Mayor: Mario Garza
Mayor Pro-Tem: Jesus "Jesse" Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco "Markie" Villegas

The City of San Juan does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the Office of the City Secretary at 956-223-2200 at least 24 hours prior to the scheduled meeting to make proper arrangements.

SAN JUAN CITY COMMISSION

Location: San Juan Memorial Library
Multipurpose Meeting Room
1010 S. Standard St.
San Juan, Texas 78589
Tuesday, January 13, 2026

REGULAR MEETING AGENDA
6:00 PM

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS

V. PRESENTATIONS

A. Presentation by Perdue Brandon Fielder Collins & Mott LLP of the Collection Report October 1, 2024 – September 30, 2025.

B. Presentation on Departmental Reports: Department of Planning and Zoning, Department of Parks and Recreation, Department of Sanitation, San Juan Memorial Library, Department of Finance, Fire Department, Police Department, Municipal Court and Department of Utilities.

1. Department of Planning and Zoning Monthly Report. [Monica Gomez, Director of Planning]

2. Department of Parks & Recreation Monthly Report. [Interim Director of Parks & Recreation, Ramiro Moreno]

3. Department of Sanitation Monthly Report. [Israel Garza, Director of Sanitation]

4. San Juan Memorial Library Monthly Report. [Christina Perez, Library Director]

5. Department of Finance Monthly Report. [Maria L. Beltran, Director of Finance]

6. Fire Department Monthly Report. [Tirso Garza, Fire Chief]

7. Police Department Monthly Report. [Leandro Sifuentes, Chief of Police]

8. Municipal Court Monthly Report. [Mary Enriquez, Court Administrator]

9. Department of Utilities Monthly Report. [Alfredo de Leon, Interim Director of Utilities]

VI. PUBLIC HEARING/ORDINANCES

A. Hold a Public Hearing and Consider an Ordinance Amending Chapter 13 Utilities, Article 13.02; Solid Waste and Stormwater Pollution Prevention, Division 1. Generally, Section 13.02.005 Receptable; Placement of Waste for Collection and Section 13.02.006 Exemptions, Divisions 2. Rate Charges and Billing, Section 13.02.051 Customer Classification; Rate Schedule and Divisions 3. Private Collectors to Amend Placement of Waste, Modify Rate and Deposit Fees, Eliminate Private Collections and Other Related Regulations; Providing for Effective Date; Providing for Publication; Providing for Codification; Providing for Severability Clause; and providing for Repealer Clause.

VII. APPOINTMENTS

A. Consider the Appointment of a Representative and Alternate for Fiscal Year 2026-2027 to the Amigos Del Valle Board of Directors. [Brenda Escalante, City Secretary]

B. Consider Removal, Appointment or Re-Appointment of Board Member(s) Related to the Miss San Juan Pageant Board. [Brenda Escalante, City Secretary]

C. Consider the Removal, Appointment, or Reappointment of Member(s) to the Keep San Juan Beautiful Board. [Brenda Escalante, City Secretary]

VIII. DISCUSSION AND POSSIBLE ACTION ON ALL THE FOLLOWING MATTERS:

A. Discussion and Possible Action, if any, Authorizing the City Manager to Approve a Budget Amendment to Increase the San Juan Fire Department's Other Equipment (30-470.7957)

Account for $62,400 for the Fiscal Year 2025-2026. [Tirso Garza, Fire Chief]

IX. CONTRACTUALS

A. Consideration and Action, if any, to Approve the Memorandum of Understanding (MOU) between the San Juan Police Department Law Enforcement Emergency Regional Response Team, and First Line Response. [Leandro Sifuentes, Chief of Police]

B. Consideration and Action, if any, to Approve the Interlocal Agreement between Hidalgo County Urban County Program and the City of San Juan for the Community Development Block Grant (CDBG) Funds Allocated for FY 2025. [Monica Gomez, Director of Planning]

X. RESOLUTIONS

A. Consideration and Action, if any, on a Resolution Approving the FY 2026 Final Workplan for the Hidalgo County Urban County Program. [Monica Gomez, Director of Planning]

B. Consideration and Action, if any, on a Resolution Accepting Petition for Voluntary Annexation; Setting Dates and Times of Public Hearings; and Directing the Planning Department to Prepare a Service Plan. [Monica Gomez, Director of Planning]

C. Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to Accept the FY25 Hiring Program Grant from the U.S. Department of Justice Office of Community Oriented Policing Services (COPS). [Leandro Sifuentes, Chief of Police]

D. Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to Accept a Grant Award from the Office of the Governor for Operation Lonestar FY2026. [Leandro Sifuentes, Chief of Police]

E. Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to Accept a Grant Award from the Office of the Governor for a Crime Victims Liaison. [Leandro Sifuentes, Chief of Police]

F. Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to accept a Grant Award from the Office of the Governor for Rifle Resistant Body Armor. [Leandro Sifuentes, Chief of Police]

XI. CONSENT AGENDA

A. Consider Second and Final Reading of an Ordinance Regarding the Voluntary Annexation Petition of the 3.03-Acre Tract of Land out of Lot 12, Stewart's Addition to the Conway Gardens, Located Approximately 600 feet North of Hall Acres Road, along the West Side of

Stewart Road, as Requested by Teysha Group, LLC. [Monica Gomez, Director of Planning]

B. Consider Second and Final Reading of an Ordinance for the Sale of Alcoholic Beverages (BG - Wine and Beer Retailer's Permit) at "Cheer's Food Court and Bar" at 234 E. Business Hwy 83, Legally Described as Lettered Blks (San Juan) Lot 1, Block B, as Requested by Saul Salinas. [Monica Gomez, Director of Planning]

C. Budget Expenditure Report — September 2025. [Maria L. Beltran, Director of Finance]

D. Budget Expenditure Report — October 2025. [Maria L. Beltran, Director of Finance]

E. Budget Expenditure Report — November 2025. [Maria L. Beltran, Director of Finance]

XII. EXECUTIVE SESSION

A. The San Juan City Commission will Convene in Executive Session in Accordance with the Texas Open Meeting Act, Vernon's Texas Statutes and Codes Annotated, Government Code Chapter §551.071 (Consultation with Attorney).

1. Pursuant to Section §551.071 of the Texas Government Code, Consultation with Attorney; Discussion and Possible Action Regarding Legal Matters Concerning the Excavation Permit Applications Submitted by Vexus Fiber for the Installation of Vexus Fiber Cable.

2. Pursuant to Section §551.071 of the Texas Government Code, Consultation with Attorney; Discussion and Possible Action Regarding Legal Issues Concerning 2025 Noche de Paz.

3. Pursuant to Section §551.071 Consultation with Attorney and Pursuant to Section §551.074 Personnel Matters; Discussion Regarding the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline or Dismissal of a Public Officer or Employee: Director of Parks & Recreation.

XIII. RECONVENE

A. The City Commission will Reconvene in Open Session to Take Necessary Action, if any, in Accordance with Chapter §551, Open Meeting Subchapter E, Procedures Relating to Closed Meeting §551, Requirements to Vote or Take Final Action in Open Meeting.

1. Pursuant to Section §551.071 of the Texas Government Code, Consultation with Attorney; Discussion and Possible Action Regarding Legal Matters Concerning the Excavation Permit Applications Submitted by Vexus Fiber for the Installation of Vexus Fiber Cable.

2. Pursuant to Section §551.071 of the Texas Government Code, Consultation with Attorney;

Discussion and Possible Action Regarding Legal Issues Concerning 2025 Noche de Paz.

3. Pursuant to Section §551.071 Consultation with Attorney and Pursuant to Section §551.074 Personnel Matters; Discussion Regarding the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline or Dismissal of a Public Officer or Employee: Director of Parks & Recreation.

XIV. ADJOURNMENT

CERTIFICATION

I certify that the above notice of the Regular Called Meeting of the City of San Juan is true and correct; and that I posted such notice on the bulletin board. A place convenient and readily accessible to the public on the 7th day of January 2026 at 5:30 p.m. in accordance with the Texas Open Meetings Act (Tex. Gov't. Code §551-041 - §551.050).

BRENDA ESCALANTE
CITY SECRETARY
CITY OF SAN JUAN, TEXAS

CERTIFICATION OF REMOVAL

I certify that the agenda of items to be considered by the City Commission was removed by the City Secretary's Office from the San Juan City Hall bulletin area on the _____ of _____, 2026.

_____
OFFICE OF THE CITY SECRETARY

Mayor: **Mario Garza**
Mayor Pro-Tem: **Jesus "Jesse" Ramirez**
Commissioners: **Mario Cantu**
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Brenda Escalante, City Secretary

DATE: 12/19/2025

SUBJECT: Presentation by Perdue Brandon Fielder Collins & Mott LLP of the Collection Report October 1, 2024 – September 30, 2025.

512 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

WHEN EXPERIENCE, REPUTATION AND PERFORMANCE MATTER

PERDUE BRANDON FIELDER COLLINS & MOTT LLP

ATTORNEYS AT LAW

CITY OF SAN JUAN FISCAL YEAR 2024-2025 COLLECTION REPORT

January 2026

www.pbfcm.com

COLLECTION PROGRAM

October 2024 – September 2025

The following is a brief overview of the collection activities of Perdue Brandon Fielder Collins and Mott, LLP for the **City of San Juan** for delinquent court fines and fees for the period of October 1, 2024 through September 30, 2025.

ACTIVITIES

October 2024 – September 2025

Letters Mailed

5,425

Address Updates

193

Phone Contacts

3,816

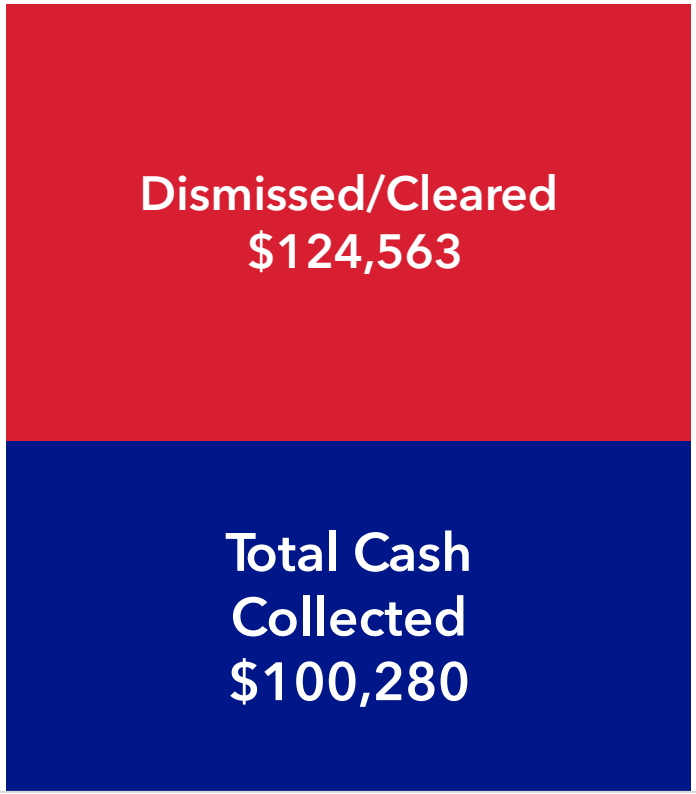
Text Messages

17,397

COURT COLLECTIONS

October 2024 – September 2025

TOTAL LIQUIDATED: $224,843

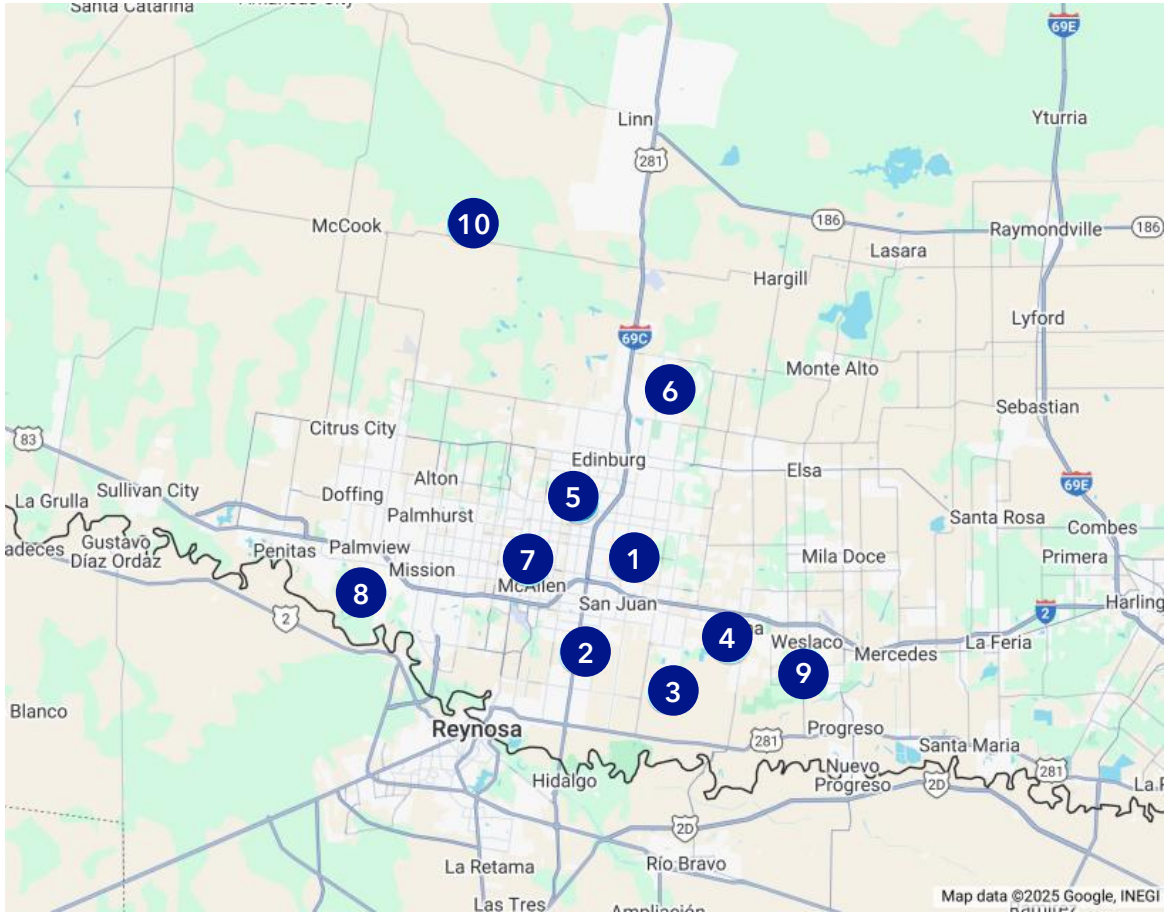


Source: City Of San Juan Collections Based On Invoiced Accounts Including Collection Fees

TOP 10 ZIP CODES BY DEBTORS

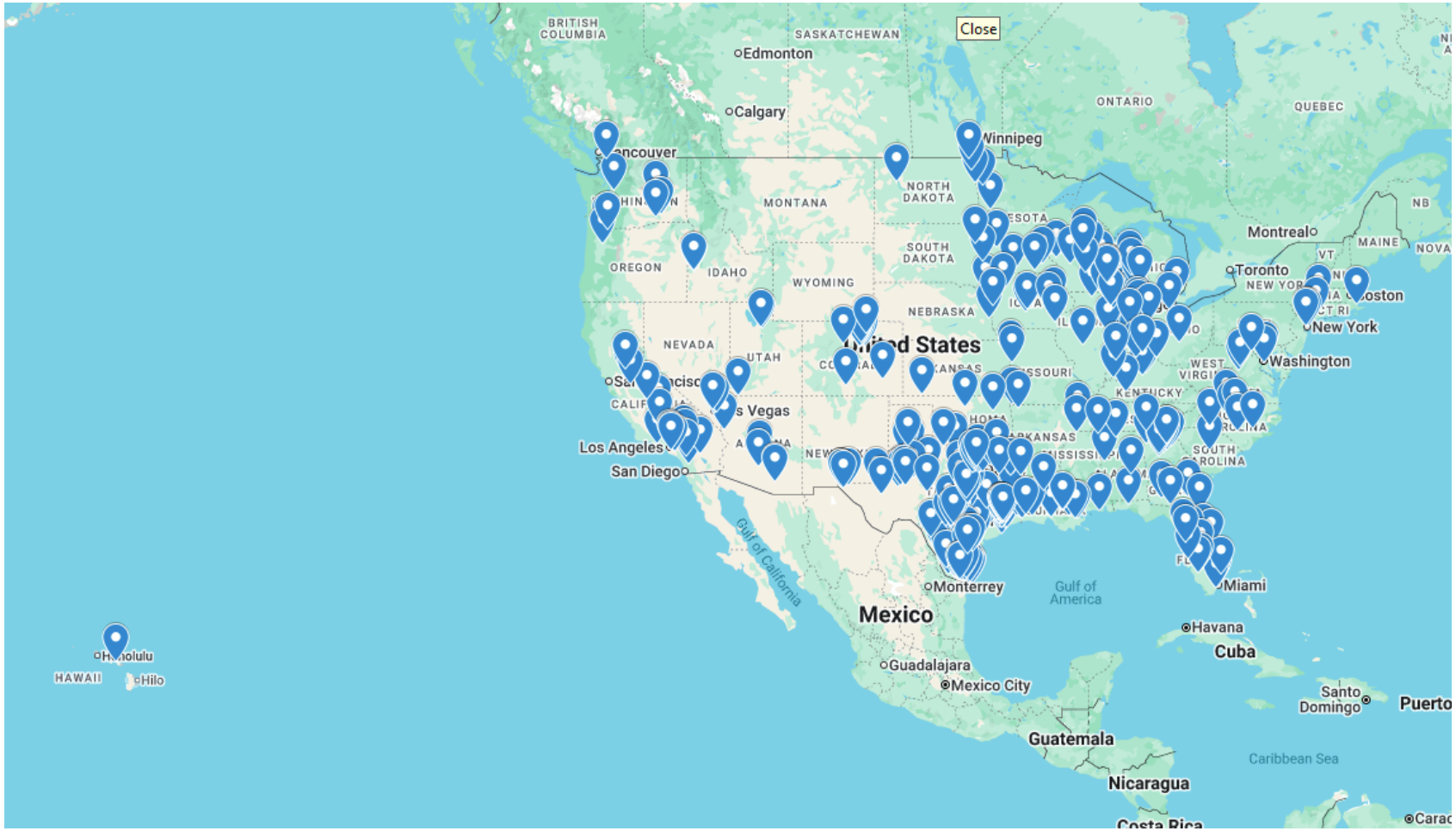
October 2024 – September 2025

1. **78589** • $934,108 (1,471)
2. **78577** • $458,453 (760)
3. **78516** • $364,293 (572)
4. **78537** • $168,610 (260)
5. **78539** • $140,887 (247)
6. **78542** • $150,128 (233)
7. **78501** • $96,666 (168)
8. **78572** • $72,583 (119)
9. **78596** • $67,121 (108)
10. **78541** • $44,847 (65)



ALL ACCOUNTS

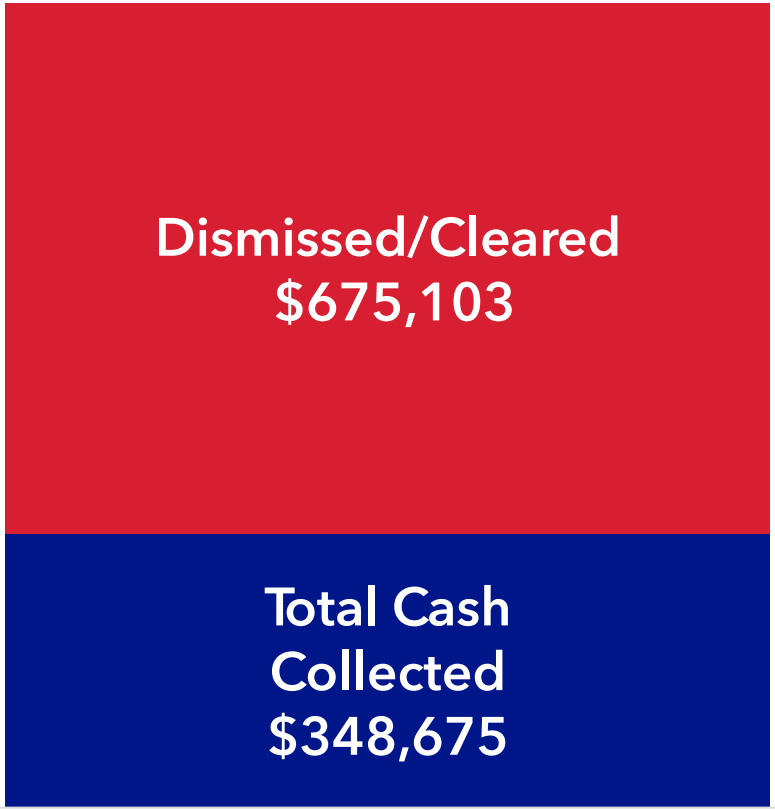
October 2024 – September 2025



COURT COLLECTIONS

May 2023 – September 2025

TOTAL LIQUIDATED: $1,023,778



Source: City Of San Juan Collections Based On Invoiced Accounts Including Collection Fees

PERDUE BRANDON FIELDER COLLINS & MOTT LLP

ATTORNEYS AT LAW

THANK YOU

Mayor: **Mario Garza**
Mayor Pro-Tem: **Jesus "Jesse" Ramirez**
Commissioners: **Mario Cantu**
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Monica Gomez, Interim Director of Planning

DATE: 12/22/2025

SUBJECT: Department of Planning and Zoning Monthly Report. [Monica Gomez, Director of Planning]

The City of San Juan Planning & Zoning Department has been busy processing subdivision plats, rezoning applications, applications for special/conditional use permits, applications for variances, public information requests and undertaking other duties as listed below.

