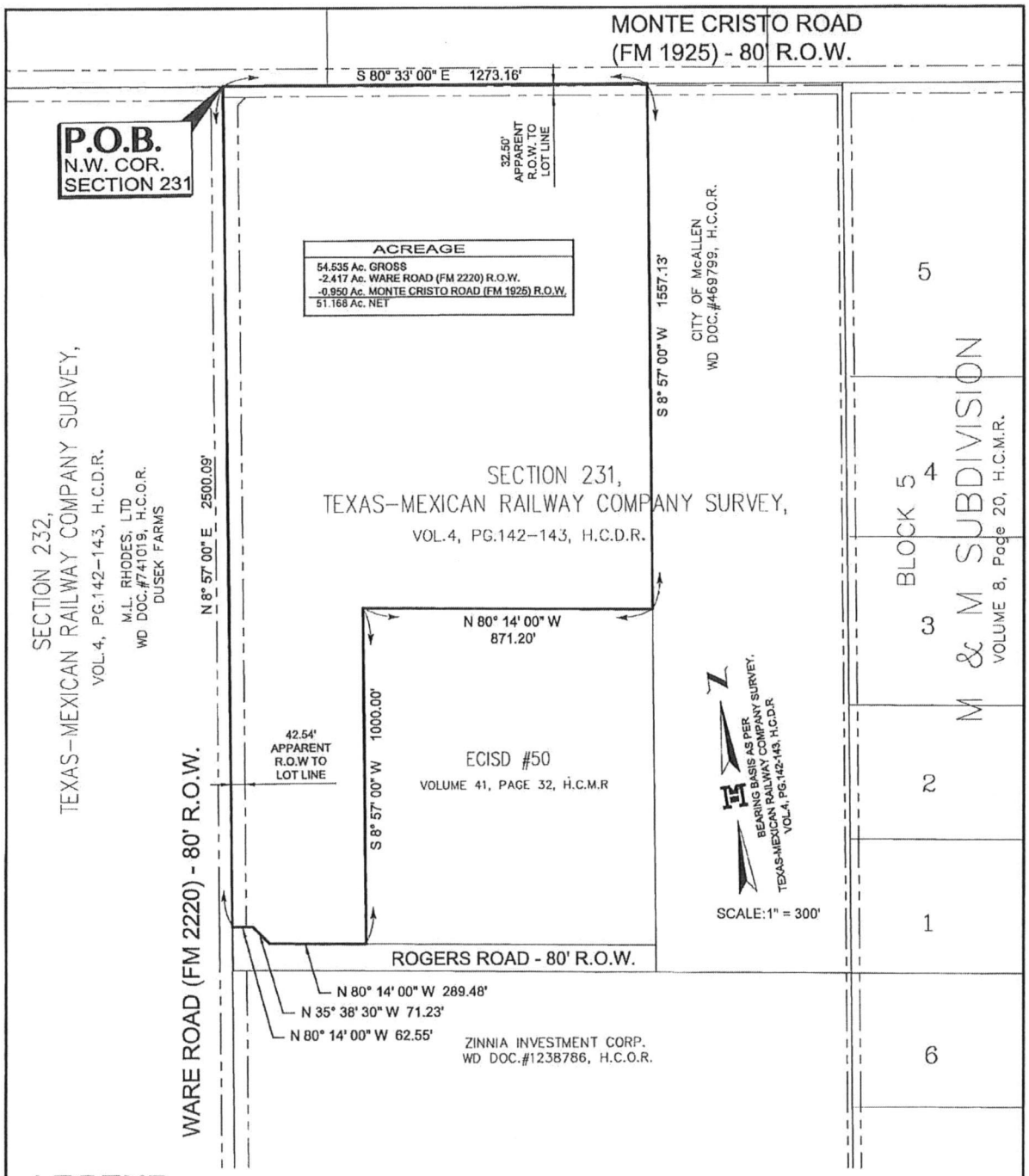
8. THENCE, N 08° 57' 00" E along the West line of said Section 231 and within the existing right-of-way of Ware Road (FM 2220) a distance of 2500.09 feet to the POINT OF BEGINNING, and containing 54.535 acres of land, more or less, of which 0.950 of one acre lies within Monte Cristo Road (FM 1925) and 2.417 acres lie within Ware Road (FM 2220), leaving a net of 51.168 acres more or less.

I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY AFFIRM THAT THIS METES AND BOUNDS DESCRIPTION REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND ON 09-10-2015 UNDER MY DIRECTION AND SUPERVISION.

9-11-15

FRED L. KURTH, R.P.L.S. #4750 DATE:

Y:\Land Development\Residential\Mcallen\07105 - Tres Lagos\07105.00 - Plat Development\Metes & Bounds\M&B Mcallen Swap-West.Docx9/11/2015 10:35 AM



LEGEND

R.O.W. - RIGHT OF WAY
H.C.M.R. - HIDALGO COUNTY MAP RECORDS
H.C.D.R. - HIDALGO COUNTY DEED RECORDS
H.C.O.R. - HIDALGO COUNTY OFFICIAL RECORDS
N.W. COR. - NORTHWEST CORNER
P.O.B. - POINT OF BEGINNING
W.D. - WARRANTY DEED
DOC. - DOCUMENT

PLAT SHOWING
54.535 ACRES OUT OF SECTION 231, TEXAS-MEXICAN RAILWAY COMPANY SURVEY, ACCORDING TO THE PATENT ISSUED BY THE STATE OF TEXAS, TO W. S. DAUGHERTY RECORDED IN VOLUME 4, PAGES142-143, H.C.D.R., HIDALGO COUNTY, TEXAS

NOTES:

1. SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL & SIGNATURE OF SURVEYOR.
2. SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT WHICH MAY SHOW EASEMENTS AFFECTING THIS TRACT. THE SURVEYOR IS ADVISING THE RECIPIENT OF THIS PLAT THAT EASEMENTS MAY AFFECT THIS TRACT.