- 64 building permits were issued during the month of November with a $2,525,987.00 in total valuation.
- 236 garage sale permits were issued with $3,540.00 in total valuation.
- We provided customer service and support to 614 people and handled approximately 1,070 calls.
- The building inspectors conducted approximately 348 inspections.
- 18 building permits were issued for new houses with $2,352,582.00 in total valuation.

HEALTH DIVISION
Inspections Conducted: 20
Permits Issued: 7
Valuation: $625.00

CODE ENFORCEMENT
Code Enforcement Inspectors continue conducting site visits at businesses to verify that occupational licenses and permits are up-to-date. Inspectors also conducted food truck inspections, day care/foster home permits.

Business Permits Renewed: 12
Valuation of business permits renewed: $550.00

- Weedy Lots: 2
- Garage Sale w/o permit: 45
- Building w/o permit: 3
- Certified letters mailed out: 12
- Abandoned cars: 20
- Occupational Inspection: 4
- Commercial abandoned vehicles: 1
- Banners & Temporary signs: 6

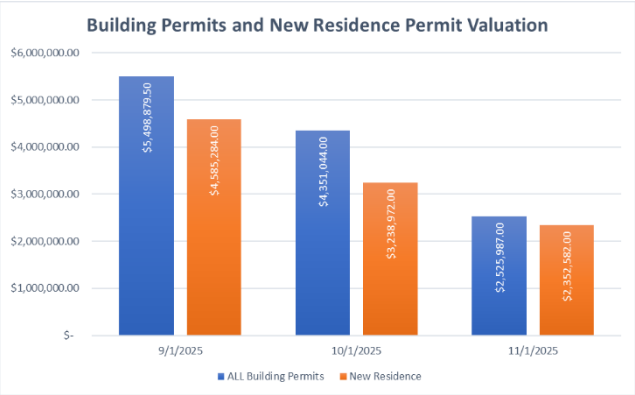
Officer Munoz
- Weedy Lots: 3
- Abandoned cars: 1
- Occupational Inspection: 20
- Commercial abandoned vehicles: 3
- Illegal dumping: 1
- Building w/o permit: 1

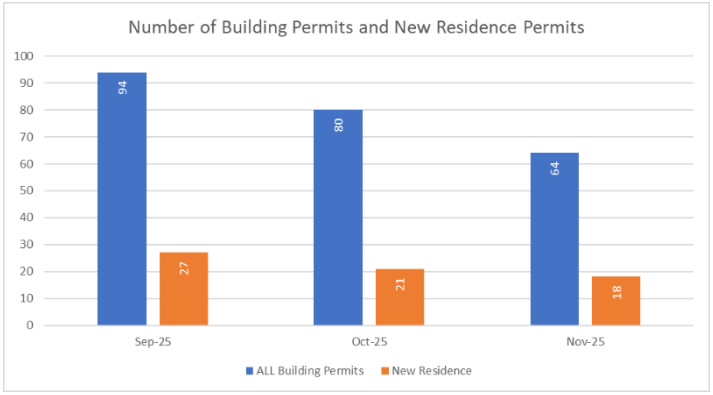
Officer Cavazos
- Weedy Lots: 3
- Work Orders: 2
- Garage Sale w/o permit: 7
- Certified letters mailed out: 3
- Complaints filed in court: 1
- Abandoned cars: 19
- Illegal dumping: 1
- Damaged fence: 1

NEW BUSINESSES OPENING IN THE CITY DURING THIS MONTH

A total of four (4) new businesses were opened in the City of San Juan during the month of November.

• 230 Thrifting	654 E. Nolana Avenue
• 5/22 Motors	1619 Douglas Street
• Prescilla's Photography & Prescilla Walleck	108 N. Nebraska Ave.
• SnoBro (Food Truck)	232 E. Bussiness Hwy. 83





The City of San Juan Planning & Zoning Department has been busy processing subdivision plats, rezoning applications, applications for special/conditional use permits, applications for variances, public information requests and undertaking other duties as listed below.

- 83 building permits were issued during the month of December with a $3,997,070.00 in total valuation.
- 110 garage sale permits were issued with $1,650.00 in total valuation.
- We provided customer service and support to 569 people and handled approximately 1,210 calls.
- The building inspectors conducted approximately 386 inspections.
- 18 building permits were issued for new houses with $3,618,675.00 in total valuation.

HEALTH DIVISION

Inspections Conducted: 24
Permits Issued: 20
Valuation: $1,925.00

CODE ENFORCEMENT

Code Enforcement Inspectors continue conducting site visits at businesses to verify that occupational licenses and permits are up-to-date. Inspectors also conducted food truck inspections, day care/foster home permits.

Business Permits Renewed: 26
Valuation of business permits renewed: $1,290.00

Officer Rodriguez
- Weedy Lots: 2
- Garage Sale w/o permit: 8
- Banners & Temporary signs: 20
- Foul Odor: 1
- Building w/o permit: 2
- Abandoned cars: 25
- Occupational Inspection: 3

Officer Munoz
- Weedy Lots: 3
- Illegal dumping: 1
- Rubbish: 1
- Abandoned cars: 2
- Street Vendors: 3
- Occupational Inspection: 15

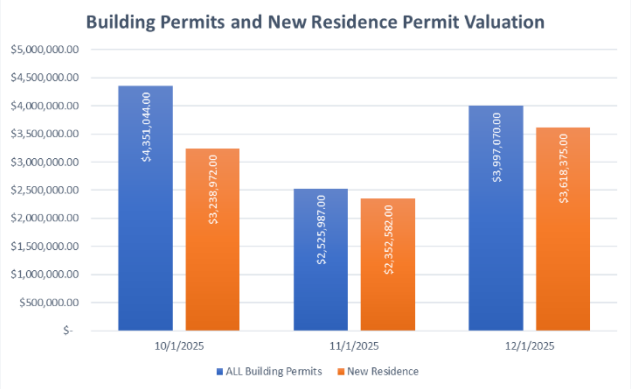
Officer Cavazos
- Weedy Lots: 7
- Garage Sale w/o permit: 5
- Rubbish: 2
- Building without permit: 3
- Complaints filed in court: 2
- Abandoned cars: 1

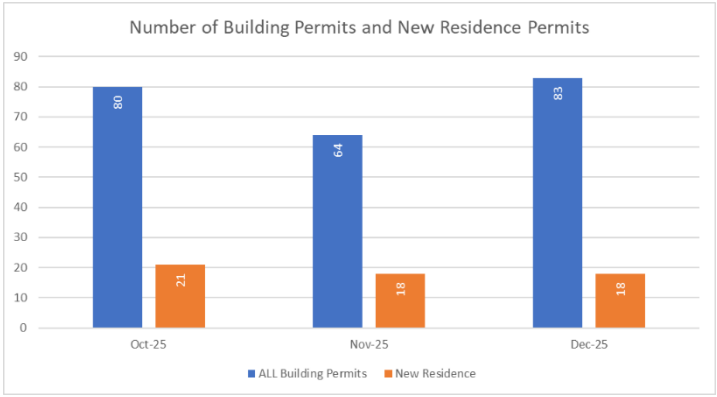
- Commercial abandoned vehicles: 9
- Follow up: 12

NEW BUSINESSES OPENING IN THE CITY DURING THIS MONTH

A total of eight (8) new businesses were opened in the City of San Juan during the month of December.

• Agape Pharmacy LLC.	2812 N. Raul Longoria Rd. Suite 3
• Domino's Pizza	3306 N. Raul Longoria Rd. Suite 1
• El Cielo Sanck LLC	901 N. Raul Longoria Rd. Suite 1
• Elevating Nutrition	1801 N. Raul Longoria Rd. Suite A
• Revive Nutrition	2209 N. Raul Longoria Rd. Suite 1
• Vapes & Smoke Shop El Primo	3306 N. Raul Longoria Rd. Suite 5
• Viva Mini Mart #1 LLC	205 W. Nolana Avenue, Suites 11-12
• La Victoria Thrift Store	109 E. 6th Street





PLANNING AND ZONING COMMISSION
NOVEMBER 5, 2025
SAN JUAN CITY HALL - EOC ROOM
512 S. NEBRASKA AVENUE
SAN JUAN, TX 78589
6:00 P.M.

P&Z PRESENT	P&Z ABSENT	STAFF PRESENT	GUESTS PRESENT
Valerie Cardenas	Martin Gamboa	Ruben Guajardo	Omar Rios
Irma Castillo	Daniel Garza	Monica Gomez	Omar Rios Jr.
Eliza Yzaguirre		Clarissa Aviles	Rene Barrera, P.E.
Luis Mancillas		Adam Rios	
Mark Salinas			

1. **CALL TO ORDER**
   Chair Cardenas called the meeting to order at 6:00 p.m.

2. **APPROVAL OF MINUTES – October 16, 2025**
   Vice-Chair Castillo made a motion to approve the minutes as presented by staff. Commissioner Yzaguirre seconded the motion. The motion passed unanimously with a 5-0 vote.

3. **SUBDIVISIONS**

3.1 Preliminary Plat Approval with Variances	Black Hills Estates II Being a 13.46-acre tract of land out of Lot 3, Block 39, Alamo Land and Sugar Company's Subdivision Location: The property is located approximately 2000 feet West of Cesar Chavez Road, along the South side of Sioux Road Engineer: Barrera Infrastructure Group, Inc. Developer: 316 Investments, LP. Flood Zone: B Water: North Alamo Water Supply Corporation Sewer: City of San Juan

REVIEW COMMENTS:
Ms. Gomez explained that developer is proposing to subdivide 13.46-acre tract of land located approximately a quarter of a mile West of Cesar Chavez Road, along the South side of Sioux Road for the development of a sixty-six (66) lot single-family residential subdivision**.** The proposed subdivision will include two points of access along Sioux Road. The property is located in a flood zone "B." Water service is provided by North Alamo Water Supply Corporation; sewer by the City of San Juan.

The developer is requesting the following variances:
1. To reduce the minimum lot width of 60-feet to 54-feet.
2. To reduce the minimum lot depth of 100-feet to 114-feet.

Staff recommends approval of the Preliminary Plat and the requested variance, subject to addressing all staff comments.

Developer Omar Rios explained that this proposal represents the second phase of the Black Hills Subdivision. Phase I was approved in 2023 with the same variance requests.

FINAL RESOLUTION OF REQUEST & COMMENTS:
Commissioner Mancillas made a motion to approve the preliminary plat with variances as presented. Commissioner Yzaguirre second the motion. The motion passed unanimously with a 5-0 vote.

3.2 Preliminary Plat Approval with Variances	Espana Subdivision Being a 1.10-acre tract of land out of Lot 6, Block 39, Alamo Land and Sugar Company's Subdivision Location: The property is located approximately 1,500 feet East from Cesar Chavez Road, along the North side of FM 495 Engineer: David Salinas Engineering and Associates Developer: Roberto Garza Flood Zone: B Water: North Alamo Water Supply Corporation Sewer: City of San Juan

REVIEW COMMENTS:
Ms. Gomez explained that the developer is proposing to subdivide 1.10-acre tract of land located approximately a half of a mile West of Cesar Chavez Road, along the North side of FM 495 for the development of a one (1) lot commercial subdivision**.** The property is located in a flood zone "B." Water service is provided by North Alamo Water Supply Corporation; sewer by the City of San Juan.

The developer is requesting the following variance:
1. To reduce the required 15-foot utility easement around the subdivision to 10-feet.

Staff recommends approval of the Preliminary Plat and the requested variance, subject to addressing all staff comments.

No discussion took place on this item.

FINAL RESOLUTION OF REQUEST & COMMENTS:
Vice-Chair Castillo made a motion to approve the preliminary plat with variances as presented. Commissioner Mancillas second the motion. The motion passed unanimously with a 5-0 vote.

4. NEXT MEETING - TBA

5. ADJOURNMENT

There being no further items to discuss, Vice-Chair Castillo made a motion to adjourn; Commissioner Salinas second the motion. The meeting was adjourned at 6:07 p.m.

City of San Juan, Texas

_____
Valerie Cardenas, Chairwoman
Planning and Zoning Commission

Attest:

_____
Monica Gomez
Interim Director of Planning

PLANNING AND ZONING COMMISSION
NOVEMBER 19, 2025
SAN JUAN CITY HALL - EOC ROOM
512 S. NEBRASKA AVENUE
SAN JUAN, TX 78589
6:00 P.M.

P&Z PRESENT	P&Z ABSENT	STAFF PRESENT	GUESTS PRESENT
Irma Castillo	Luis Mancillas	Monica Gomez	Servando Cavazos
Eliza Yzaguirre	Valerie Cardenas	Clarissa Aviles	Ivan Garcia, P.E.
Mark Salinas			Marivel Salinas
Martin Gamboa			
Daniel Garza			

1. **CALL TO ORDER**
   Vice Chair Castillo called the meeting to order at 6:00 p.m.

2. **APPROVAL OF MINUTES – November 5, 2025**
   Commissioner Gamboa made a motion to approve the minutes as presented by city staff. Commissioner Garza seconded the motion. The motion passed unanimously with a 5-0 vote.

3. **PUBLIC HEARINGS**

3.1 Conditional Use Permit	For the Sale of Alcoholic Beverages *(BG-Wine and Beer Retailer's Permit)* "Cheers Food Court and Bar" 234 E. Business Hwy 83 Lettered Blks (San Juan) Lot 1, Blk B Applicant: Saul Salinas

REVIEW COMMENTS:
Ms. Gomez explained a public hearing for a Conditional Use Permit request for the sale of alcoholic beverages at Cheers Food Court and Bar, located within the food truck park at the southwest corner of Business 83 and Iowa Street. The applicant is proposing to sell alcohol as a complement to the food served at the park. The food court currently consists of seven food trucks offering a variety of cuisines. The food truck park has been in operation for approximately three years, and ownership of the beer license has changed during this time without any reported issues.

The hours of operation are:
- Sunday through Monday: 10:00 a.m. to 12:00 a.m.
- Saturday: 10:00 a.m. to 1:00 a.m.

Public notice of this request was published in the newspaper, and letters were sent to eight property owners within the notification boundary. No comments were received either in favor or against the request.

Staff recommends approval of the Conditional Use Permit as presented.

Vice Chair Castillo opened the public hearing at 6:02 p.m.

Vice Chair Castillo asked if the business had a barrier around the property. Ms. Gomez responded that the food truck park has been in existence for three years, since the City adopted the Food Court Ordinance, and that it complies with the required lighting, barrier, and security measures after 10:00 p.m.

Commissioner Gamboa asked where the alcohol sales would take place. Ms. Gomez stated that alcohol will be sold from a food truck located behind Cheers Liquor Store, and she added that this is a separate alcohol permit from the liquor store's permit.

Vice Chair Castillo closed the public hearing at 6:03 p.m.

FINAL RESOLUTION OF REQUEST & COMMENTS:
Commissioner Gamboa made a motion to approve the conditional use permit as presented. Commissioner Garza second the motion. The motion passed unanimously with a 5-0 vote.

4. SUBDIVISIONS

4.1 Preliminary Plat Approval with Variances	Santa Barbara Villas Subdivision Being a 1.26-acre tract of land out of Lot 8, Block 35, Alamo Land and Sugar Company's Subdivision Location: The property is located approximately 250 feet East from Wyoming Avenue, along the South side of 1st Street Engineer: Rio Delta Engineering Developer: Compass Development, LLC. Flood Zone: c Water: City of San Juan Sewer: City of San Juan

REVIEW COMMENTS:
Ms. Gomez explained that this is the Preliminary Plat of the Santa Barbara Villas Subdivision, located approximately 250 feet east of Wyoming Avenue and 1st Street. The developer is proposing to subdivide a 1.26-acre tract for the development of a sixteen (16)-lot townhome subdivision. The property is located in Flood Zone "C," indicating minimal flood risk. Water and sewer services will be provided by the City of San Juan.

At the time of submittal, the City of San Juan did not have a zoning designation specifically suited for this type of townhome development. As a result, the developer submitted a variance request for lot width, lot length, and lot area requirements.
Requested Variances

1. **Minimum Lot Width, Length, and Lot Area Requirements**
    - Lot Width: Reduction from 60 ft. to 24 ft.
    - Lot Length: Reduction from 100 ft. to a range of 84.50 ft. to 95.50 ft.
    - Lot Area: Reduction from 6,000 sq. ft. to 2,300 sq. ft.
2. **Utility Easement**
    - Reduction of the required 15-foot utility easement to 10 feet.
3. **Setback Requirements**
    - Front Setback: Reduction from 20 ft. to 10 ft.
    - Rear Setback: Reduction from 15 ft. to 10 ft.
    - Side Setback: Reduction from 6 ft. to 0 ft.
    - Garage Setback: Reduction from 18 ft. to 10 ft.

Staff recommends denial of the preliminary plat with the requested variances, with the exception of Variance No. 2, the reduction of the 15-foot utility easement to 10 feet.

Vice Chair Castillo asked whether this is the first townhome development in San Juan.

Ms. Gomez responded that in 2023, the City of San Juan approved a subdivision plat, which was also developed for townhomes. That subdivision included 30-foot lot widths for interior lots and 40 to 45-foot widths for corner lots. The approved setbacks were 20 feet (front), 15 feet (rear), 18 feet (garage), and 0 feet (sides), as authorized by the Fire Department. A fire wall was required between units to meet fire protection standards.

Commissioner Salinas excused himself from the Planning and Zoning meeting at 6:07 p.m., as he was involved in the Santa Barbara Villas project.

Commissioner Garza commented that the setbacks appeared reasonable compared to those in other cities. He asked about the orientation of the front of the properties. Ms. Gomez responded the front will be along 1st Street.

Ivan Garcia, Project Engineer from Rio Delta Engineering, explained that the front of the properties will face 1st Street. An alley will be located at the rear of the lots, where the garages are proposed to be placed. He also provided an explanation of the requested variances. He mentioned that townhomes will have a zero-lot line design, similar to a project in Edinburg featuring high-end-luxury townhomes priced at approximately $289,000.00

Mark Salinas gave a brief presentation, including video clips, illustrating what the project is expected to look like upon completion. The units will include 3 bedrooms, 2.5 bathrooms, and a 2-car garage**,** following the same layout as the townhomes in Edinburg. He also stated that the developer owns an additional 3 acres where they are proposing more townhomes, including units with residential above commercial development**.**

Commissioner Gamboa stated that the garage setback was his only concern, noting that the developer is proposing only 10 feet. Ivan Garcia responded that the garage setback could be adjusted if necessary.

Servando Cavazos, with Structure Team, advised that the townhomes would be uniform in design.

It was noted that there will be a detention pond, which will be maintained by the developer.

FINAL RESOLUTION OF REQUEST & COMMENTS:
Commissioner Garza made a motion to approve the preliminary plat with variances as presented. Commissioner Gamboa second the motion. The motion passed unanimously with a 4-0 vote.

5. NEXT MEETING - TBA

6. ADJOURNMENT
There being no further items to discuss, Commissioner Garza made a motion to adjourn; Commissioner Gamboa second the motion. The meeting was adjourned at 6:37 p.m.

City of San Juan, Texas

_____
Valerie Cardenas, Chairwoman
Planning and Zoning Commission

Attest:

_____
Monica Gomez
Interim Director of Planning

Mayor: **Mario Garza**
Mayor Pro-Tem: **Jesus "Jesse" Ramirez**
Commissioners: **Mario Cantu**
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Ramiro Moreno, Interim Parks & Rec Director

DATE: 12/29/2025

SUBJECT: Department of Parks & Recreation Monthly Report. [Interim Director of Parks & Recreation, Ramiro Moreno]

For November 2025, we have the following to report: During November 2025, our department addressed the following areas.

Parks Division-

- Parks staff has maintained our athletic fields by marking and grooming them in preparation for the rentals.
- Parks Staff continues to maintain the grounds of our city parks, landscaping departmental buildings and other assigned areas throughout the City.
- Assisted with weekend tournaments
- Weekly preparations at Municipal Park for Tuesday High School Baseball, Wednesday High Softball, the Men's Class E Softball on Thursdays.
- On Saturday, November 1, Dia de Los Muertos event took place in the Municipal Park. Staff assisted with the setup, take down of all logistics on the parks, with street closers for the 5K Run and the alfombras of asein.
- On Wednesday, November 5, Park staff delivered the inflatable movie screen to LBJ Middle School in Pharr.
- On Saturday, November 15, staff assisted in the setup and street closure for Market Day held by the EDC
- Staff added the Christmas decorations banners and lights to the light poles along Nebraska.
- Staff has installed the Christmas tree in front of City Hall.
- Wednesday, November 19, staff delivered the inflatable movie screen to Austin Middle School.
- On Saturday, November 22, Staff assisted with the distribution of 500 turkeys.

Recreation Division-

- Staff has been assisting with opening and closing the weekday and weekend rentals.
- Registration is ongoing for youth girls basketball, boys soccer and winter baseball.
- Youth leagues came to an end with 25 teams Flag Football and 27 teams in Volleyball and Tackle Football is ongoing.
- Registration concluded for Girls Basketball, Boys Soccer and Winter Baseball.
- On Wednesday, November 5, staff delivered the movie projector to LBJ Middle School in Pharr.
- On Wednesday, November 12, staff and I attended a TAAF Region 2 Meeting hosted in Edinburg.
- On Wednesday, November 12, Carman Elementary and Austin Middle School principals and coaches were presented with School Awards for having the most registered participants in the San Juan Parks & Recreation Department leagues for the 2024-2025 School Year.
- On Saturday, November 15, staff assisted in the setup and take down for Market Day held by the EDC
- On Wednesday, November 19, staff delivered the movie projector screen to Austin Middle School
- The Winter Adult Softball Leagues started Thursday, November 20 with Men's Class E with 10 teams and Friday, November 21 with 9 teams.

Building Maintenance Division-

- Staff continued daily and weekly cleaning, repairing, and maintaining all city buildings. Along with coordinating the Amigo del Valle Rentals, City Hall EOC Room, Library set-ups for weekly meetings as needed.
- Regular care & preventative maintenance of A/C at City Buildings
- A monthly city hall elevator test is conducted by Edwardo Guajardo.
- On Saturday, November 1, Dia de Los Muertos event took place at Municipal Park. The staff assisted with the cleaning, set up electrical boxes for all the vendors.
- On Saturday, November 15, staff assisted with the setup and electrical boxes for Market Day held by the EDC.
- Staff added the Christmas decorations, banners and lights to the light poles along Nebraska Ave.
- Staff have installed the Christmas tree in front of City Hall.

San Juan Parks & Recreation Advisory Board- Meeting was canceled due to lack of quorum.

San Juan Police Athletic League (PAL)- Meeting was rescheduled.

For December 2025, we have the following to report: During December 2025, our department addressed the following areas.

Parks Division-

- The Parks staff has maintained our athletic fields by marking and grooming them in preparation for the rentals.
- The Parks Staff continues to maintain the grounds of our city parks, landscaping departmental buildings and other assigned areas throughout the City.
- Weekly preparations at Municipal Park for the Men's Class E Softball on Thursdays and Co-Ed Softball on Fridays.
- On Tuesday, December 2, Lighting of the Tree Parks staff installed the Christmas tree, lights on the light poles, reefs, and decorations.
- On Friday, December 12, Blue Santa Staff assisted in setting up & taking down the tent and bike racks for crowd control.
- On Saturday, December 13, Noche de Paz staff assisted in the ground setup for the stage area, vip area, general admission, vendor booth space, BBQ spots, library booth area, installed banners on entrance and throughout the park grounds, tables, chairs, light towers and cleaned up.
- San Juan Sports Complex fence installation has been completed.

Recreation Division-

- Staff has been assisting with opening and closing the weekday and weekend rentals.
- Registration is ongoing for youth girls basketball with 20 teams, boys soccer with 28 teams and winter baseball with 4 teams in 6U.
- Youth leagues came to an end with 25 teams Flag Football and 27 teams in Volleyball and Tackle Football.
- The Winter Adult Softball Leagues is ongoing with Thursday nights Men's Class E with 10 teams and Friday nights Co-Ed Softball with 10 teams.
- On Tuesday, December 2, Lighting of the Tree Parks staff assisted in the set up and handed out hot chocolate and pastries from the EDC.
- On Friday, December 12, Blue Santa Staff assisted in setting up & taking down the tent, bike racks for crowd control and assisted in handing out the toys.
- On Saturday, December 13, Noche de Paz staff assisted in the ground setup for the stage area, vip area, general admission, library booth area, tables, chairs and clean-up.
- On Tuesday, December 16, Alejandro Lopez and I attended a training at the new parks & recreation facility for the air conditioners, plumbing and overhead door. The training was conducted by the contractors.
- On Friday, December 19, Alejandro Lopez and I attended at training at the parks & recreation facility for the electrical, bleachers and back boards.

Building Maintenance Division-

- Staff continued daily and weekly cleaning, repairing, and maintaining all city buildings. Along with coordinating the Amigo del Valle Rentals, City Hall EOC Room, Library set-ups for weekly meetings as needed.
- Regular care & preventative maintenance of A/C at City Buildings
- The monthly city hall elevator test is conducted by Eduardo Guajardo.
- The staff added the Christmas decorations, banners and lights to the light poles along Nebraska Ave.
- Staff have installed the Christmas tree in front of City Hall.
- On Tuesday, December 2, Lighting of the Tree Parks staff assisted with the electrical set-up.
- On Friday, December 12, Blue Santa Staff assisted with setting up & taking down the tent, bike racks for crowd control and electrical set up.
- On Saturday, December 13, Noche de Paz staff assisted in the ground setup for the stage area, restrooms, Amigos del Valle, vip area, general admission, library booth area, tables, electrical set-ups for all the vendor booths and clean up.
- On Tuesday, December 16, Ruben Martinez and Eduardo Guajardo attended a training at the new parks & recreation facility for the air conditioners, plumbing and overhead door. The training was conducted by the contractors.
- On Friday, December 19, Ruben Martinez and Eduardo Guajardo attended at training at the parks & recreation facility for the electrical, bleachers and back boards.

San Juan Parks & Recreation Advisory Board- No meeting was held and is scheduled for January.

San Juan Police Athletic League (PAL)- Meeting was rescheduled for January.

Mayor: Mario Garza
Mayor Pro-Tem: Jesus "Jesse" Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Israel Garza, Sanitation Director

DATE: 01/02/2026

SUBJECT: Department of Sanitation Monthly Report. [Israel Garza, Director of Sanitation]

November 2025 Report

Sanitation Department **(November 2025)**

- Solid Waste Collection ran on schedule all month
- Brush Pickup ran on schedule all month
- Drop off Site: 1,129
- Residential: 1005,04 Tons
- Commercial: 722.63Tons
- Roll-Off Containers: 194.35 Tons/52 loads
- Brush: 433.94Tons/169 loads of brush

Central Garage (November 2025)

- Tickets Open: 34
- Tickets Closed: 19
- 5 Residential Side Loaders operating
- 1 Commercial Side Loaders operator

2 Commercial Front Loader operators

- 2 Brush Truck Opeating

- 1 Brush Tractor (grapple) operating

- 3 Brush Grapple Truck operating
- 1 Roll-Offs Trucks operating

Recycling (November 2025)

- Cardboard: 12.42 tons/$766.45
- Curbside: 5.06 tons
- Mix White Paper: 0.36 tons/$9.00
- Batteries: 0.00 tons/$0.00
- Metal: 0.00 tons/$0.00
- Books: 0.41 tons/$0.00
- Tin Cans: 0.00 tons/$0.00
- Plastic: 0.00 tons
- E-Waste: 0.00 tons/$0.00
- Aluminum: 0.00 tons/$0.00

Total Tons/Revenue: 18.25 tons/$775.45

- Savings of $365.00
- Walk-Ins: 207

Code Enforcements (November 2025)
Estaban Garcia

- Violation Notice Issued: 13
- Illegal Dumping: 53
- Contact People: 69
- Construction Material: 10
- Tires: 10

Code Enforcements (November 2025)
Ruben Navarro

- Violation Notice: 19
- Illegal Dumping: 6
- Contact People: 15
- Construction Material: 0
- Tires: 0

December 2025 Report

Sanitation Department **(December 2025)**

- Solid Waste Collection ran on schedule all month
- Brush Pickup ran on schedule all month
- Drop off Site: 1,464
- Residential: 1,078.89Tons
- Commercial: 767.62 Tons
- Roll-Off Containers: 290.07 Tons/63 loads

- Brush: 513. 23 tons/181 loads of brush

Central Garage (December 2025)

- Tickets Open: 31
- Tickets Closed: 16
- 6 Residential Side Loaders operating
- 1 Commercial Side Loaders operator
- 2 Commercial Front Loader operators

- 2 Brush Truck Operating
- 1 Brush Tractor (grapple) operating

- 3 Brush Grapple Truck operating
    - 2 Roll-Offs Trucks operating

Recycling (December 2025)

- Cardboard: 16.94 tons/$ 1016.40
- Curbside: 5.43 tons
- Mix White Paper: 0.084 tons/$2.75
- Batteries: 0.00 tons/$0.00
- Metal: 0.00 tons/$0.00
- Books: 0.40 tons/$0.00
- Tin Cans: 0.00 tons/$0.00
- Plastic: 0.76 tons

- E-Waste: 0.00 tons/$0.00
- Aluminum: 0.00 tons/$0.00

Total Tons/Revenue: 23.61tons/$1019.15

- Savings of $472.20
- Walk-Ins: 273

Code Enforcements (December2025)
Esteban Garcia

- Violation Notice Issued: 28
- Illegal Dumping: 28
- Contact People: 50
- Construction Material: 2
- Tires: 12

Code Enforcements (December2025)
Ruben Navarro

- Violation Notice: 22
- Illegal Dumping: 9
- Contact People: 19
- Construction Material: 5

Mayor: **Mario Garza**
Mayor Pro-Tem: **Jesus "Jesse" Ramirez**
Commissioners: **Mario Cantu**
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Christina Perez, Director of Library

DATE: 01/02/2026

SUBJECT: San Juan Memorial Library Monthly Report. [Christina Perez, Library Director]

Enclosed is the November Monthly Report including statistics and programs:
For the month of November, we had, 1,942visitors. Out of those visitors, 377 were here for computer use only. The library checked out a total of 527 physical items for both adult and children. We had 14 in-house circulation items. We requested and received seventeen (17) Interlibrary Loans (ILL). We had 58 new patrons added to our circulation system. We helped the public with an estimated 877 reference/informational questions. We had 25 fax transactions. The monthly amount deposited was $900.50 both fines and fees.

Please see the attached statistical report.

During the month of November

- Hosted Red, White, and Blue Party with SFC Torres
- Partnered with Agrilife for Food, Fun & Fitness Program
- Partnered with SJFD for Character Balloon event.
- Attended Author Viola Canales book reading
- Attended Hidalgo County Library System Meeting
- Managed the day-to-day operations of the San Juan Memorial Library

Meetings to be held in December 2025

Multipurpose Room

Master Plan Workshop, December 3rd
Keep San Juan Beautiful, December 3rd
Border Patrol Meeting, December 4th

Christmas Tree Ornament Craft Event, December 4th
Vanguard Academy Superintendent Roundtable, December 11th
Holiday Gift Making shop, December 15th
Photos With Santa, December 17th
Sanitation Department, December 18th & 19th

Training Room:

San Juan Library Board, December 3rd
Easter Seal Autism Parent Conference, December 6th

Enclosed is the December Monthly Report including statistics and programs:
For the month of December, we had, 1,761visitors. Out of those visitors, 289 were here for computer use only. The library checked out a total of 509 physical items for both adult and children. We had 13 in-house circulation items. We requested and received fifteen (15) Interlibrary Loans (ILL). We had 38 new patrons added to our circulation system. We helped the public with an estimated 915 reference/informational questions. We had 13 fax transactions. The monthly amount deposited was $812.15 both fines and fees.

Please see the attached statistical report.

During the month of December

- Hosted Pictures with Santa with SJPD
- Hosted Holiday Gift Making workshop
- Hosted Christmas Tree Treat Craft
- Attended Noche De Paz for Santa's Little Helper Tent
- Attended Hidalgo County Library System Meeting
- Managed the day-to-day operations of the San Juan Memorial Library

Meetings to be held in Janauary 2026

Multipurpose Room

Royal Tea Party, January 6th
Keep San Juan Beautiful, January 7th
Avance Professional Development, January 10th
City Commission, January 13th & 27th
Movie Day, January 15th
Rio Grande Early Childhood Educator Assoc, January 17th

Training Room:

San Juan Library Board, January 7th

Statistics	
Total Visitors	1,942
Computer Users	377
Total Checkouts	527
In-House Use	10
Inter-Library Loans	17
New Patrons	58
Reference\ Informational Questions	877
FAX transactions	25
Children's Programs	15
Attendance	569

Multipurpose Room Reservations	Attendance
29 UMOS Migrant School	61
4 Election Day	0
5 Keep San Juan Beautiful	12
6 Vanguard Academy Superintendent Parent Mee	27
7 Homeschool Hour: Curiosity Club	15
12 Footlocker	30
12 City Commission	30
13 Vanguard Academy	27
14 Border Patrol	23
14 Homeschool hour	10
17 Ms. San Juan Beauty Pageant Board	8
20 Beginner's Crochet	8
20 Vanguard Academy	35
21 Homeschool Hour: Curiosity Club	9
24 Ballon Day w/Fire Department	201
25 City Commission Meeting	22
Total	**457**

Training Room Reservations	Attendance
1 Rio Grande Early Childhood	15
6 Library Board Meeting	3
8 HOA Erick Hurtado	3
24 Beauty Pageant Board	3
Total	**9**

Total DVD Checkouts	
Children's DVDs	14
Other than Children's DVDs	1
Total	**15**

Total Book Checkouts	
Children's Books	236
Other than Children's Books	43
Total	**279**

WiFi Usage	
LibGuest	2,078
LibStaff	488
Total	**2,566**

Study Room Attendance	
Study Rooms	**49**

Likes	**577**
Visitors	**14,917**
	6,636

Deposits	
Fines	$ 77.75
Copies	$ 822.75
Surcharges	$ -
	$900.50

Total + Surcharges

Youth & Children's Programs/Attendance

Program Date	Program Title	Total Attendance by Program
Wednesday, October 29, 2025	Toddler Time	5
Wednesday, October 29, 2025	UMOS Migrant School	61
Wednesday, October 29, 2025	Trick or Treat Trail	120
Tuesday, November 4, 2025	Red, White, & Blue Party	26
Thursday, November 6, 2025	Air Dry Clay	11
Friday, November 7, 2025	Homeschool Hour: Curiosity Club	15
Sunday, November 9, 2025	Coloring & Popcorn Time	17
Wednesday, November 12, 2025	Toddler Time	13
Friday, November 14, 2025	Homeschool Hour: Curiosity Club	10
Tuesday, November 18, 2025	Crafts & Snacks	34
Wednesday, November 19, 2025	Toddler Time	10
Thursday, November 20, 2025	Beginner's Crochet	8
Friday, November 21, 2025	Homeschool Hour: Curiosity Club	9
Monday, November 24, 2025	Balloon Day with the SJ Firefighters	201
Tuesday, November 25, 2025	Crafts & Snacks	29
Total	**15**	**569**

Statistics	
Total Visitors	1,761
Computer Users	289
Total Checkouts	509
In-House Use	13
Inter-Library Loans	15
New Patrons	38
Reference\ Informational Questions	915
FAX transactions	13
Children's Programs	11
Attendance	218

Multipurpose Room Reservations	Attendance
3 KSJB Board Meeting	15
3 Utilities	20
4 Border Patrol Meeting	27
4 Christmas Tree Treat Craft	35
8 Meeting with the Mayor	45
15 Special Called Meeting - swear in Judge Sanch	57
16 Vanguard Academy (Superintendent)	35
17 Picture with Santa	75
17 Christmas Breakfast with the Mayor	68
18 Sanatation (employee luncheon)	25
22 Sanatation	35
Total	**402**

Training Room Reservations	Attendance
3 Library Board Meeting	5
6 Easter Seal - Autism Meeting	28
15 Holiday Gift Making Workshop	10
Total	**38**

Total DVD Checkouts	
Children's DVDs	12
Other than Children's DVDs	22
Total	**34**

Total Book Checkouts	
Children's Books	203
Other than Children's Books	69
Total	**272**

WiFi Usage	
LibGuest	1,901
LibStaff	634
Total	**2,534**

Study Room Attendance	
Study Rooms	**54**

Likes	**489**
Visitors	**13,105**
	6,636

Deposits	
Fines	$ 69.75
Copies	$ 742.40
Surcharges	$ -
	$812.15

Total + Surcharges

Youth & Children's Programs/Attendance

Program Date	Program Title	Total Attendance by Program
Tuesday, December 2, 2025	Crafts & Snacks	23
Wednesday, December 3, 2025	Toddler Time	10
Thursday, December 4, 2025	Christmas Tree Treat Craft	21
Saturday, December 6, 2025	Coloring & Popcorn Time	13
Tuesday, December 9, 2025	Crafts & Snacks	20
Thursday, December 11, 2025	Beginner's Hand Sewing	5
Monday, December 15, 2025	Holiday Gift Making Workshop	10
Tuesday, December 16, 2025	Crafts & Snacks	11
Wednesday, December 17, 2025	Picture with Santa	75
Thursday, December 18, 2025	Teen Crafts & Snacks	21
Monday, December 29, 2025	Crane Origami	9
Total	**11**	**218**

Mayor: Mario Garza
Mayor Pro-Tem: Jesus "Jesse" Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Maria Beltran, Director of Finance

DATE: 01/07/2026

SUBJECT: Department of Finance Monthly Report. [Maria L. Beltran, Director of Finance]

The Department of Finance did the following activities in November 2025.

The Finance Department is responsible for managing core functions, overseeing the administration and accuracy of Utility Billing operations and the Risk Management program.

Finance Department:
The Finance Department is responsible for managing the City's financial operations, ensuring accurate financial reporting, maintaining internal controls, safeguarding the City's financial assets and managing its resources in accordance with the City Charter and ordinances enacted by the City Commission.

- Administer all financial transactions, including accounts payables, and payroll, including the Economic Development Corporation, are accurate in the general ledger.
- Provide monthly financial reports to Departments and City Commission.
- Overseeing cash flow, investments, and financial planning activities.
- Generate and prepare monthly financial reporting according to GAAP
- Generate financial reports for the annual audit.
- Coordinate budgeting, forecasting, and financial planning.
- Implementing and maintaining internal controls to safeguard the City's assets.
- Prepare and generate quarterly investment reports.

Additional Information
8 STAFF MEMBERS
Maintained 29 funds, assisted 24 departments, posted 137 journal entries, issued 264 disbursement checks, no Bank Drafts, Voids 19 and processed 587 direct payroll deposits, through the month of

November 30, 2025.
October Sales Tax .13.85% Increase of $72,149 Compared to last year.
Reconciled 11 Bank Accounts
Budget Adjustments (4)
Budget Amendments —
Internal Budget Amendments —
Manage a 37,7 million budget
● General Fund Budget of 19.6 million
● Utility Fund 6.0 million
● Stormwater Fund 343 thousand
● Debt Service Fund 4.3 million
● Sanitation Fund 4.4 million
● Other Funds 2.3 million

Risk Management:
Implementing strategies to identify, evaluate, and mitigate risks; maintaining risk registers; coordinating insurance coverage; and ensuring compliance with organizational risk policies.
Additional Information
There are a total of 10 claims submitted to TML for processing.
- 2 Auto Claims
- 7 Injuries

Utility Billing & Collection Department:
The Utility Billing Department is responsible for ensuring timely billing cycles of water usage, sanitary sewer, residential garbage collection, and customer account integrity. Maintaining accurate customer records, monitoring collections and resolving billing discrepancies.
• The City of San Juan collects about 7,498 Water 7,014 Sewer and Brush 7,163 accounts.
• North Alamo Water Supply Corporation services 3,670 sewer accounts and Garbage and Brush 2,971 Accounts.
• Military Hwy service 115 combined service accounts
• Per the Audited Financial Report, in FY ending 9/30/2024, the Utility Fund collected 6.2 million and the Sanitation Fund 4.4 million with a combined 10.6 million.
- Email Billing (965)

Service Orders
1. Connects - 86
2. Meter information - 22
3. Disconnect - 59
4. Dead Meters Change - 10
5. Past Due Notice - 1,743 - $8,715
6. Cut List/11th - 141
7. Cut List Register - 23
Payments are made by
57 % paid in person
0 % juniors
32 % online
6 % bank drafts
5 % phone payments

● Staff of 9 employees

Mayor: **Mario Garza**
Mayor Pro-Tem: **Jesus "Jesse" Ramirez**
Commissioners: **Mario Cantu**
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Tirso Garza, Fire Chief

DATE: 12/23/2025

SUBJECT: Fire Department Monthly Report. [Tirso Garza, Fire Chief]

The San Juan Fire Department did the following activities in November 2025.

Emergency Calls
A total of 102 calls were made in November 2025. (Please see attached report.)
- A Shift = 40
- B Shift = 32
- C Shift = 30

Pharr EMS
Pharr EMS and the Fire Department responded to 40 calls in November 2025. No report was submitted by Pharr EMS.

County Calls
The San Juan Fire Department had no county calls in November 2025.

Volunteer Department
The San Juan Volunteer Fire Department has been unable to hold its monthly business meeting.