I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE ON THE GROUND ON 09/10/15 UNDER MY DIRECTION AND SUPERVISION.

STATE OF TEXAS
REGISTERED
FRED L. KURTH
4750
PROFESSIONAL

Fred L Kurth 9-11-15

FRED L. KURTH, RPLS No. 4750 DATE:

FLOOD ZONE
ZONE "X" (UNSHADED)
AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOODPLAIN.

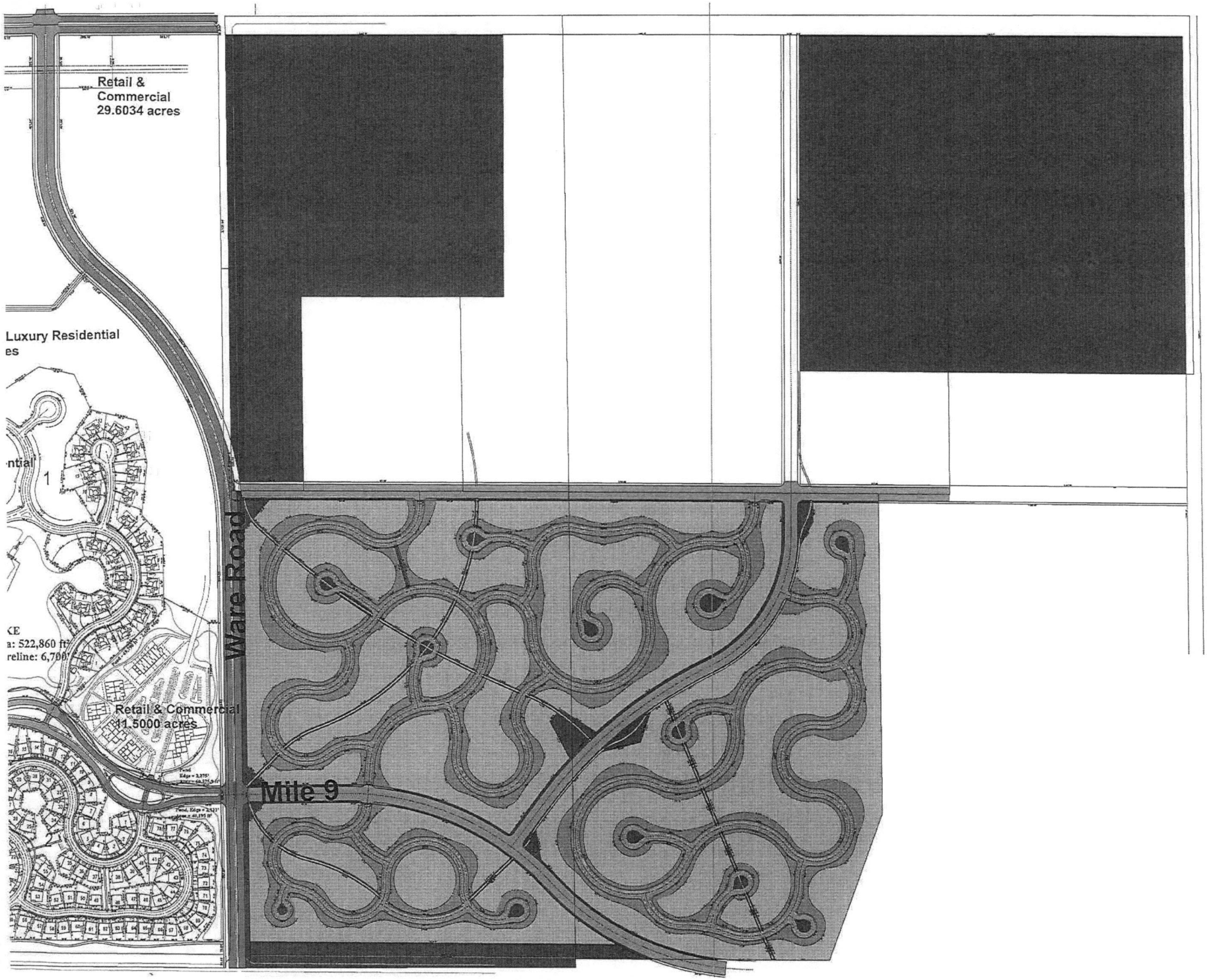
COMMUNITY-PANEL NUMBER: 480334 0325 D
MAP REVISED: JUNE 6, 2000
REVISED TO REFLECT LOMR: MAY 17, 2001

EXHIBIT "B"

MELDEN & HUNT INC.
CONSULTANTS • ENGINEERS • SURVEYORS
TBPLS No. 10095900
227 N. F.M. 3167
RIO GRANDE CITY, TX 78582
PH: (956) 487-8256
FAX: (956) 488-8591
115 W. McINTYRE
EDINBURG, TX 78541
PH: (956) 381-0981
FAX: (956) 381-1839
ESTABLISHED 1947
www.meldenandhunt.com

DATE: 09-10-15
JOB No. 07105.02
FILE NAME: SECURITY SURVEY
DRAWN BY: R.N.

© COPYRIGHT 2015 MELDEN & HUNT, INC. ALL RIGHTS RESERVED


Retail &
Commercial
29.6034 acres
Luxury Residential
es
ntial
1
Retail & Commercial
11.5000 acres
Ware Road
Mile 9