Fire Inspections
A total of 21 inspections were conducted in November 2025, which are as follows:
- 11/4/2025 - Empress Nails and Spa - 108 W Amy DR, Ste 1
- 11/4/2025 - Smart Start Child Care - 102 W Amy DR, Ste 2, 3, 4,
- 11/4/2025 –Smart Start Child Care II - 108 W Amy DR, Ste 2
- 11/6/2025 - De La Villa - 302 E Business 83, Ste 8 & 9
- 11/7/2025 - Dollar General Store #25987 - 2703 N Veterans BLVD

- 11/7/2025 - CHEERS FOOD TRUCK - SNO BRO - 232 E BUSINESS 83, SPACE 8
- 11/7/2025 - Panda Express #3780 - 701 W Interstate 2 HWY
- 11/13/2025 - Active Nutrition - 2003 N Veterans BLVD, Ste 5
- 11/13/2025 - 230 Thrifting - 654 E Earling, Ste 3 RD,
- 11/13/2025 - Taquería El Jefe de RGV - 2506 N Raúl Longoria, Ste 11 RD,
- 11/13/2025 - The Kids Academy RGV LLC - 1110 S Stewart RD, STE J,
- 11/14/2025 - El Recreo Adult Daycare - 1618 N Veterans, Ste F
- 11/14/2025 - San Juan Cafe - 1618 N Veterans BLVD, Ste S,
- 11/18/2025 - Xpress Drive In - 500 N Veterans BLVD,
- 11/19/2025 - Blessings Learning Center - 2209 N Raul Longoria RD,
- 11/20/2025 - Skinny Buddies Botox and More LLC - 302 E US Highway 83, Ste 11,
- 11/20/2025 - South Texas Auto Sales LLC - 3906 N Raul Longoria RD,
- 11/20/2025 - Wing Barn - 707 W Interstate 2, STE 100,
- 11/21/2025 - 5/22 Motors - 1619 Douglas ST
- 11/24/2025 - Sifuentes Industrial Clothing - 101 S Nebraska AVE, STE 4 & 5
- 11/25/2025 – Iglesia Ministerio Libre Soy - 3102 N Raul Longoria RD, Ste A,

Plan Reviews

The following plans were reviewed for November 2025:

- Stewart Coves Subdivision
- 909 El Dora Road
- Santa Barbara Villas
- Lemus Learning Academy
- Coffee Donuts and Tea
- Texas G&S Investments
- Texas RGV Investments - Fire Alarm Plans

Fuel Utilization

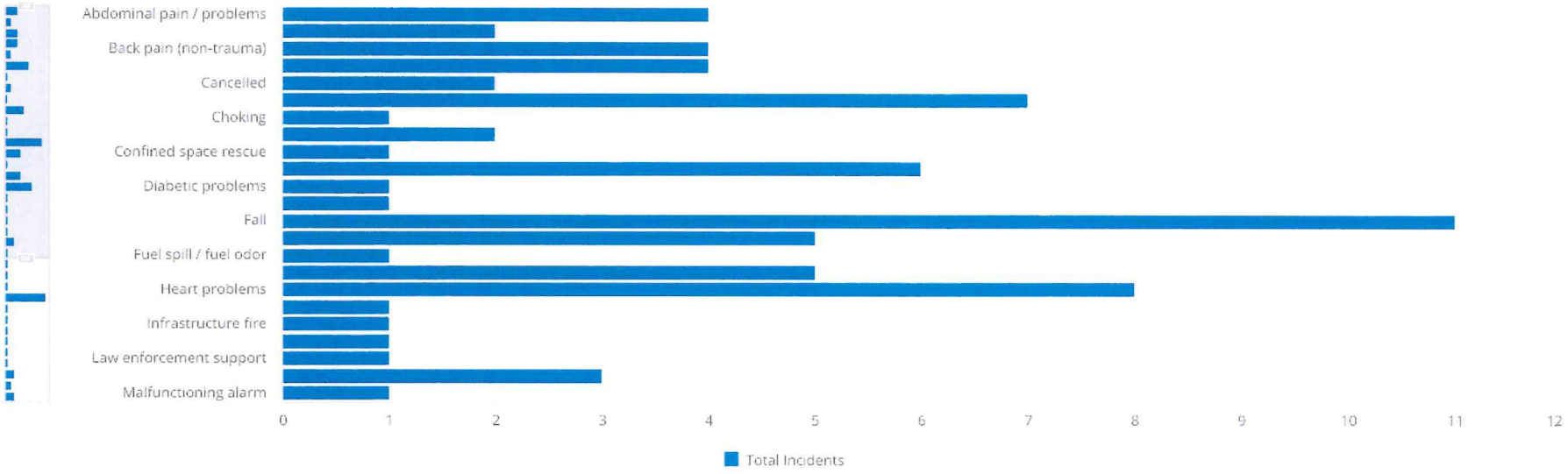
Please note that the total amount of gallons mentioned in this report belongs only to the logs submitted by the Fire Chief, Lieutenant, or Firefighter in charge of November 2025 to the Administration Office.

- A total of 325.4 Gallons of Unleaded
- A total of 678.65 Gallons of Diesel

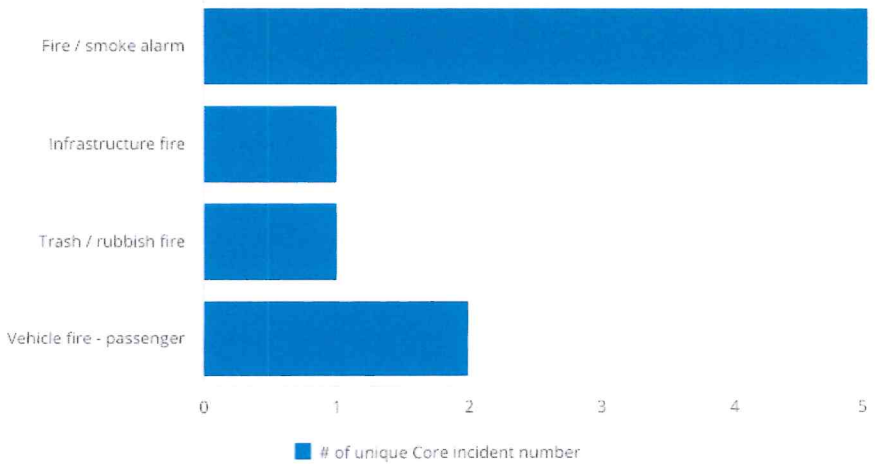
Count of Incidents

102

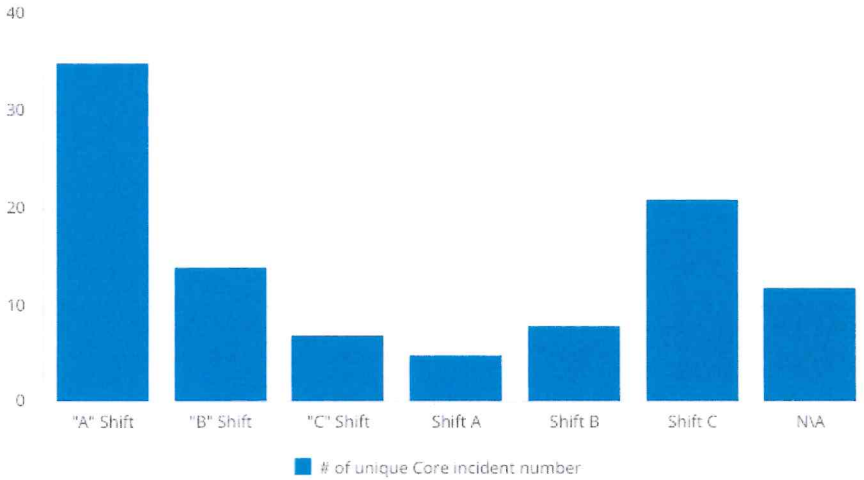
Count of Incidents by Incident Type



Count of Fire Incidents by Type



Count of Fire Incidents by Shift



Total Aid Given or Received

Mayor: Mario Garza
Mayor Pro-Tem: Jesus "Jesse" Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Leandro Sifuentes, Chief of Police

DATE: 12/17/2025

SUBJECT: Police Department Monthly Report. [Leandro Sifuentes, Chief of Police]

This memorandum is to keep you all informed on our Monthly operational statistics, and any other significant cases or events that occurred during the month of **November 2025**

STATISTICS: POLICE	MONTH: November
Calls for service	1488
Accidents	98
911 Calls	327
Traffic/City Ord issued Citations	313
Traffic/City Ord. Issued Warnings	506
Patrol & CID Arrests	65
CID Issued Warrants	40

SPECIAL ANNOUNCEMENT
None to report
SAN JUAN POLICE PERSONNEL:
Evidence Tech Sergio Benítez will retire January 16th

TELE-COMMUNICATORS:
None to Report

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FLEET:
We continue to service older units to use on the road.

STATISTICS: ANIMAL CONTROL	MONTH: October
Calls for service	68
Citations issued	18
Violations	50

SPECIAL EVENTS
None to report

Respectfully,
Leandro Sifuentes
Chief of Police

Mayor: **Mario Garza**
Mayor Pro-Tem: **Jesus "Jesse" Ramirez**
Commissioners: **Mario Cantu**
Gilbert Garza
Marco "Markie" Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Mary Enriquez, Court Administrator

DATE: 01/02/2026

SUBJECT: Municipal Court Monthly Report. [Mary Enriquez, Court Administrator]

The San Juan Municipal Court did the following in November 2025.

The Municipal Court is responsible for the legal enforcement of City Ordinances and laws. It deposits and prepares daily reports to the Department of Finance.

Amount Collected	$ 29,399.22
Defensive Driving	0
Deferred	0
Pre-Trials	0
Bench Trials	0
Scofflaw	$ 280.00

COLLECTIONS 2024 COLLECTIONS 2025
November - $ 27,789.31 November - $ 29,399.22

CITATIONS ISSUED 2024 CITATIONS ISSUED 2025
November - 107 November - 157

SCOFFLAW COLLECTIONS 2024 SCOFFLAW COLLECTIONS 2025
November - $ 3,673.27 November - $ 280.00

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City Marshal - Warrants and Fines Collected $ 3,950.02
Warrants home visits - 56
Warrants office calls - 63

Magistrates:

Judge Eloy Hernandez	Judge Roberto Garza	Judge Jorge Zambrano
3	6	9

Judge Juan Zamora	Judge AJ Garcia
2	1

Mayor: Mario Garza
Mayor Pro-Tem: Jesus “Jesse” Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco “Markie” Villegas

MEMORANDUM

TO: Ruben Guajardo, City Manager

FROM: Alfredo De Leon, Interim Director of Utilities

DATE: 01/05/2026

SUBJECT: Department of Utilities Monthly Report. [Alfredo de Leon, Interim Director of Utilities]

The Department of Utilities did the following activities in November 2025.

Texas Drought Outlook

- 45% of Texas is in a drought (12/08/2025)
- RGV is Abnormally Dry (No Change In the watershed)
- Falcon and Amistad are @ 25.6%
- STAGE II IS STILL IN FULL EFFECT

System Outlook

- Water Connections – 7,498
- Sewer Connections – 10,861 (3,704 NAWSC)

Water Treatment Facility

- Combined Gallons Treated: 94.716 MG
- Combined Gallons Produced 93.087 MG

Water Treatment Facility No. 1

- .430 MG treated
- 37.077 MG delivered

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- 29.37 MG Transferred from WTF No. 2
- 7.43 MG RAW (Reservoir)
- 0.0 MG Backwash
- 0 MG Well

Water Treatment Facility No. 2

- 94.286 Treated
- 56.01 MG Delivered
- 29.37 MG Transferred to WTF No. 1
- 90.35 MG RAW (Reservoir)
- 4.85 MG Backwash

Operated Water Plant as Efficiently as Possible
Sludge Management Continues to be Critical

Water Distribution System

- Leaks – 6
- Breaks – 2
- Taps – 0
- Locates - 15

Water Loss

- Reported – 175,500 gals
- Unreported – 23,000 gals

Hydrants

- Flushed – 21
- Repaired/Replaced – 0
- STAGE II WATER CONSERVATION STILL IN EFFECT

Valves

- Worked – 8
- Repaired/Replaced – 0

Utility Billing

- Work Orders –7

We Continue Our Hydrant and Valve Maintenance

Wastewater Treatment Facility

- Treated – 68.486 MG
- Wetland –0 MG
- 84 - Cubic Yards of Sludge Hauled to Landfill

Wastewater Collections

- Work orders - 45
- Sewer Main Repaired – 2
- Sewer Backups Reported –18
- Sewer Backups Cleared – 18
- Odor Complaints – 1
- Locates –22
- Replaced Manhole covers – 2
- Unauthorized Discharges – 0

Administration
Financials

- Administration –76.88%
- Water Treatment – 73.19 %
- Distribution: 82.27 %
- Sewer Collection – 70.26%
- Wastewater Treatment – 76.30 %

Projects

- WWTF Rehab – Project awarded to Lefevre engineering.
- Water/Wastewater Comprehensive Master Plan, Trimad Consultants. Workshop presented at San Juan Municipal Library on December 3rd 2025.
- Water towers and ground storage inspection finished for year 2025 last report submitted.
- Lift Station #6 relocation project. Contractor set up the rebars to form the base of the Lift Station Wet Well. Contractor started pouring cement for the base of the Lift Station Wet Well. Contractor start the sewer line relocation and manhole installation.

Certification

- Water Treatment - 0
- Distribution – 0
- Sewer Collection - 0
- Wastewater Treatment – 0

Renewals – 0

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Hold a Public Hearing and Consider an Ordinance Amending Chapter 13 Utilities, Article 13.02; Solid Waste and Stormwater Pollution Prevention, Division 1. Generally, Section 13.02.005 Receptable; Placement of Waste for Collection and Section 13.02.006 Exemptions, Divisions 2. Rate Charges and Billing, Section 13.02.051 Customer Classification; Rate Schedule and Divisions 3. Private Collectors to Amend Placement of Waste, Modify Rate and Deposit Fees, Eliminate Private Collections and Other Related Regulations; Providing for Effective Date; Providing for Publication; Providing for Codification; Providing for Severability Clause; and providing for Repealer Clause.

STAFF COMMENTS AND RECOMMENDATIONS:

The purpose of this amendment is to address the recent surge in costs for resources required to maintain solid waste and stormwater services in the City of San Juan, including increased expenses for garbage collection and deposits.

RECOMMENDATION:

Staff recommendation is for approval.

PREPARED BY:
Israel Garza,
Sanitation Director

APPROVED BY:
Ruben Guajardo, City Manager

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SAN JUAN, CHAPTER 13 UTILITIES, ARTICLE 13.02 SOLID WASTE AND STORMWATER POLLUTION PREVENTION, DIVISION 1. GENERALLY, SECTION 13.02.005 RECEPTABLE; PLACEMENT OF WASTE FOR COLLECTION AND SECTION 13.02.006 EXEMPTIONS, DIVISION 2. RATES, CHARGES AND BILLING, SECTION 13.02.051 CUSTOMER CLASSIFICATION; RATE SCHEDULE AND DIVISIONS 3. PRIVATE COLLECTORS TO AMEND PLACEMENT OF WASTE, MODIFY RATE AND DEPOSIT FEES, ELIMINATE PRIVATE COLLECTIONS AND OTHER RELATED REGULATIONS; PROVIDING FOR EFFECTIVE DATE; PROVIDING FOR PUBLICATION; PROVIDING FOR CODIFICATION; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR REPEALER CLAUSE.

RECITALS

WHEREAS, the City of San Juan provides garbage and waste disposal services to the community and certain fees are necessary to offset the operational and administrative costs incurred by the City in doing so; and

WHEREAS, the City of San Juan currently provides for garbage and waste disposal services, fees and other related regulations under Chapter 13 Utilities, Article 13.02 Solid Wastes and Stormwater Pollution Prevention under the City of San Juan Code of Ordinances; and

WHEREAS, after review of the current provisions under Article 13.02, the City Commission desires to amend such services, fees and related regulations, specifically Section 13.02.005 Receptables; placement of waste collection, 13.02.006 Exemptions, Section 13.02.051 Customer Classifications; Rate Schedule and Division 3. Private Collectors, to amend placement of waste, modify rate and deposit fees, eliminate private collections and other related regulations within the City of San Juan, Texas.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

SECTION 1. The Code of Ordinances of the City of San Juan, Texas is hereby amended at Chapter 13 Utilities, Article 13.02 Solid Waste and Stormwater Pollution and Prevention, Division 1. Generally, Section 13.02.005 Receptacles; placement of waste for collection. to add the underlined language and delete the stricken out language as highlighted below:

§ 13.02.005. Receptacles; placement of waste for collection.

(a) Approved garbage receptacles. The temporary placement of garbage receptacles on a street right-of-way by an occupant shall be exempt from the application of section 13.02.004 if the receptacle has been authorized by the city. The currently authorized garbage receptacles are limited to city-issued 9690-gallon containers for single-family residential users and 300-gallon containers for multifamily residential, commercial and industrial users. Authorized brush, leaves and trimming receptacles are plastic garbage bags with the following specifications: 10 mils.

(b) Placing receptacles and trash for collection.

(1) It shall be the duty of every occupant of the lot, building or property, adjacent to a right-of-way or other location from which the garbage or trash is to be collected to place the garbage receptacle at a location on the street right-of-way:

(A) Between the street curb and the fence or property line; and/or

(B) Where it may be easily accessible to the person or equipment collecting and removing trash or garbage.

(2) In the event it is not practicable to collect and remove the garbage receptacle from a street right-of-way, the occupant of the premises shall place the receptacle at such location on his property as the city shall assign and designate as the most convenient and accessible.

(3) At no time shall the receptacle be placed so that any alley, drain, gutter, sidewalk, street, or street right-of-way will be blocked or obstructed from the city's garbage collection equipment.

(c) Placing brush for collection. It shall be the duty of every occupant of the lot, building or property, adjacent to a right-of-way or other location from which the brush is to be collected to place the brush at a location on the street right-of-way at a location:

(1) Between the street curb and the fence or property line; and/or

(2) Where it may be easily accessible to the person or equipment collecting and removing trash or garbage.

(3) In accessible stacks or piles as herein set out to facilitate removal of same.

(4) The placement of brush shall be along the alley or within the front yard/front right-of-way away from water or gas meters. In subdivisions that have no alleys no brush shall be placed behind a back fence or behind a lot or parcel or along the side yard/side right-of-way on corner lots.

(5) When placing materials, other than construction materials, along the alley or along the front right-of-way it shall be separated from the brush.

(6) No person shall be allowed to place brush along the alley or along the front right-of-way ~~within four (4) weeks of~~ more than seven (7) days prior to the City's scheduled week of service for pick-up of brush within that neighborhood. Once address has been serviced, any request for additional brush pick-up service within the same the same month of service, shall be charged at the additional

rate of service under Section 13.02.051(c) for brush truck service.

(7) Violations of this subsection shall be punishable by fines not to exceed $2,000.00 for each violation. Each day that a violation continues shall constitute a separate violation.

(d) Violation defined. It shall be unlawful for any person or occupant to:

(1) Sweep, throw, dump, place, deposit, or allow or permit any material or substance including, but not limited to, debris, garbage, rubbish, brush, trash, building materials, furniture, appliances, and mechanical items to be placed to accumulate upon or along any:

(A) Gutter;

(B) Alley;

(C) Sidewalk;

(D) Drain;

(E) Street;

(F) Street right-of-way; or

(G) Any portion of any vacant lot between curb and property line, unless this article otherwise so permits or expressly exempts such act.

(2) Place or allowing to remain at a brush collection location:

(A) Tree limbs and trunks shall not exceed three (3) feet in length.

(B) Brush, leaves and cuttings, unless placed in plastic container or a garbage container to prevent from blowing or scattering.

(C) Leaves, hedge and shrub cuttings, and small loose material other than in an approved receptacles as set out in subsection (a).

SECTION 2. The Code of Ordinances of the City of San Juan, Texas is hereby amended at Chapter 13 Utilities, Article 13.02 Solid Waste and Stormwater Pollution and Prevention, Division 1. Generally, Section 13.02.006 Exemptions. to delete the stricken out language as highlighted below:

§ 13.02.006 Exemptions.

(a) Exemptions specified. The following acts are also exempt from prosecution and proof thereof shall constitute a complete defense hereunder:

(1) If a person places the material or substance in a suitable receptacle as set out in section 13.02.005 at a location under the orders or instructions of the city which may be issued in writing, posted or other public notice thereof given;

(2) If a person places the material or substance in a suitable receptacle as set out in section 13.02.005(c) at a location under the orders or instructions of the city which may be issued in writing, posted or other public notice thereof given; or

(3) If a person places the material or substance for a reasonable temporary period, not to exceed five (5) business days, for pick up by the city, or another party with whom the person has contracted ~~or made specific arrangements for pick up within no later than five (5) business days~~.

(b) Reliance on exemptions. Exemptions shall not be improvidently granted by the court. The burden of proof on an exemption claim shall lie with the occupant.

SECTION 3. The Code of Ordinances of the City of San Juan, Texas is hereby amended at Chapter 13 Utilities, Article 13.02 Solid Waste and Stormwater Pollution and Prevention, Division 2. Rates, Charges and Billing, Section 13.02.051 Customer Classification; Rate Schedule to add the underlined language and delete the stricken out language as highlighted below:

Sec. 13.02.051 Customer classifications; rate schedule.

(a) Classifications. Properties located with the City limits of San Juan shall utilized only City-issued containers under the applicable classifications below. To obtain containers under the applicable classifications below, only the property owner(s) is allowed to open a residential (single family or multifamily) account or commercial account under the applicable classifications below.

(1) Class I, single-family residential service 96 gallon container. Class I containers are applicable to ~~Shall include~~ all single-family residences including single family residential mobile homes/travel trailers ~~parks~~.

(2) Class II, multifamily residential and commercial service 300 gallon container. Class II containers are applicable to all multifamily residential and commercial properties. Multifamily residential properties shall include travel trailer parks/mobile home parks, duplexes and fourplexes, apartments, including garage apartments, and other properties on which more than one family resides. Commercial ~~service~~ properties shall include~~s~~

any retail or service business and industrial operations, churches, schools and nonprofit organizations.

(3) Class III, 3 cubic yard container. ~~Includes all other customers not included in class I and II~~. Class III containers are applicable to all multifamily residential and commercial properties.

(4) Class IV. 6 cubic yard container. Class IV containers are applicable to all multifamily residential and commercial properties.

(5) Class V. 8 cubic yard container. Class V containers are applicable to all multifamily residential and commercial properties.

(6) Class VI. 10 cubic yard container. Class VI containers are applicable to all multifamily residential and commercial properties.

(7) Class VII, pickup trucks. All size noncommercial pickup.

(8) Class VIII, trailers. All size noncommercial trailers.

(9) Class IX, brush truck. All size noncommercial brush trucks.

(10) Class X, roll off trucks. All size noncommercial roll off trucks.

(b) Monthly rates.

	Container	Service	Rate	Stormwater fee*
Class I	96 gallon (~~residential~~ single-family)	Once-a-week	$17.20	1.55
	~~96 gallon (commercial)~~	~~Once-a-week~~	~~$30.50~~	~~2.00~~
Class II	300 gallon (multifamily and commercial)	Once a week	$74.11	6.75
		Twice a week	$135.83	13.50
		Three times a week	$196.25	20.25
Class III	3 cubic yard (multifamily and commercial)	Once a week	$74.11	$6.75
		Twice a week	$135.83	$13.50

		Three times a week	$196.25	$20.25
		Four times a week	$256.67	$27.00
		Five times a week	$317.09	$33.75
		Six times a week	$377.51	$40.50
Class IV	6 cubic yard (multifamily and commercial)	Once a week	$119.20	$12.00
		Twice a week	$238.39	$24.00
		Three times a week	$357.58	$36.00
		Four times a week	$476.77	$48.00
		Five times a week	$595.96	$60.00
		Six times a week	$715.15	$72.00
Class V	8 cubic yard (multifamily and commercial)	Once a week	$149.20	$14.00
		Twice a week	$268.39	$26.00
		Three times a week	$387.58	$38.00
		Four times a week	$506.77	$50.00
		Five times a week	$625.96	$62.00
		Six times a week	$745.15	$74.00
Class VI	10 cubic yard (multifamily and commercial)	Once a week	$179.20	$16.00
		Twice a week	$298.39	$28.00
		Three times a week	$417.58	$40.00

		Four times a week	$536.77	$52.00
		Five times a week	$655.96	$64.00
		Six times a week	$775.15	$76.00
Class IX	Brush Collection Service Fee (all residential and commercial buildings within the City of San Juan)	Per the City's adopted schedule and as amended at the City's discretion hereafter.	$7.00	

*Stormwater pollution prevention fee: This fee shall be used to purchase or finance a street sweeper and/or a road patcher and all the expenses associated with the operation of these machines including personnel. Funds may also be used towards the purchase of asphalt for the patching of potholes throughout the city or for drainage improvement projects. The stormwater pollution prevention fees are to be held in a separate fund account.

(c) Disposal of construction debris and non-schedule collection rates. Must show proof of city residency and building permit:

(1) Class VII, pick-up truck: $75.00.

(2) Class VIII, trailer: $175.00.

(3) Class IX, brush truck: $325.00.

(d) Roll-Off Container Rental and Service Rates.

(1) Waste Pick Up: $200.00 per pick up.

(2) Waste Disposal Fee: $35.00 per ton (up to 14 tons) and $45.00 per ton (for disposal over 14 tons).

(3) Tire Disposal: $5.00 per tire.

(4) Daily Rental Fee: $10.00 per day.

(5) Inactivity Charge: 30 days or less - $250.00; 31-60 days – $300.00; 61-90 days - $350.00; and over 90 days – $400.00.

(6) Relocation Fee: $125.00.

(7) Return Trip Fee: $40.00.

(8) Only City of San Juan roll-off containers will be allowed for disposal. If a City of San Juan roll-off container isn't available, a chicken wire containment will be allowed until a container can become available.

(e) Multiple classifications. In cases in which the premises consist of more than one classification (i.e. single-family residential, multifamily residential and commercial), the rates to be charged shall be established as a combination of the rate for the highest rate for one of the classifications, plus fifty-percent (50%) of the rate for the additional classifications.

(f) Additional Single-family Residential Service Fees. Upon request, an additional container shall be provided to a class I user at the following additional rates, with a maximum of 2 containers per single-family residence:

(1) Additional Residential 96-Gallon Container: $10.00 per month.

(2) Washing of Residential 96-Gallon Container: $25.00.

(3) Recycling 96-Gallon Container: $10.00 per month.

(4) Return Pick-up for Residential/Recycling 96-Gallon Container: $15.00.

(5) Additional Pick-up of Residential/Recycling 96-Gallon Container: $15.00.

(g) Additional Commercial Service Fees:

(1) Washing of Commercial Container: $40.00.

(2) Lock Bar: $50.00.

(3) Return Pick-up for Commercial Container: $40.00.

(4) Return Pick-up for Roll-Off Container: $40.00.

(h) Deposit Fees.

(1) A $~~50.00~~150.00 deposit will be charged for each Class I container.

~~(~~2) A $~~200.00~~400.00 per container deposit will be charged for each Class II, III, IV, V, or VI container.

(3) A $400.00 deposit will be charged for each Class X container.

SECTION 4. The Code of Ordinances of the City of San Juan, Texas is hereby amended at Chapter 13 Utilities, Article 13.02 Solid Waste and Stormwater Pollution and Prevention, Division 3. Private Collectors delete the entire Division as stricken out and highlighted below:

~~**Division 3. Private Collectors**~~

~~**§ 13.02.101. City to be notified of yard and construction site cleanup.**~~

~~Any property owner who engages the services of a person to perform yard cleanup, including trimming trees and brush or construction site cleanup, and who will produce trimmings or other material that can be disposed of in the city's standard solid waste containers, shall promptly notify the city of the week during which the cleanup will take place.~~

~~**§ 13.02.102. Vehicles; containers; duties of permittee on termination of service.**~~

~~(a) All vehicles used in the collection of garbage and trash by any permittee within the city shall meet the minimum specifications relating to safety and health as promulgated and established by the department of state health services for the purposes of collection of garbage and trash within the city.~~

~~(b) It shall be the obligation of the permittee to see that all containers used for trash collection by the permittee meet the specifications for such containers.~~

~~(c) It shall be unlawful to use city right-of-way for the purpose of storing or collecting garbage or trash from any commercial-type dumpster container, by any permittee.~~

~~(d) It shall be the responsibility of the permittee to remove the container and any accumulation of garbage, trash, or brush should any customer of a permittee cancel or have service canceled as a final collection. The permittee shall notify the city of the date of termination and the date of the above-mentioned final collection.~~

~~**§ 13.02.103. Collectors operating on effective date.**~~

~~All persons collecting garbage and trash, other than the city, who come under the provisions of this division shall apply for a permit from the city within thirty (30) days from the effective date. Any such persons applying for a permit within the time limit as specified above or who shall have applied for renewal of a permit within the appropriate~~

~~time period shall have the right to continue operations during the pendency of the consideration of such person's permit application.~~

SECTION 5. Effective Date. This ordinance shall take effect after a second reading, where it is read, considered and adopted by the City Commission and until fifteen (15) days have passed after its first reading.

SECTION 6. Publication. The City Secretary of the City of San Juan is hereby authorized and directed to cause the caption of this ordinance to be published in a newspaper having general circulation in San Juan, Texas, and in accordance with the applicable laws of this State.

SECTION 7. Codification. The City Secretary is hereby directed to cause this Ordinance to be codified in the Code of Ordinances of the City of San Juan, Texas, and in accordance with the applicable laws of this State.

SECTION 8. Severability. If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Commission in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION 9. Repealer Clause. This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other ordinance not in conflict herewith shall remain in full force and effect.

READ, PASSED AND APPROVED ON FIRST READING at a regular meeting of the City Commission of the City of San Juan, Texas, at which a quorum was present and which was held in accordance with Vernon's Texas Codes Annotated, Government Code, Section 551.041 on the ____ day of January, 2026.

READ, PASSED AND APPROVED IN SECOND READING at a regular meeting of the City Commission of the City of San Juan, Texas, at which a quorum was present and which was held in accordance with Vernon's Texas Codes Annotated, Government Code, Section 551.041 on the ____ day of January, 2026.

CITY OF SAN JUAN

BY: _____
Mario Garza, Mayor

ATTEST:

BY: _____
Brenda Escalante, City Secretary

APPROVED AS TO FORM:

PALACIOS GARZA & THOMPSON, P.C.

BY: _____
City Attorney

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consider the Appointment of a Representative and Alternate for Fiscal Year 2026-2027 to the Amigos Del Valle Board of Directors. [Brenda Escalante, City Secretary]

STAFF COMMENTS AND RECOMMENDATIONS:

Consider appointing a Representative and an Alternate to the Board of Directors for Amiogs Del Valle, Inc. for FY 25-26.

Mayor Pro Tem Jesus "Jesse" Ramirez currently serves as the City of San Juan Representative and Commissioner Marco "Markie" Villegas serves as the Alternate.

The Board of Directors meets once a month on the fourth Tuesday at 11:30 a.m.

RECOMMENDATION:

Approve as recommended by the City Commission.

PREPARED BY:
Brenda Escalante,
City Secretary

APPROVED BY:
Ruben Guajardo, City
Manager

STATE OF TEXAS *
COUNTY OF HIDALGO *
CITY OF SAN JUAN *

RESOLUTION NO. 2026-XX

A RESOLUTION BY THE CITY OF SAN JUAN AUTHORIZING THAT A REPRESENTATIVE AND AN ALTERNATE BE APPOINTED TO THE AMIGOS DEL VALLE, INC. BOARD OF DIRECTORS

WHEREAS, The Amigos Del Valle, Inc. Board of Directors requires a Representative and an Alternate to serve on their Board of Directors; and

WHEREAS, The Representative and Alternate must be appointed by the City Commission; and

WHEREAS, The Representative and Alternate will serve for Fiscal Year 2025 – 2026 (October 1, 2025 - September 30, 2026).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SAN JUAN, TEXAS, that _____will serve as Representative and _____ serve as Alternate on the Amigos Del Valle, Inc. Board of Directors.

READ, PASSED, AND APPROVED at a regular meeting by the City Commissioners of the **City of San Juan**, on this 13th day of January 2026.

CITY OF SAN JUAN

_____
Mario Garza, Mayor

ATTEST:

_____
Brenda Escalante, City Secretary

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consider Removal, Appointment or Re-Appointment of Board Member(s) Related to the Miss San Juan Pageant Board. [Brenda Escalante, City Secretary]

STAFF COMMENTS AND RECOMMENDATIONS:

Consider Removal, Appointment or Re-Appointment of Board Member(s) Related to the Miss San Juan Pageant Board.

RECOMMENDATION:

Approved as Recommended by the City Commission.

PREPARED BY:
Brenda Escalante,
City Secretary

APPROVED BY:
Ruben Guajardo, City
Manager

Miss San Juan Pageant Advisory Board

#	NAME	POSITION	EMPLOYMENT/ BUSINESS	INITIAL TERM	DATE TERM EXPIRES	MOBILE NUMBER	EMAIL ADDRESS	ADDRESS
1	Jeanna Ramirez	Member	PSJA ISD	10/28/2025	5/31/2026	(956) 784-1873	jenna1434@yahoo.com	2203 Fresno St. San Juan, Texas 78589
2	Priscilla Aparicio	Member	PSJA ISD	10/28/2025	5/31/2026	(956) 777-3256	prisciltorr9@gmail.com	710 Fitzgerald St. San Juan, Texas 78589
3	Jessica Garcia	Assistant Treasurer	PSJA ISD	5/31/2023	5/31/2026	(956) 451-5617	jessi9grc@gmail.com	904 E. 14th Street San Juan, Texas 78589
4	Yvonne Zapata	Vice-President		5/31/2023	5/31/2026	(956) 460-4778	yvonne.zapata@yahoo.com	505 E. 12th St. San Juan, Texas 78589
5	Veronica "Ronnie" Rodriguez	President	PSJA ISD	5/31/2023	5/31/2026	(956) 336-5936	ronnierodz10@yahoo.com	1417 Rio Grande Street San Juan, Texas 78589
6	Marco "Markie" Villegas	Ex-Official	PSJA ISD	4/1/2025	5/31/2026	(956) 325-7761	mvillegas@sjtx.us	1108 Rio Blanco St. San Juan, Texas 78589

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consider the Removal, Appointment, or Reappointment of Member(s) to the Keep San Juan Beautiful Board. [Brenda Escalante, City Secretary]

STAFF COMMENTS AND RECOMMENDATIONS:

Consider the Removal, Appointment, or Reappointment of Member(s) to the Keep San Juan Beautiful Board.

RECOMMENDATION:

Approved as Recommended by the City Commission.

PREPARED BY:
Brenda Escalante,
City Secretary

APPROVED BY:
Ruben Guajardo, City
Manager

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Discussion and Possible Action, if any, Authorizing the City Manager to Approve a Budget Amendment to Increase the San Juan Fire Department's Other Equipment (30-470.7957) Account for $62,400 for the Fiscal Year 2025-2026. [Tirso Garza, Fire Chief]

STAFF COMMENTS AND RECOMMENDATIONS:

The Assistance to Firefighters Grants (AFG) Program is a federal fire-safety grant program that provides critically needed resources to equip and train emergency personnel, enhance efficiency, and support community resilience.

The San Juan Fire Department has been approved for the Fiscal Year (FY) 2024 Assistance to Firefighters Grants. The total award is $62,400, with $56,727.27 in federal funds and $5,672.73 in local resources. This amount is to purchase a total of eight (8) sets of firefighting structural gear.

The department is seeking authorization to increase the account to purchase the items. The total cost of the reimbursement will be under the Assistance to Firefighters Grants Program, which has been approved and qualified for the cost reimbursement.

RECOMMENDATION:

Authorizing the City Manager to Approve a Budget Amendment to Increase the San Juan Fire Department's Other Equipment (30-470.7957) Account for $62,400 for the Fiscal Year 2025-2026.

PREPARED BY:
Tirso Garza, Fire Chief

APPROVED BY:
Ruben Guajardo, City Manager

---------- Forwarded message ---------
From: **FEMA GO** <no-reply@fema.dhs.gov>
Date: Wed, Sep 24, 2025 at 2:43 PM
Subject: Award Notification (Application Number: EMW-2024-FG-02801)
To: <barjona@sjtx.us>
CC: <tgarza@sjtx.us>, <barjona@sjtx.us>

Dear Benjamin,

Congratulations! Your grant application submitted under the Grant Programs Directorate's Fiscal Year (FY) 2024 Assistance to Firefighters Grant has been approved for award.

Please use the FEMA GO system at https://go.fema.gov to accept or decline your award. Please note that you will have thirty (30) days from the date of this award notification to either accept or decline the award, and that the award must be accepted or declined by an Authorized Organization Representative (AOR) within the FEMA GO system. Instructions for registering within the system and becoming an AOR are available at https://www.fema.gov/gmm-training-resources.

Once you are in the system and made an AOR for your organization, your home page will be the first screen you see. You will see a section entitled My Grants. In this section, please select the award acceptance link for EMW-2024-FG-02801 under Fiscal Year (FY) 2024 Assistance to Firefighters Grant. View your award package and indicate your acceptance or declination of award. If you wish to accept your grant, you should do so immediately. When you have finished, we recommend printing your award package for your records.

If you have questions on using the FEMA GO system, please reach out to the FEMA GO Help Desk (1-877-585-3242). For programmatic questions about your grant, please reach out to the AFG Helpdesk (firegrants@fema.dhs.gov / 1-866-274-0960).

All recipients are required to comply with FEMA EHP Policy Guidance. This EHP Policy Guidance can be found in FEMA Policy (FP) 108-023-1, Environmental Planning and Historic Preservation Policy Guidance.

Sincerely,

Grants Management Branch

Assistance to Firefighters Grants

Department of Homeland Security / FEMA

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, to Approve the Memorandum of Understanding (MOU) between the San Juan Police Department Law Enforcement Emergency Regional Response Team, and First Line Response. [Leandro Sifuentes, Chief of Police]

STAFF COMMENTS AND RECOMMENDATIONS:

First Line Response will designate two medics to the LEERRT Team as tactical Medic Instructors, Medical Training Coordinators, and Medical Planning Consultants.

This will provide operational readiness and ensure SWAT operators receive consistent, mission-specific medical training tailored to the tactical environment, and reduce operational risk through proactive medical contingency planning.

RECOMMENDATION:

Staff recommends approval

PREPARED BY:
Leandro Sifuentes,
Chief of Police

APPROVED BY:
Ruben Guajardo, City Manager

MEMORANDUM OF UNDERSTANDING

FOR POLICE SERVICES BY AND BETWEEN

City of San Juan, Texas Police Department and Firstline Response

This Memorandum of Understanding is being executed between the **City of San Juan, Texas Police Department** and **Firstline Response** to establish operating procedures for the **Law Enforcement Emergency Regional Response Team**. The agencies jointly and separately agree to abide by the terms and provisions of this Memorandum of Understanding and their respective operation procedures.

WHEREAS, it is in the best interest of the **City of San Juan Police Department** and **Firstline Response** to provide for certain police services upon request; and

WHEREAS, the Texas Constitution provides authority for intergovernmental cooperation; and

WHEREAS, the two entities may obtain more effective and efficient police services when their police officers cooperate with and assist each other in providing certain specialized police services;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the **City of San Juan Police Department (Law Enforcement Emergency Regional Response Team)** and the **Firstline Response** agree as follows:

PURPOSE AND MISSION

The primary purpose of the **Law Enforcement Emergency Regional Response Team** is to provide a systematic approach to saving lives in accordance with the priorities of life and the specific standards set forth herein, in concert with the totality of circumstances presented. While life safety is a priority of the **Law Enforcement Emergency Regional Response Team,** the specific circumstances will dictate the level of force necessary to adequately protect the public and the officers involved.

Resolution of some incidents may require the specific application of various levels of force, up to and including, deadly force. The purpose of this Memorandum of Understanding is to formally adopt the procedures contained in the **Law Enforcement Emergency Regional Response Team Policies and Procedures.**

The mission of the LEERRT is to provide a professionally specialized trained team capable of responding to any critical incident and render the location and area safe utilizing special weapons and tactics. The **Law Enforcement Emergency Regional Response Team** recognizes the vulnerability of the people and communities located within the Region to loss of life and or serious injury due to acts of violence and/or threats of violence. These critical incidents, civil emergencies and disasters may present equipment and manpower requirements beyond the capacity of each individual Agency.

GENERAL AGREEMENTS

A. DEFINITIONS

The following terms are defined for use in this Agreement:

1. “Agency / Entity” means the Police Department of (City of San Juan) or any Organization seeking an MOU.

2. “Requesting Agency” means an Agency or entity requesting specialized emergency police services or assistance pursuant to this Agreement.

3. “Responding Agency” means an Agency providing specialized emergency police services or assistance pursuant to this Agreement, or an Agency that may be called upon to provide emergency services or assistance pursuant to this Agreement.

4. “Emergency police services and assistance” means personnel and equipment necessary for providing specialized emergency police protection and services in police matters involving a life-threatening situation, a situation in which there is grave danger of serious bodily harm to civilians and police officers, a situation involving critical incident that will require specialized personnel and equipment, or other similar civil disturbance.

5. “Jurisdiction” of the Agency shall be as follows:

a. “**(City of San Juan Police Department)**” means the corporate limits of said City.

6. “Policies and procedures” means the policies and procedures adopted by the Agencies which set forth, among other things:

a. The persons in each Agency who are authorized to request specialized emergency police services or assistance from another Agency and the matter in which such requests are to be processed and approved.

b. The persons in each Agency who are authorized to approve requests for their police officers to provide specialized emergency police services or assistance in another Agency, and who are thus responsible for determining whether or not their Agency will respond, and if so, the number of personnel and the amount and type of equipment which will be provided.

B. POLICE SERVICES AND ASSISTANCE

The Chief of Police, or designee, shall be responsible for receiving requests for specialized emergency police services and assistance **(Law Enforcement Emergency Regional Response Team**) in accordance with the policies and procedures adopted by the Agencies. The manner in which Agencies shall request specialized emergency police services and assistance from other Agencies, and themselves respond to such requests, shall be as follows:

1. Any Agency, through its authorized personnel, may request specialized police emergency police services or assistance from other Agencies. **(Law Enforcement Emergency Regional Response Team)**.

2. The requesting Agency shall specify the type of specialized emergency police service or assistance, **(Law Enforcement Emergency Regional Response Team)** which is needed, and state the number of personnel and the amount and type of equipment, which are being requested.

3. The responding Agency shall make a reasonable effort to provide the specialized emergency police services or assistance **(Law Enforcement Emergency Regional Response Team**) requested pursuant to this Agreement, subject to its workload and availability of police officers at the time of the request, the nature and urgency of the request, and other such similar limiting factors. If it agrees to provide specialized emergency police services or assistance, the responding Agency shall, at its sole discretion, determine the number of personnel and the amount and type of equipment that will be provided.

4. The Agency which is requesting specialized emergency police services or assistance from other Agencies, and the types of specialized emergency police services and assistance **(Law Enforcement Emergency Regional Response Team)** which they are requesting are as follows:

a. **Firstline Response** hereby requests that the police department of **(City of San Juan, Texas Law Enforcement Emergency Regional Response Team)** provide specialized emergency police services, training and assistance in situations where they receive calls or other requests for specialized emergency police services, training and assistance from persons who would ordinarily be within their areas of expertise.

C. POLICE AUTHORITY

Police officers and other personnel who are providing emergency police services and assistance within the jurisdiction of another Agency shall have the following police authority and power, and be subject to the following working procedures and measures:

1. When acting pursuant to this Agreement within the jurisdiction of the requesting Agency, police officers and other personnel of a responding Agency shall therein have the same police authority and power as police officers or other personnel of the requesting Agency.

2. The heads of the Agencies shall establish working procedures and measures as they deem necessary for the control and direction of police officers, personnel, and equipment that are acting within the jurisdiction of a requesting Agency pursuant to this Agreement; provided, however, that until such working procedures and measures are established, the police officers, personnel, and equipment of a responding Agency shall be subject to the direction and control of the Police Chief of the requesting Agency.

D. COMPOSITION AND COMMAND

Firstline Response agrees to assign **two (2) designated medics(s) to the LEERRT Team as Tactical Medic Instructors, Medical Training Coordinators, Medical Planning Consultants.** Increases to the LEERRT team by either agency may occur upon agreement by both participating agencies. Selection and dismissal of personnel to/from the LEERRT Team will be in accordance with the provisions outlined in the LEERRT Policies.

Each agency / entity reserves the right to make changes in its certified personnel assigned to the LEERRT team by providing a **30 day notice to the team commander in writing**. This will include the number of personnel assigned.

The LEERRT will select all prospective members from a valid selection roster created through applicant testing. Criteria form application will be based on the following; time in service if a certain length, satisfactory job performance in present and previous assignments, review of operator's attendance, performance and conduct, satisfactory physical fitness levels and a LEERRT specific, validated task-related tests.

The LEERRT team Commander and team leaders will be assigned by the Command and Control Structure of the San Juan Police Department. The team commanders will have the responsibility for overall command and control, supervision, selection, training, assignments, call-outs, and equipment purchases and replacement for the team. Command of the LEERRT Team tactical operations shall rest with the Team Leaders assigned to the team until the critical incident has been resolved and the scene has been rendered safe.

E. POLICY AND DIRECTION

The policy and direction of the **Law Enforcement Emergency Regional Response Team** will be a joint responsibility of the participating agencies on the team and the San Juan Police Department in accordance with the policies and procedures of the LEERRT team.

F. INVESTIGATIVE GUIDELINES, PROCEDURES AND JURISDICTION

After the **Law Enforcement Emergency Regional Response Team** has responded and secured the critical incident, the agency with jurisdiction will be responsible for processing the crime scene. The LEERRT Team will assist when requested to the extent possible.

G. COOPERATION BETWEEN AGENCIES To the extent possible, all **Law Enforcement Emergency Regional Response Team** operations will be a joint activity, with no agency acting independently of the other agency. Agencies will operate in accordance with established guidelines under the Incident Command System and established protocol through the LEERRT policies.

H. TEAM ACTIVATION AND OPERATIONAL PROBLEMS

Team activations take precedence over all others assignments within the agencies assigned to the LEERRT. Team members from the various agencies assigned to the LEERRT become subordinate to the team Commander and/or team leaders. The Commander or Team Leaders will then take responsibility for the conduct of the activation. The personnel costs of training and activations shall be absorbed by each member agency as agreed upon in these MOU.

The LEERRT team is available, with the approval of the team Commander to any requesting law enforcement agency. When a request for the team is received it shall be immediately forward to the LEERRT Commander who will determine if in fact the situation warrants the activation of the team based on a standard threat matrix.

If the situation warrants the activation of the team, the Commander will request activation of the team. Once permission is granted the activation will follow standard procedures.

If any tactical operational problems are encountered, they will be mutually addressed and resolved by the **Law Enforcement Emergency Regional Response Team Command and Control Element.** Ideally, it is agreed that resolution of tactical operational problems will be resolved by the LEERRT Team. Any tactical operational problems not resolved at this level will be referred to the heads of the respective agencies on scene.

I. OPERATIONAL PROCEDURES

The **Law Enforcement Emergency Regional Response Team** in concert with this Memorandum of Understanding will report to the On-Scene Incident Commander and operate under their control in concert with the National Incident Management System (NIMS) and/or Incident Command System (ICS) protocols. The LEERRT will respond to but not limited to the following types of incidents: Homeland Security related Missions (Border Security),Protection of Critical Infrastructure and Personnel, Terrorists Incidents, Hostage Rescue Operations, Response to Suicide & Homicide Bombers, Civil Disturbances, including Riots, Active Shooter Incidents, Hazardous Warrant Service, Operations in CBRNE environments, Barricaded Persons and in any event in which a member agencies tactical resources have been depleted.

J. EQUIPMENT

Equipment acquisition will occur jointly by the **Law Enforcement Emergency Regional Response Team.** The Command Staff will meet monthly and answer to and provide regular updates on the following to the **LEERRT participating agencies;** Operational standards, Equipment acquisitions, personnel acquisitions, training activities, activations, after action summaries and regional grant funding concerns and opportunities. **Regional Grant monies will be used to assist member agencies in the purchase of specialized equipment.**

In the event the LEERRT team is dissolved, an inventory of all equipment shall be made, and the equipment shall be returned to the purchasing department. Equipment will be stored in accordance with LEERRT Protocols. It is understood that from time to time, some equipment may need to be stored temporarily at other locations until such time that it can be moved to a regularly assigned location.

K. PRESS RELEASES

Press releases and/or the release of information to the media will be made by the agency that has jurisdiction where the event occurred in accordance with the releasing agencies established media release policy. No unilateral press releases will be made by any participant without the prior approval by the other participants. No information pertaining to the LEERRT team itself will be released to the media without the mutual approval of the team commander.

L. EVALUATION AND REVIEW

The **Law Enforcement Emergency Regional Response Team** will be evaluated on an annual basis by the police chiefs from each participating department who may make recommendations for improving the performance of the team.

M. LIABILITY

The statutes and case law of the State of Texas shall be used to establish the liability of the parties to this Agreement or for injuries caused to third parties. In the event of any injury to the person(s) or damaged to the property of the police officers or other personnel of a responding Agency, when acting pursuant to this Agreement within the jurisdiction of a requesting Agency, the governmental entity of the responding Agency shall be responsible for any damages from any liabilities arising out of such injury.

All damaged property claims; injury claims and/or use of force claims reported as a result of a tactical operation will be reviewed, investigated and evaluated by the Command and Control staff of the San Juan Police Department's legal department.

N. SEVERABILITY

If any provision of this Agreement is invalid for any reason, such as invalidation shall not render invalid other provisions of this Agreement that can be given effect without the invalid provision.

O. EFFECTIVE DATE

This Agreement shall be effective when duly executed by the authorized representatives of the **(City of San Juan, Texas Police Department (Law Enforcement Emergency Regional Response Team)** and **Frontline Solutions**.

P. AMENDMENT

This Agreement may be modified or amended by unanimous agreement of the **(City of San Juan Police Department (Law Enforcement Emergency Regional Response Team)** and **Frontline Solutions.**

Q. TERMINATION

This Agreement shall terminate, and shall have no force or effect, upon the passage by the **(City of San Police Department (Law Enforcement Emergency Regional Response Team)** and **Frontline Solutions** of an ordinance, resolution, or other document indicating withdrawal from this agreement.

R. GOVERNING LAW

This Agreement shall be construed in accordance with the laws and Constitution of the State of Texas.

S. CONFIDENTIALITY

In order to ensure the safety of all operators, all parties to the memorandum of understanding agree to adhere to the confidentiality expectations as outlined in the LEERRT policies and procedures manual.

IN WITNESS WHEREOF, the City Council of **(City of San Juan, Texas)** and Director(s) have authorized their representatives to execute this Agreement; and said representatives have caused this Agreement to be executed, and have attached herewith a copy of the ordinance, resolution, or other documents adopted by their respective governing body authorizing them to execute this Agreement.

It is agreed that this Memorandum of Understanding will remain in effect until further notice contingent upon agreement of the parties. This agreement may be terminated at any time by any participating agency delivering a written notice of termination to the other participating agency.

AGENCY A

Authorized Official: _____ Chief Leandro Sifuentes
Signature Printed Name and Title

Agency: San Juan Police Department

Address: 301 E Ridge Rd San Juan, Tx 78589 Telephone(s): (956) 223-2400

AGENCY B

Authorized Official: _____ Director Charles Myles

Signature Printed Name and Title

Agency / Entity: Firstline Response Address: 801 Bryan Rd Mission, Tx 78572

Telephone(s): (956) 595-4300

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, to Approve the Interlocal Agreement between Hidalgo County Urban County Program and the City of San Juan for the Community Development Block Grant (CDBG) Funds Allocated for FY 2025. [Monica Gomez, Director of Planning]

STAFF COMMENTS AND RECOMMENDATIONS:

This Interlocal Agreement is between the City of San Juan and the Hidalgo County Urban County Program for the 2025 Fiscal Year. Its purpose is to establish basic administrative understandings to ensure the proper expenditure of Community Development Block Grant (CDBG) funds.

For Fiscal Year 2025, the City of San Juan received a total of f in CDBG funding, which was allocated as follows:

- $3,000.00 for General Administration
- $256,996.00 for Street Improvements
- $10,000.00 for Nuestra Clinica Del Valle
- $10,000.00 for Amigos delete Valle, Inc.

RECOMMENDATION:

Staff recommends approval of the Interlocal Agreement with the Hidalgo County Urban County Program as presented.

PREPARED BY:
Monica Gomez,
Interim Director of
Planning

APPROVED BY:
Ruben Guajardo, City
Manager

INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of San Juan,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,417,209.00** of Fiscal Year **2025** Community Development Block Grant (CDBG) Funds under Grant No. **B-25-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR.570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City

and County responsibilities can be found in Exhibit B Matrix. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with 2 CFR Part 200 and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Sub-awards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b)-(d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,417,209.00** for **Fiscal Year 2025** and that City's allotment has been set at **$279,996.00.** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2025.** In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2026** ; Funds in excess of the 1.5 standards shall be subject to the Recapture by the Urban County Program, and/or any applicable Redistribution & Recapture Policy. The County shall recapture any and all unobligated funds that a City fails to expend or obligate, by **June 30, 2026** and shall expend such funds at the discretion of the Hidalgo County Commissioners' Court. The Hidalgo County Commissioners' Court may take any type of remedial action, including but not limited to Recapture, at any time to comply with any and all rules, regulations and decisions, and timeliness requirements as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment A-1)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X

Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). (See Exhibit-E)

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-25-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan are included herein as Exhibit C, if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2023-2027 Five-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2023-2027 Five-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this _____ Day of _____, 2025.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Richard F. Cortez,** **Hidalgo County Judge**

ATTEST:

City Secretary	**Mayor**

APPROVED AS TO FORM
Hidalgo County Criminal District Attorney's Office
Toribio "Terry" Palacios

By: _____
Victor M. Garza, Asst. District Attorney

Date:_____

The following Exhibits are incorporated into the 2025 Interlocal Agreement:

Exhibit A	2025 Proposed Activities
Exhibit A-1	Code of Conduct Enforcement
Exhibit B	Urban County Program Matrix
Exhibit C	Section 108 Loan Guarantee Program
Exhibit D	CDBG Regulations and other Program Requirements
Exhibit E	Audit Finding or Exceptions

Exhibit A
2025 Proposed Activities

2025	SAN JUAN	$279,996.00
21A **Exempt 58.34 (a)(3)**	**GENERAL PROGRAM ADMINISTRATION** Funds shall be used for expenses related to compliance with CDBG requirements including but not limited to advertisements, postings and coordinating eligible related projects. Location: City Hall 709 S. Nebraska Ave., San Juan, Texas 78589	**3,000.00**
03K **Cat. Subj. to 58.5(a) (1) Converts to Exempt**	**STREET IMPROVEMENTS** Project consists of street paving (overlay) within the City of San Juan to include but not limited to the adjacent/abutting streets within the same general vicinity. Other expenditure include professional engineering services, surveying, geotechnical and construction material testing fees, and advertisement as they pertain to project completion. Locations: **San Francisco Street, San Cristobal Street, & Santa Fe Street**, **Los Laureles Estates Subdivision, San Juan, TX**. Census Data: 218.03 (03) National Objective: 60.10% LMA Goal Outcome Indicator: 1,780 Beneficiary Type: People	**$256,996.00**
05M **Exempt 58.34 (a)(4)**	**HEALTH SERVICES – Nuestra Clínica Del Valle** Project expenditures include reimbursement of expenses associated with medical services and procedures to include but not limited to, dental services, support services of pharmacy, radiology, laboratory, subspecialty referral, for the low income and uninsured residents of the San Juan area. Location: 801 W. 1st St., San Juan, TX 78589 National Objective: LMC Goal Outcome Indicator: 75 Beneficiary Type: People	**10,000.00**

2025	SAN JUAN	Continuation
05A **Exempt 58.34** **(a)(4)**	**SENIOR SERVICES – Amigos del Valle, Inc.** Project expenditures include but are not limited to the reimbursement of expenses related to the delivery of meals to the elderly (62 years older) within qualified areas of the City of San Juan. Location: 600 W 1st St, San Juan, TX 78589 National Objective: LMC Goal Outcome Indicator: 8 Beneficiary Type: People	**$10,000.00**

Exhibit A-1
Code of Conduct Certifications

CODE OF CONDUCT

No employee, officer or agent of the ***County of Hidalgo-Urban County Program, sub-grantee or subrecipient*** shall participate in selection or in the award or administration of a contract or conduct business with a vendor if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

A. ***the employee, officer or any agent***
B. ***any member of his immediate family***
C. ***his or her partner***
D. ***an organization which employs or is about to employ, any of the above, has a financial or other interest in the firm selected for award.***

The *Urban County Program's* ***, sub-grantee or subrecipient,*** *officers, employees or agents* shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, or vendors or potential vendors. Depending on gravity, violation of this Code of Conduct could result in dismissal, probation or suspension of officers, employees or agents involved or termination of contractual agreements with subrecipients.

Non-disclosure Policy No disclosure of verbal or written price quotations shall be made by any *Urban County Program* employee, sub-grantee or subrecipient. Violation of the nondisclosure policy shall be subject to disciplinary action as provided by the *County of Hidalgo* or termination of contractual agreements when a subrecipient/sub-grantee employee is involved.

Personal Interest No member of the *Hidalgo County Commissioners or any officer or employee of the Urban County Program****, sub-grantee or subrecipient*** shall have a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract or in the sale to the *Urban County Program****, sub-grantee or subrecipient*** or to a contractor supplying the *Urban County Program****, sub-grantee or subrecipient*** of any land or rights or interest in any land, material, supplies, or services, or in any matter in which he acts for the *Urban County Program*. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the *Urban County Program****, sub-grantee or subrecipient*** found guilty shall thereby forfeit his or her office. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the *Urban County Program****, sub-grantee or subrecipient*** shall render the contract voidable by the *Urban County Director or the board of Commissioners.*

Employee, Officer, or Agent Acknowledgment	***Print or Type Name and Position/Title***
Entity/Organization Name	***Date***

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Employee, Officer, or Agent Acknowledgment	***Print or Type Name and Position/Title***
Entity/Organization Name	***Date***

Exhibit B
Urban County Matrix

Pre-Bid Activities

Development of Annual Workplan

This activity is a city responsibility with the county involvement only as is necessary to assure that the individual activities meet one of the three national objectives.

Revisions or Amendments to Annual Workplan

Same as above (only two amendments allowed per fiscal year)

Eligibility Test on Activities

This is a county responsibility working with the cities to assure all activities meet one of the three national objectives. The County will assure that the 51 percent benefit to low and moderate income persons can be verified and that the activities are eligible for funding. The county may request an eligibility determination from HUD should a difference of opinion arise between the City and the County.

Public Hearings

This responsibility will be a shared responsibility between the Cities and the County. In accordance with the adopted Citizen Participation Plan, the Cities will conduct a public hearing in their respective Cities after public notice. The County will then have a second public hearing at the County level on the county-wide workplan, after public notice.

Environmental Assessment

This is a County responsibility with concurrence and assistance by the Cities. The County will determine what level of clearance is needed and will do noise, hazard, historical, floodplain, etc. assessments as may be needed with as much city input as possible. The County Judge will consider the "do nothing" alternative after consultation with the respective Mayors. The County Judge and or UCP Staff will direct all mitigation efforts if necessary. The County Judge will sign all environmental assessment reviews and findings. (A County Signatory may be appointed: UCP Director)

Advertise for Professional Services

This is a County responsibility whereby the County will advertise once a year for all professional services through a statement of qualifications process. The County will provide all data concerning proposed activities and type of services needed. This list will be sent to all Cities so that the Cities may decide on the professional services as they see the need for the services. Should a city need services not available from the list (UC-1 List) of Professional Services, the City shall advertise for the service after consulting with the Urban County Program staff.

Selection of Professional Services Provider

This is a City and County shared responsibility, based on the Texas Local Government code and other applicable laws and regulations. County will make sure that the provider is not a contractor's debarred list by consulting with the System for Award Management (SAM) website (www.sam.gov), prior to recommendation for awarding a contractor to Hidalgo County Commissioner's Court.

Execute Professional Contracts

The City will negotiate the Professional Service Contract, and submit a Best and Final Offer (BAFO) along with Scope of Services, Project Cost Estimate, Certificate of Debarment, CIQ Form and IRS W-9 Form. The County will prepare the Professional Contract Agreement documents and submit to Hidalgo County Commissioner's Court for approval of contract. Any modifications to the County contracts require prior approval of the County Legal Department. Once approved, the County will forward the contracts to the Professional Service Provider for proper signatures, they will return to the County for the County's execution and County will issue Notice to Proceed.

Review of Preliminary Drawings

This is a city responsibility.

Solicit Davis-Bacon Wage Rates

This is a County responsibility. The County will obtain wage rates from HUD for specific projects and will forward wage rates to the respective Cities and the Professional Service Provider to include in the bid specification packages.

Review and Approval of Final Plans and Specifications

This is a City responsibility where by the Mayor's signature will be required on all plans and specifications prior to bidding. Final plans should be forwarded to Urban County Program office prior to bid advertisement for compliance check.

Advertise for Construction Bid

This is a County responsibility. The County will advertise for all construction projects and will instruct bidders as to the availability of plans and specs, (to be picked up at Professional Service Provider's choice of location), and will advise bidders as to who will accept bids. (Hidalgo County Purchasing Department – any given Wednesday at 9:30am)

Pre-Bid Conference

This is a County responsibility. County will conduct a pre-bid conference if necessary at the Urban County program Conference Room, accompanied by the Professional Service Provider and the project's respective City.

Bid Activities

Ten Day Wage Rate Check

This is a County responsibility. Ten days prior to any bid opening, the County will ascertain as to the applicability of the wage rate in the bid documents. Should the wage rate change all appropriate engineers will be notified and instructed to change wage rates.

Accept Construction Bids

This is a County Purchasing Department responsibility. The Hidalgo County Purchasing Department will accept bids as per the conditions set forth in the specification handbook.

Accept and Tabulate Bids

This is a County Purchasing Department responsibility with an Urban County, City, and Professional Service Provider representative at bid opening. The respective Professional Service Provider will review the bids received and make their recommendation to the Urban County Program.

Research Apparent Low Bidder

This is a shared responsibility. The respective Professional Service Provider will research and review apartment low bidder's past performances and their bids. The Urban County program will research the list of Debarred Contractor's and make a finding in the regard.

Bid Recommendation

This is a City responsibility. The respective Professional Service Provider will recommend the lowest and most responsible bid to the City. The city will send a recommendation to the County. County will request approval by Hidalgo County Commissioner's Court for approval of contract.

Contract Award

The County upon approval by Hidalgo County Commissioner's Court will prepare the contract documents and forward them to the approved Contractor for execution.

Pre-Construction Activities

Construction Contract and Bonds

This is a shared responsibility. The Professional Service Provider will coordinate the execution of construction contracts to include Insurance, Payment and Performance Bonds. Once they receive four (4) original set of construction contracts they will submit to the County for execution. Any modifications to the construction contracts require prior review by Legal Department and approval by Hidalgo County Commissioner's Court.

Pre-Construction Conference

The Urban County Program will conduct a Pre-construction conference to inform the contractor of the various federal regulations such as Affirmative Action, Section 3 Compliance, and Davis-Bacon Wage Compliance. The Pre-construction conference will be held at the Urban County Program

Conference Room, with the city and professional service provider representatives present. Once contracts are signed, County will prepare and issue a Notice to Proceed.

Document Posting and Construction Signs

This is a shared responsibility. The city and Professional Service Provider will ensure itself that the appropriate documents are posted at the site and that the construction sign is erected.

Construction Activities

Davis-Bacon Compliance
This is a shared responsibility. The City may be asked to conduct wage rate employee interviews. The County will conduct wage rate interviews and review wage rates on payroll reports submitted with request for payments.

Periodic Project Inspections

This is a shared responsibility. The City, County, and Professional Service Providers will conduct periodic site inspections of the project site.

Payment Request Approval

This is a shared responsibility. The Professional Service Provider will review and sign off on request for payments and forward RFP to the City for signature and approval, and forward the final RFP to the County for review and approval of payment.

Change Orders

This is a shared responsibility. Professional Service Provider will recommend any change orders after negotiating said change order with the contractor. All change orders must have City's approval prior to submission to County for review and approval.

Contract Amendment

This is a shared responsibility. The City will recommend any contract amendments to the County. County will consider and take appropriate action to approve or deny the contract amendment if necessary.

Final Payment Approval

This is a shared responsibility. The City and Professional Service Provider will conduct final project site inspections to ensure that construction has been completed as per plans and specifications prior to submitting final request for payment recommendation to the County. County will ensure that all applicable laws and regulations have been complied with. County will review wage rate compliance, release of liens, certification of construction completion, warranty certification and other pertinent documents.

Exhibit C
Section 108 Loan Guarantee Program

Introduction

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

Regulations governing the Section 108 program may be found at 24 CFR 570, Subpart M, Loan Guarantees.

Eligible Applicants

Eligible applicants include the following public entities:

- metropolitan cities and urban counties (i.e. CDBG entitlement recipients);
- nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program; and
- nonentitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG program (Hawaii). The public entity may be the borrower or it may designate a public agency as the borrower.

Eligible Activities

Activities eligible for Section 108 financing include:

- economic development activities eligible under CDBG;
- acquisition of real property;
- rehabilitation of publicly owned real property;
- housing rehabilitation eligible under CDBG;
- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements;
- payment of interest on the guaranteed loan and issuance costs of public offerings;
- debt service reserves;
- public works and site improvements in colonias; and
- in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

Maximum Commitment Amount

Commitments are limited as follows:

1. Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.

2. State assisted public entities. A nonentitlement public entity may apply for up to five times the latest approved CDBG amount received by its State, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG funds as security.

3. Nonentitlement public entities eligible under the HUD administered Small Cities Program. For a public entity in Hawaii, the maximum commitment amount is five times the public entity's latest grant under 24 CFR 570, Subpart F, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans.

Loan Details

Security: The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

Repayment: The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

Financing Source: Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility established by HUD.

Interest Rates: Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.

Default: To date, there has been no default under Section 108 resulting in a repayment by HUD. In the event of default requiring a payment, HUD would continue to make payments on the loan in accordance with its terms. The source of payments by HUD pursuant to its guarantee would almost always be pledged CDBG funds. However, HUD does have borrowing authority with the U.S. Treasury if the pledged funds are insufficient.

For More Information visit www.hud.gov

Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/108

Exhibit D
CDBG Regulations and Other Program Requirements

Subpart A—General Provisions

SOURCE: 53 FR 34437, Sept. 6, 1988, unless otherwise noted.

§ 570.1 Purpose and primary objective.

(a) This part describes policies and procedures applicable to the following programs authorized under title I of the Housing and Community Development Act of 1974, as amended:

(1) Entitlement grants program (subpart D);

(2) Nonentitlement Funds: HUD-administered Small Cities and Insular Area programs (subpart F);

(3) State program: State-administered CDBG nonentitlement funds (subpart I);

(4) Special Purpose Grants (subpart E);

(5) Urban Development Action Grant program (subpart G); and

(6) Loan Guarantees (subpart M).

(b) Subparts A, C, J, K, and O apply to all programs in paragraph (a) except as modified or limited under the provisions of these subparts or the applicable program regulations. In the application of the subparts to Special Purpose Grants or the Urban Development Action Grant program, the reference to funds in the form of grants in the term *"CDBG funds",* as defined in § 570.3, shall mean the grant funds under those programs. The subparts do not apply to the State program (subpart I) except to the extent expressly referred to.

(c) The primary objective of the programs authorized under title I of the Housing and Community Development Act of 1974, as amended, is described in section 101(c) of the Act (42 U.S.C. 5301(c)).

[53 FR 34437, Sept. 6, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 61 FR 11475, Mar. 20, 1996; 69 FR 32778, June 10, 2004]

§ 570.3 Definitions.

The terms *HUD* and *Secretary* are defined in 24 CFR part 5. All of the following definitions in this section that rely on data from the United States Bureau of the Census shall rely upon the data available from the latest decennial census.

Act means title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 *et seq.*).

Age of housing means the number of year-round housing units, as further defined in section 102(a)(11) of the Act.

Applicant means a State or unit of general local government that makes application pursuant to the provisions of subpart E, F, G or M.

Buildings for the general conduct of government shall have the meaning provided in section 102(a)(21) of the Act.

CDBG funds means Community Development Block Grant funds, including funds received in the form of grants under subpart D, F, or § 570.405 of this part, funds awarded under section 108(q) of the Housing and Community Development Act of 1974, loans guaranteed under subpart M of this part, urban renewal surplus grant funds, and program income as defined in § 570.500(a).

Chief executive officer of a State or unit of general local government means the elected official or the legally designated official, who has the primary responsibility for the conduct of that entity's governmental affairs. Examples of the "chief executive officer" of a unit of general local government are: the elected mayor of a municipality; the elected county executive of a county; the chairperson of a county commission or board in a county that has no elected county executive; and the official designated pursuant to law by the governing body of a unit of general local government.

City means the following:

(1) For purposes of Entitlement Community Development Block Grant and Urban Development Action Grant eligibility:

(i) Any unit of general local government that is classified as a municipality by the United States Bureau of the Census, or

(ii) Any other unit of general local government that is a town or township and that, in the determination of the Secretary:

(A) Possesses powers and performs functions comparable to those associated with municipalities;

(B) Is closely settled (except that the Secretary may reduce or waive this requirement on a case by case basis for the purposes of the Action Grant program); and

(C) Contains within its boundaries no incorporated places as defined by the United States Bureau of the Census that have not entered into cooperation agreements with the town or township for a period covering at least 3 years to undertake or assist in the undertaking of essential community development and housing assistance activities. The determination of eligibility of a town or township to qualify as a city will be based on information available from the United States Bureau of the Census and information provided by the town or township and its included units of general local government.

(2) For purposes of Urban Development Action Grant eligibility only, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the counties of Kauai, Maui, and Hawaii in the State of Hawaii, and Indian tribes that are eligible recipients under the State and Local Government Fiscal Assistance Act of 1972 and located on reservations in Oklahoma as determined by the Secretary of the Interior or in Alaskan Native Villages.

Community Development Financial Institution has the same meaning as used in the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 note).

Consolidated plan. The plan prepared in accordance with 24 CFR part 91, which describes needs, resources, priorities and proposed activities to be undertaken with respect to HUD programs, including the CDBG program. An approved consolidated plan means a consolidated plan that has been approved by HUD in accordance with 24 CFR part 91.

Discretionary grant means a grant made from the various Special Purpose Grants in accordance with subpart E of this part.

Entitlement amount means the amount of funds which a metropolitan city is entitled to receive under the Entitlement grant program, as determined by formula set forth in section 106 of the Act.

Extent of growth lag shall have the meaning provided in section 102(a)(12) of the Act.

Extent of housing overcrowding shall have the meaning provided in section 102(a)(10) of the Act.

Extent of poverty means the number of persons whose incomes are below the poverty level based on data compiled and published by the United States Bureau of the Census available from the latest census referable to the same point or period in time and the latest reports from the Office of Management and Budget. For purposes of this part, the Secretary has determined that it is neither feasible nor appropriate to make adjustments at this time in the computations of "extent of poverty" for regional or area variations in income and cost of living.

Family refers to the definition of "family" in 24 CFR 5.403.

Household means all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.

Income. For the purpose of determining whether a family or household is low- and moderate-income under subpart C of this part, grantees may select any of the three definitions listed below for each activity, except that integrally related activities of the same type and qualifying under the same paragraph of § 570.208(a) shall use the same definition of income. The option to choose a definition does not apply to activities that qualify under § 570.208(a)(1) (Area benefit activities), except when the recipient carries out a survey under § 570.208(a)(1)(vi). Activities qualifying under § 570.208(a)(1) generally must use the area income data supplied to recipients by HUD. The three definitions are as follows:

(1)(i) "Annual income" as defined under the Section 8 Housing Assistance Payments program at 24 CFR 813.106 (except that if the CDBG assistance being provided is homeowner rehabilitation under § 570.202, the value of the homeowner's primary residence may be excluded from any calculation of Net Family Assets); or

(ii) Annual income as reported under the Census long-form for the most recent available decennial Census. This definition includes:

(A) Wages, salaries, tips, commissions, etc.;

(B) Self-employment income from own nonfarm business, including proprietorships and partnerships;

(C) Farm self-employment income;

(D) Interest, dividends, net rental income, or income from estates or trusts;

(E) Social Security or railroad retirement;

(F) Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;

(G) Retirement, survivor, or disability pensions; and

(H) Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or

(iii) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes.

(2) Estimate the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is provided for the individual, family, or household (as applicable). Estimated annual income shall include income from all family or household members, as applicable. Income or asset enhancement derived from the CDBG-assisted activity shall not be considered in calculating estimated annual income.

Insular area shall have the meaning provided in section 102(a)(24) of the Act.

Low- and moderate-income household means a household having an income equal to or less than the Section 8 low-income limit established by HUD.

Low- and moderate-income person means a member of a family having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose.

Low-income household means a household having an income equal to or less than the Section 8 very low-income limit established by HUD.

Low-income person means a member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

Metropolitan area shall have the meaning provided in section 102(a)(3) of the Act.

Metropolitan city shall have the meaning provided in section 102(a)(4) of the Act except that the term “central city” is replaced by “principal city.”

Microenterprise shall have the meaning provided in section 102(a)(22) of the Act.

Moderate-income household means a household having an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD.

Moderate-income person means a member of a family that has an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

Nonentitlement amount means the amount of funds which is allocated for use in a State's nonentitlement areas as determined by formula set forth in section 106 of the Act.

Nonentitlement area shall have the meaning provided in section 102(a)(7) of the Act.

Population means the total resident population based on data compiled and published by the United States Bureau of the Census available from the latest census or which has been upgraded by the Bureau to reflect the changes resulting from the Boundary and Annexation Survey, new incorporations and consolidations of governments pursuant to § 570.4, and which reflects, where applicable, changes resulting from the Bureau's latest population determination through its estimating technique using natural changes (birth and death) and net migration, and is referable to the same point or period in time.

Small business means a business that meets the criteria set forth in section 3(a) of the Small Business Act (15 U.S.C. 631, 636, 637).

State shall have the meaning provided in section 102(a)(2) of the Act.

Unit of general local government shall have the meaning provided in section 102(a)(1) of the Act.

Urban county shall have the meaning provided in section 102(a)(6) of the Act. For the purposes of this definition, HUD will determine whether the county's combined population contains the required percentage of low- and moderate-income persons by identifying the number of persons that resided in applicable areas and units of general local government based on data from the most recent decennial census, and using income limits that would have applied for the year in which that census was taken.

Urban Development Action Grant (UDAG) means a grant made by the Secretary pursuant to section 119 of the Act and subpart G of this part.

[53 FR 34437, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 60 FR 1915, 1943, Jan. 5, 1995; 60 FR 56909, Nov. 9, 1995; 61 FR 5209, Feb. 9, 1996; 61 FR 11475, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004; 77 FR 5675, Feb. 3, 2012]

§ 570.4 Allocation of funds.

(a) The determination of eligibility of units of general local government to receive entitlement grants, the entitlement amounts, the allocation of appropriated funds to States for use in nonentitlement areas, the reallocation of funds, the allocation of appropriated funds to insular areas, and the allocation of appropriated funds for discretionary grants under the Secretary's Fund shall be governed by the policies and procedures described in sections 106 and 107 of the Act, as appropriate.

(b) The definitions in § 570.3 shall govern in applying the policies and procedures described in sections 106 and 107 of the Act.

(c) In determining eligibility for entitlement and in allocating funds under section 106 of the Act for any federal fiscal year, HUD will recognize corporate status and geographical boundaries and the status of metropolitan areas and principal cities effective as of July 1 preceding such federal fiscal year, subject to the following limitations:

(1) With respect to corporate status as certified by the applicable State and available for processing by the Census Bureau as of such date;

(2) With respect to boundary changes or annexations, as are used by the Census Bureau in preparing population estimates for all general purpose governmental units and are available for processing by the Census Bureau as of such date, except that any such boundary changes or annexations which result in the population of a unit of general local government reaching or exceeding 50,000 shall be recognized for this purpose whether or not such changes are used by the Census Bureau in preparing such population estimates; and

(3) With respect to the status of Metropolitan Statistical Areas and principal cities, as officially designated by the Office of Management and Budget as of such date.

(d) In determining whether a county qualifies as an urban county, and in computing entitlement amounts for urban counties, the demographic values of population, poverty, housing overcrowding, and age of housing of any Indian tribes located within the county shall be excluded. In allocating amounts to States for use in nonentitlement areas, the demographic values of population, poverty, housing overcrowding and age of housing of all Indian tribes located in all non-entitled areas shall be excluded. It is recognized that all such

data on Indian tribes are not generally available from the United States Bureau of the Census and that missing portions of data will have to be estimated. In accomplishing any such estimates the Secretary may use such other related information available from reputable sources as may seem appropriate, regardless of the data's point or period of time and shall use the best judgement possible in adjusting such data to reflect the same point or period of time as the overall data from which the Indian tribes are being deducted, so that such deduction shall not create an imbalance with those overall data.

(e) Amounts remaining after closeout of a grant which are required to be returned to HUD under the provisions of § 570.509, Grant closeout procedures, shall be considered as funds available for reallocation unless the appropriation under which the funds were provided to the Department has lapsed.

[53 FR 34437, Sept. 6, 1988, as amended at 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004]

§ 570.5 Waivers.

HUD's authority for the waiver of regulations and for the suspension of requirements to address damage in a Presidentially declared disaster area is described in 24 CFR part 5 and in section 122 of the Act, respectively.

[61 FR 11476, Mar. 20, 1996]

Subpart B [Reserved]

Subpart C—Eligible Activities

SOURCE: 53 FR 34439, Sept. 6, 1988, unless otherwise noted.

§ 570.200 General policies.

(a) *Determination of eligibility.* An activity may be assisted in whole or in part with CDBG funds only if all of the following requirements are met:

(1) *Compliance with section 105 of the Act.* Each activity must meet the eligibility requirements of section 105 of the Act as further defined in this subpart.

(2) *Compliance with national objectives.* Grant recipients under the Entitlement and HUD-administered Small Cities programs and recipients of insular area funds under section 106 of the Act must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low- and moderate-income families or aid in the prevention or elimination of slums or blight. The projected use of funds may also include activities that the recipient certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Consistent with the foregoing, each recipient under the Entitlement or HUD-administered Small Cities programs, and each recipient of insular area funds under section 106 of the Act must ensure and maintain evidence that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are found in § 570.208.

(3) *Compliance with the primary objective.* The primary objective of the Act is described in section 101(c) of the Act. Consistent with this objective, entitlement recipients, non-entitlement CDBG grantees in Hawaii, and recipients of insular area funds under section 106 of the Act must ensure that, over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under § 570.208(a) or under § 570.208(d)(5) or (6) for benefiting low- and moderate-income persons. For grants under section 107 of the Act, insular area recipients must meet this requirement for each separate grant. See § 570.420(d)(3) for additional discussion

of the primary objective requirement for insular areas funded under section 106 of the Act. The requirements for the HUD-administered Small Cities program in New York are at § 570.420(d)(2). In determining the percentage of funds expended for such activities:

(i) Cost of administration and planning eligible under § 570.205 and § 570.206 will be assumed to benefit low and moderate income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation;

(ii) Funds deducted by HUD for repayment of urban renewal temporary loans pursuant to § 570.802(b) shall be excluded;

(iii) Funds expended for the repayment of loans guaranteed under the provisions of subpart M shall also be excluded;

(iv) Funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under § 570.208(a)(3) shall be counted for this purpose but shall be limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low and moderate income persons.

(v) Funds expended for any other activities qualifying under § 570.208(a) shall be counted for this purpose in their entirety.

(4) *Compliance with environmental review procedures.* The environmental review procedures set forth at 24 CFR part 58 must be completed for each activity (or project as defined in 24 CFR part 58), as applicable.

(5) *Cost principles.* Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR PART 200 [1] All items of cost listed in Attachment B of these Circulars that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in Attachment A of such circulars and are otherwise eligible under this subpart C, except for the following:

[1] These circulars are available from the American Communities Center by calling the following toll-free numbers: (800) 998-9999 or (800) 483-2209 (TDD).

(i) Depreciation methods for fixed assets shall not be changed without HUD's specific approval or, if charged through a cost allocation plan, the Federal cognizant agency.

(ii) Fines and penalties (including punitive damages) are unallowable costs to the CDBG program.

(iii) Pre-award costs are limited to those authorized under paragraph (h) of this section.

(b) *Special policies governing facilities.* The following special policies apply to:

(1) *Facilities containing both eligible and ineligible uses.* A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:

(i) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(ii) The recipient can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility.

Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(2) *Fees for use of facilities.* Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(c) *Special assessments under the CDBG program.* The following policies relate to special assessments under the CDBG program:

(1) *Definition of special assessment.* The term "special assessment" means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(2) *Special assessments to recover capital costs.* Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(i) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(ii) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grant recipient certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

(3) *Public improvements not initially assisted with CDBG funds.* The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments provided:

(i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental, citizen participation and Davis-Bacon requirements;

(ii) The installation of the public improvement meets a criterion for national objectives in § 570.208(a)(1), (b), or (c); and

(iii) The requirements of § 570.200(c)(2)(ii) are met.

(d) *Consultant activities.* Consulting services are eligible for assistance under this part for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution. The use of consultants is governed by the following:

(1) *Employer-employee type of relationship.* No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with CDBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation.

(2) *Independent contractor relationship.* Consultant services provided under an independent contractor relationship are governed by the procurement requirements in 24 CFR 85.36, and are not subject to the compensation limitation of Level IV of the Executive Schedule.

(e) *Recipient determinations required as a condition of eligibility.* In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

(f) *Means of carrying out eligible activities.* (1) Activities eligible under this subpart, other than those authorized under § 570.204(a), may be undertaken, subject to local law:

(i) By the recipient through:

(A) Its employees, or

(B) Procurement contracts governed by the requirements of 24 CFR 85.36; or

(ii) Through loans or grants under agreements with subrecipients, as defined at § 570.500(c); or

(iii) By one or more public agencies, including existing local public agencies, that are designated by the chief executive officer of the recipient.

(2) Activities made eligible under § 570.204(a) may only be undertaken by entities specified in that section.

(g) *Limitation on planning and administrative costs.* No more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in §§ 570.205 and 507.206, respectively. Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year.

(h) *Reimbursement for pre-award costs.* The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. For a Section 108 loan guarantee, the effective date of the grant agreement is the date of HUD execution of the grant agreement amendment for the particular loan guarantee commitment.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that:

(i) The activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated plan action plan, an amended consolidated plan action plan, or an application under subpart M of this part, except that a new entitlement grantee preparing to receive its first allocation of CDBG funds may incur costs necessary to develop its consolidated plan and undertake other administrative actions necessary to receive its first grant, prior to the costs being included in its consolidated plan;

(ii) Citizens are advised of the extent to which these pre-award costs will affect future grants;

(iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58;

(iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or $300,000.

(2) Upon the written request of the recipient, HUD may authorize payment of pre-award costs for activities that do not meet the criteria at paragraph (h)(1)(v) or (h)(1)(vi) of this section, if HUD determines, in writing, that there is good cause for granting an exception upon consideration of the following factors, as applicable:

(i) Whether granting the authority would result in a significant contribution to the goals and purposes of the CDBG program;

(ii) Whether failure to grant the authority would result in undue hardship to the recipient or beneficiaries of the activity;

(iii) Whether granting the authority would not result in a violation of a statutory provision or any other regulatory provision;

(iv) Whether circumstances are clearly beyond the recipient's control; or

(v) Any other relevant considerations.

(i) *Urban Development Action Grant.* Grant assistance may be provided with Urban Development Action Grant funds, subject to the provisions of subpart G, for:

(1) Activities eligible for assistance under this subpart; and

(2) Notwithstanding the provisions of § 570.207, such other activities as the Secretary may determine to be consistent with the purposes of the Urban Development Action Grant program.

(j) *Faith-based activities.* (1) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG program. Neither the Federal government nor a State or local government receiving funds under CDBG programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.

(2) Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.

(3) A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide CDBG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(4) An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

(5) CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition,

construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to CDBG funds in this part. Sanctuaries, chapels, or other rooms that a CDBG-funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (*see* 24 CFR parts 84 and 85).

(6) If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

[53 FR 34439, Sept. 6, 1988, as amended at 54 FR 47031, Nov. 8, 1989; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56910, Nov. 9, 1995; 61 FR 11476, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 68 FR 56404, Sept. 30, 2003; 69 FR 32778, June 10, 2004; 70 FR 76369, Dec. 23, 2005; 72 FR 46370, Aug. 17, 2007]

§ 570.201 Basic eligible activities.

CDBG funds may be used for the following activities:

(a) *Acquisition.* Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of § 570.207.

(b) *Disposition.* Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in § 570.504.

(c) *Public facilities and improvements.* Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in § 570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in § 570.207(a)(1).) In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in § 570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in § 570.204 may acquire title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in § 570.200(b).

(d) *Clearance and remediation activities.* Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites and remediation of known or suspected environmental contamination. Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD. Remediation may include project-specific environmental assessment costs not otherwise eligible under § 570.205.

(e) *Public services.* Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under § 570.207(b)(4)), homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed paragraphs (e) (1) or (2) of this section, as applicable:

(1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under subpart D of this part, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in § 570.500(a). For entitlement grants under subpart D of this part, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

(2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from Federal fiscal year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under paragraph (e)(1) of this section, so long as the total amount obligated in any program year does not exceed:

(i) For an entitlement grantee, 15% of the program income it received during the preceding program year; plus

(ii) A portion of the grant received for the program year which is the highest of the following amounts:

(A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;

(B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;

(C) The amount of funds it obligated for public services in the 1982 program year; or,

(D) The amount of funds it obligated for public services in the 1983 program year.

(f) *Interim assistance.* (1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the recipient has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:

(i) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and

(ii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.

(2) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the recipient determines that such an emergency condition exists and requires immediate resolution, CDBG funds may be used for:

(i) The activities specified in paragraph (f)(1) of this section, except for the repair of parks and playgrounds;

(ii) The clearance of streets, including snow removal and similar activities, and

(iii) The improvement of private properties.

(3) All activities authorized under paragraph (f)(2) of this section are limited to the extent necessary to alleviate emergency conditions.

(g) *Payment of non-Federal share.* Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.

(h) *Urban renewal completion.* Payment of the cost of completing an urban renewal project funded under title I of the Housing Act of 1949 as amended. Further information regarding the eligibility of such costs is set forth in § 570.801.

(i) *Relocation.* Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of § 570.606 (b) or (c); or (2) determined by the grantee to be appropriate under the provisions of § 570.606(d).

(j) *Loss of rental income.* Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.

(k) *Housing services.* Housing services, as provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21)).

(l) *Privately owned utilities.* CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m) *Construction of housing.* CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.

(n) *Homeownership assistance.* CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.

(o)(1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

(i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;

(ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and

(iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.

(2) Services provided this paragraph (o) shall not be subject to the restrictions on public services contained in paragraph (e) of this section.

(3) For purposes of this paragraph (o), "persons developing microenterprises" means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

(4) Assistance under this paragraph (o) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph (o).

(p) *Technical assistance.* Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under § 570.205.

(q) *Assistance to institutions of higher education.* Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.

[53 FR 34439, Sept. 6, 1988, as amended at 53 FR 31239, Aug. 17, 1988; 55 FR 29308, July 18, 1990; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 67 FR 47213, July 17, 2002; 71 FR 30034, May 24, 2006]

§ 570.202 Eligible rehabilitation and preservation activities.

(a) *Types of buildings and improvements eligible for rehabilitation assistance.* CDBG funds may be used to finance the rehabilitation of:

(1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;

(2) Low-income public housing and other publicly owned residential buildings and improvements;

(3) Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvement to the exterior of the building, abatement of asbestos hazards, lead-based paint hazard evaluation and reduction, and the correction of code violations;

(4) Nonprofit-owned nonresidential buildings and improvements not eligible under § 570.201(c); and

(5) Manufactured housing when such housing constitutes part of the community's permanent housing stock.

(b) *Types of assistance.* CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3) of this section.

(1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;

(2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination;

(3) Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the recipient to be necessary or appropriate to achieve the locality's community development objectives;

(4) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;

(5) Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;

(6) Connection of residential structures to water distribution lines or local sewer collection lines;

(7) For rehabilitation carried out with CDBG funds, costs of:

(i) Initial homeowner warranty premiums;

(ii) Hazard insurance premiums, except where assistance is provided in the form of a grant; and

(iii) Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, pursuant to § 570.605.

(8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;

(9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section, under section 312 of the Housing Act of 1964, as amended, under section 810 of the Act, or under section 17 of the United States Housing Act of 1937;

(10) Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937; and

(11) Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.

(c) *Code enforcement.* Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.

(d) *Historic preservation.* CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law

or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.

(e) *Renovation of closed buildings.* CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

(f) *Lead-based paint activities.* Lead-based paint activities pursuant to § 570.608.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 64 FR 50225, Sept. 15, 1999; 71 FR 30035, May 24, 2006]

§ 570.203 Special economic development activities.

A recipient may use CDBG funds for special economic development activities in addition to other activities authorized in this subpart that may be carried out as part of an economic development project. Guidelines for selecting activities to assist under this paragraph are provided at § 570.209. The recipient must ensure that the appropriate level of public benefit will be derived pursuant to those guidelines before obligating funds under this authority. Special activities authorized under this section do not include assistance for the construction of new housing. Activities eligible under this section may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination. Special economic development activities include:

(a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit subrecipients.

(b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in § 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.

(c) Economic development services in connection with activities eligible under this section, including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

[53 FR 34439, Sept. 6, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

§ 570.204 Special activities by Community-Based Development Organizations (CBDOs).

(a) *Eligible activities.* The recipient may provide CDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or energy conservation project. The funded project activities may include those listed as eligible under this subpart, and, except as described in paragraph (b) of this section, activities not otherwise listed as eligible under this subpart. For purposes of qualifying as a project under paragraphs (a)(1), (a)(2), and (a)(3) of this section, the funded activity or activities may be considered either alone or in concert with other project activities either being carried out or for which funding has been committed. For purposes of this section:

(1) Neighborhood revitalization project includes activities of sufficient size and scope to have an impact on the decline of a geographic location within the jurisdiction of a unit of general local government (but not the

entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government which is under 25,000 population;

(2) Community economic development project includes activities that increase economic opportunity, principally for persons of low- and moderate-income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs and those activities specified at 24 CFR 91.1(a)(1)(iii); activities under this paragraph may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination;

(3) Energy conservation project includes activities that address energy conservation, principally for the benefit of the residents of the recipient's jurisdiction; and

(4) To carry out a project means that the CBDO undertakes the funded activities directly or through contract with an entity other than the grantee, or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.

(b) *Ineligible activities.* Notwithstanding that CBDOs may carry out activities that are not otherwise eligible under this subpart, this section does not authorize:

(1) Carrying out an activity described as ineligible in § 570.207(a);

(2) Carrying out public services that do not meet the requirements of § 570.201(e), except that:

(i) Services carried out under this section that are specifically designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services; and

(ii) Services of any type carried out under this section pursuant to a strategy approved by HUD under the provisions of 24 CFR 91.215(e) shall not be subject to the limitations in § 570.201(e)(1) or (2), as applicable;

(3) Providing assistance to activities that would otherwise be eligible under § 570.203 that do not meet the requirements of § 570.209; or

(4) Carrying out an activity that would otherwise be eligible under § 570.205 or § 570.206, but that would result in the recipient's exceeding the spending limitation in § 570.200(g).

(c) *Eligible CBDOs.* (1) A CBDO qualifying under this section is an organization which has the following characteristics:

(i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and

(ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and

(iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and

(iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions

located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and

(v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and

(vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and

(vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and

(viii) Is free to contract for goods and services from vendors of its own choosing.

(2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

(i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or

(ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e).

(3) A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section.

[60 FR 1944, Jan. 5, 1995, as amended at 71 FR 30035, May 24, 2006]

§ 570.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to:

(1) Comprehensive plans;

(2) Community development plans;

(3) Functional plans, in areas such as:

(i) Housing, including the development of a consolidated plan;

(ii) Land use and urban environmental design;

(iii) Economic development;

(iv) Open space and recreation;

(v) Energy use and conservation;

(vi) Floodplain and wetlands management in accordance with the requirements of Executive Orders 11988 and 11990;

(vii) Transportation;

(viii) Utilities; and

(ix) Historic preservation.

(4) Other plans and studies such as:

(i) Small area and neighborhood plans;

(ii) Capital improvements programs;

(iii) Individual project plans (but excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity under §§ 570.201-570.204);

(iv) The reasonable costs of general environmental, urban environmental design and historic preservation studies; and general environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination. However, costs necessary to comply with 24 CFR part 58, including project specific environmental assessments and clearances for activities eligible for assistance under this part, are eligible as part of the cost of such activities under §§ 570.201-570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of § 570.200(g);

(v) Strategies and action programs to implement plans, including the development of codes, ordinances and regulations;

(vi) Support of clearinghouse functions, such as those specified in Executive Order 12372; and

(vii) Analysis of impediments to fair housing choice.

(viii) Developing an inventory of properties with known or suspected environmental contamination.

(5) [Reserved]

(6) Policy—planning—management—capacity building activities which will enable the recipient to:

(1) Determine its needs;

(2) Set long-term goals and short-term objectives, including those related to urban environmental design;

(3) Devise programs and activities to meet these goals and objectives;

(4) Evaluate the progress of such programs and activities in accomplishing these goals and objectives; and

(5) Carry out management, coordination and monitoring of activities necessary for effective planning implementation, but excluding the costs necessary to implement such plans.

[53 FR 34439, Sept. 6, 1988, as amended at 56 FR 56127, Oct. 31, 1991; 60 FR 1915, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

§ 570.206 Program administrative costs.

Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing activities (described in paragraph (g) of this section) covered in the recipient's housing assistance plan. This does not include staff and overhead costs directly related to carrying out activities eligible under § 570.201 through § 570.204, since those costs are eligible as part of such activities.

(a) *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

(1) Salaries, wages, and related costs of the recipient's staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods during the program year (or the grant period for grants under subpart F). Program administration includes the following types of assignments:

(i) Providing local officials and citizens with information about the program;

(ii) Preparing program budgets and schedules, and amendments thereto;

(iii) Developing systems for assuring compliance with program requirements;

(iv) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;

(v) Monitoring program activities for progress and compliance with program requirements;

(vi) Preparing reports and other documents related to the program for submission to HUD;

(vii) Coordinating the resolution of audit and monitoring findings;

(viii) Evaluating program results against stated objectives; and

(ix) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i) through (viii) of this section.

(2) Travel costs incurred for official business in carrying out the program;

(3) Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and

(4) Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

(b) *Public information.* The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with CDBG funds.

(c) *Fair housing activities.* Provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons, without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in areas containing a high proportion of low and moderate income persons.

(d) [Reserved]

(e) *Indirect costs.* Indirect costs may be charged to the CDBG program under a cost allocation plan prepared in accordance with 2 CFR PART 200 as applicable.

(f) *Submission of applications for federal programs.* Preparation of documents required for submission to HUD to receive funds under the CDBG and UDAG programs. In addition, CDBG funds may be used to prepare applications for other Federal programs where the recipient determines that such activities are necessary or appropriate to achieve its community development objectives.

(g) *Administrative expenses to facilitate housing.* CDBG funds may be used for necessary administrative expenses in planning or obtaining financing for housing as follows: for entitlement recipients, assistance authorized by this paragraph is limited to units which are identified in the recipient's HUD approved housing assistance plan; for HUD-administered small cities recipients, assistance authorized by the paragraph is limited to facilitating the purchase or occupancy of existing units which are to be occupied by low and moderate income households, or the construction of rental or owner units where at least 20 percent of the units in each project will be occupied at affordable rents/costs by low and moderate income persons. Examples of eligible actions are as follows:

(1) The cost of conducting preliminary surveys and analysis of market needs;

(2) Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and “sketch drawings,” but excluding architectural, engineering, and other details ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details;

(3) Reasonable costs associated with development of applications for mortgage and insured loan commitments, including commitment fees, and of applications and proposals under the Section 8 Housing Assistance Payments Program pursuant to 24 CFR parts 880-883;

(4) Fees associated with processing of applications for mortgage or insured loan commitments under programs including those administered by HUD, Farmers Home Administration (FmHA), Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA);

(5) The cost of issuance and administration of mortgage revenue bonds used to finance the acquisition, rehabilitation or construction of housing, but excluding costs associated with the payment or guarantee of the principal or interest on such bonds; and

(6) Special outreach activities which result in greater landlord participation in Section 8 Housing Assistance Payments Program-Existing Housing or similar programs for low and moderate income persons.

(h) *Section 17 of the United States Housing Act of 1937.* Reasonable costs equivalent to those described in paragraphs (a), (b), (e) and (f) of this section for overall program management of the Rental Rehabilitation and Housing Development programs authorized under section 17 of the United States Housing Act of 1937, whether or not such activities are otherwise assisted with funds provided under this part.

(i) Whether or not such activities are otherwise assisted by funds provided under this part, reasonable costs equivalent to those described in paragraphs (a), (b), (e), and (f) of this section for overall program management of:

(1) A Federally designated Empowerment Zone or Enterprise Community; and

(2) The HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note).

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 54 FR 37411, Sept. 8, 1989; 60 FR 56912, Nov. 9, 1995; 69 FR 32778, June 10, 2004]

§ 570.207 Ineligible activities.

The general rule is that any activity that is not authorized under the provisions of §§ 570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may not be assisted with CDBG funds:

(1) *Buildings or portions thereof, used for the general conduct of government* as defined at § 570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under § 570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in § 570.208.

(2) *General government expenses.* Except as otherwise specifically authorized in this subpart or under 2 CFR PART 200 expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

(3) *Political activities.* CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

(b) The following activities may not be assisted with CDBG funds unless authorized under provisions of § 570.203 or as otherwise specifically noted herein or when carried out by an entity under the provisions of § 570.204.

(1) *Purchase of equipment.* The purchase of equipment with CDBG funds is generally ineligible.

(i) *Construction equipment.* The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to 2 CFR PART 200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under § 570.201(c).

(ii) *Fire protection equipment.* Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under § 570.201(c).

(iii) *Furnishings and personal property.* The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with 2 CFR PART 200 as applicable) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to § 570.201(e).

(2) *Operating and maintenance expenses.* The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under § 570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:

(i) Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and

(ii) Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

(3) *New housing construction.* For the purpose of this paragraph, activities in support of the development of low or moderate income housing including clearance, site assemblage, provision of site improvements and provision of public improvements and certain housing pre-construction costs set forth in § 570.206(g), are not considered as activities to subsidize or assist new residential construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except:

(i) As provided under the last resort housing provisions set forth in 24 CFR part 42;

(ii) As authorized under § 570.201(m) or (n);

(iii) When carried out by an entity pursuant to § 570.204(a);

(4) *Income payments.* The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, "income payments" means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 56912, Nov. 9, 1995; 65 FR 70215, Nov. 21, 2000]

§ 570.208 Criteria for national objectives.

The following criteria shall be used to determine whether a CDBG-assisted activity complies with one or more of the national objectives as required under § 570.200(a)(2):

(a) *Activities benefiting low- and moderate-income persons.* Activities meeting the criteria in paragraph (a)(1), (2), (3), or (4) of this section as applicable, will be considered to benefit low and moderate income persons unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. (The recipient shall appropriately ensure that activities that meet these criteria do not benefit moderate income persons to the exclusion of low income persons.)

(1) *Area benefit activities.* (i) An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.

(ii) For metropolitan cities and urban counties, an activity that would otherwise qualify under § 570.208(a)(1)(i), except that the area served contains less than 51 percent low- and moderate-income residents, will also be considered to meet the objective of benefiting low- and moderate-income persons where the proportion of such persons in the area is within the highest quartile of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. This exception is inapplicable to non-entitlement CDBG grants in Hawaii. In applying this exception, HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose, as follows:

(A) All census block groups in the recipient's jurisdiction shall be rank ordered from the block group of highest proportion of low and moderate income persons to the block group with the lowest. For urban counties, the rank ordering shall cover the entire area constituting the urban county and shall not be done separately for each participating unit of general local government.

(B) In any case where the total number of a recipient's block groups does not divide evenly by four, the block group which would be fractionally divided between the highest and second quartiles shall be considered to be part of the highest quartile.

(C) The proportion of low and moderate income persons in the last census block group in the highest quartile shall be identified. Any service area located within the recipient's jurisdiction and having a proportion of low and moderate income persons at or above this level shall be considered to be within the highest quartile.

(D) If block group data are not available for the entire jurisdiction, other data acceptable to the Secretary may be used in the above calculations.

(iii) An activity to develop, establish, and operate for up to two years after the establishment of, a uniform emergency telephone number system serving an area having less than the percentage of low- and moderate-income residents required under paragraph (a)(1)(i) of this section or (as applicable) paragraph (a)(1)(ii) of this section, provided the recipient obtains prior HUD approval. To obtain such approval, the recipient must:

(A) Demonstrate that the system will contribute significantly to the safety of the residents of the area. The request for approval must include a list of the emergency services that will participate in the emergency telephone number system;

(B) Submit information that serves as a basis for HUD to determine whether at least 51 percent of the use of the system will be by low- and moderate-income persons. As available, the recipient must provide information that identifies the total number of calls actually received over the preceding 12-month period for each of the emergency services to be covered by the emergency telephone number system and relates those calls to the geographic segment (expressed as nearly as possible in terms of census tracts, block numbering areas, block groups, or combinations thereof that are contained within the segment) of the service area from which the calls were generated. In analyzing this data to meet the requirements of this section, HUD will assume that the distribution of income among the callers generally reflects the income characteristics of the general population residing in the same geographic area where the callers reside. If HUD can conclude that the users have primarily consisted of low- and moderate-income persons, no further submission is needed by

the recipient. If a recipient plans to make other submissions for this purpose, it may request that HUD review its planned methodology before expending the effort to acquire the information it expects to use to make its case;

(C) Demonstrate that other Federal funds received by the recipient are insufficient or unavailable for a uniform emergency telephone number system. For this purpose, the recipient must submit a statement explaining whether the lack of funds is due to the insufficiency of the amount of the available funds, restrictions on the use of such funds, or the prior commitment of funds by the recipient for other purposes; and

(D) Demonstrate that the percentage of the total costs of the system paid for by CDBG funds does not exceed the percentage of low- and moderate-income persons in the service area of the system. For this purpose, the recipient must include a description of the boundaries of the service area of the emergency telephone number system, the census divisions that fall within the boundaries of the service area (census tracts or block numbering areas), the total number of persons and the total number of low- and moderate-income persons within each census division, the percentage of low- and moderate-income persons within the service area, and the total cost of the system.

(iv) An activity for which the assistance to a public improvement that provides benefits to all the residents of an area is limited to paying special assessments (as defined in § 570.200(c)) levied against residential properties owned and occupied by persons of low and moderate income.

(v) For purposes of determining qualification under this criterion, activities of the same type that serve different areas will be considered separately on the basis of their individual service area.

(vi) In determining whether there is a sufficiently large percentage of low- and moderate-income persons residing in the area served by an activity to qualify under paragraph (a)(1) (i), (ii), or (vii) of this section, the most recently available decennial census information must be used to the fullest extent feasible, together with the section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. Recipients that believe that the census data does not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the service area of an activity, may conduct (or have conducted) a current survey of the residents of the area to determine the percent of such persons that are low and moderate income. HUD will accept information obtained through such surveys, to be used in lieu of the decennial census data, where it determines that the survey was conducted in such a manner that the results meet standards of statistical reliability that are comparable to that of the decennial census data for areas of similar size. Where there is substantial evidence that provides a clear basis to believe that the use of the decennial census data would substantially overstate the proportion of persons residing there that are low and moderate income, HUD may require that the recipient rebut such evidence in order to demonstrate compliance with section 105(c)(2) of the Act.

(vii) Activities meeting the requirements of paragraph (d)(5)(i) of this section may be considered to qualify under this paragraph, provided that the area covered by the strategy is either a Federally-designated Empowerment Zone or Enterprise Community or primarily residential and contains a percentage of low- and moderate-income residents that is no less than the percentage computed by HUD pursuant to paragraph (a)(1)(ii) of this section or 70 percent, whichever is less, but in no event less than 51 percent. Activities meeting the requirements of paragraph (d)(6)(i) of this section may also be considered to qualify under paragraph (a)(1) of this section.

(2) *Limited clientele activities.* (i) An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. (The following kinds of activities may not qualify under paragraph (a)(2) of this section: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low- and moderate-income persons to be considered is the creation or retention of jobs, except as provided in paragraph (a)(2)(iv) of this section.) To qualify under paragraph (a)(2) of this section, the activity must meet one of the following tests:

(A) Benefit a clientele who are generally presumed to be principally low and moderate income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or

(B) Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit; or

(C) Have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or

(D) Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

(ii) An activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled" will be presumed to qualify under this criterion if it is restricted, to the extent practicable, to the removal of such barriers by assisting:

(A) The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under paragraph (a)(1) of this section;

(B) The rehabilitation of a privately owned nonresidential building or improvement that does not qualify under paragraph (a)(1) or (4) of this section; or

(C) The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under paragraph (a)(3) of this section.

(iii) A microenterprise assistance activity carried out in accordance with the provisions of § 570.201(o) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity during each program year who are low- and moderate-income persons. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.

(iv) An activity designed to provide job training and placement and/or other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, in which the percentage of low- and moderate-income persons assisted is less than 51 percent may qualify under this paragraph in the following limited circumstance:

(A) In such cases where such training or provision of supportive services assists business(es), the only use of CDBG assistance for the project is to provide the job training and/or supportive services; and

(B) The proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.

(3) *Housing activities.* An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the recipient, a subrecipient, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the

grouped buildings may be considered for this purpose as a single structure. Where housing activities being assisted meet the requirements of paragraph § 570.208 (d)(5)(ii) or (d)(6)(ii) of this section, all such housing may also be considered for this purpose as a single structure. For rental housing, occupancy by low and moderate income households must be at affordable rents to qualify under this criterion. The recipient shall adopt and make public its standards for determining "affordable rents" for this purpose. The following shall also qualify under this criterion:

(i) When less than 51 percent of the units in a structure will be occupied by low and moderate income households, CDBG assistance may be provided in the following limited circumstances:

(A) The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project;

(B) Not less than 20 percent of the units will be occupied by low and moderate income households at affordable rents; and

(C) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.

(ii) When CDBG funds are used to assist rehabilitation eligible under § 570.202(b)(9) or (10) in direct support of the recipient's Rental Rehabilitation program authorized under 24 CFR part 511, such funds shall be considered to benefit low and moderate income persons where not less than 51 percent of the units assisted, or to be assisted, by the recipient's Rental Rehabilitation program overall are for low and moderate income persons.

(iii) When CDBG funds are used for housing services eligible under § 570.201(k), such funds shall be considered to benefit low- and moderate-income persons if the housing units for which the services are provided are HOME-assisted and the requirements at 24 CFR 92.252 or 92.254 are met.

(4) *Job creation or retention activities.* An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. To qualify under this paragraph, the activity must meet the following criteria:

(i) For an activity that creates jobs, the recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.

(ii) For an activity that retains jobs, the recipient must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided:

(A) The job is known to be held by a low- or moderate-income person; or

(B) The job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

(iii) Jobs that are not held or filled by a low- or moderate-income person may be considered to be available to low- and moderate-income persons for these purposes only if:

(A) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and

(B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs.

(iv) For purposes of determining whether a job is held by or made available to a low- or moderate-income person, the person may be presumed to be a low- or moderate-income person if:

(A) He/she resides within a census tract (or block numbering area) that either:

(*1*) Meets the requirements of paragraph (a)(4)(v) of this section; or

(*2*) Has at least 70 percent of its residents who are low- and moderate-income persons; or

(B) The assisted business is located within a census tract (or block numbering area) that meets the requirements of paragraph (a)(4)(v) of this section and the job under consideration is to be located within that census tract.

(v) A census tract (or block numbering area) qualifies for the presumptions permitted under paragraphs (a)(4)(iv)(A)(*1*) and (B) of this section if it is either part of a Federally-designated Empowerment Zone or Enterprise Community or meets the following criteria:

(A) It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;

(B) It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and

(C) It evidences pervasive poverty and general distress by meeting at least one of the following standards:

(*1*) All block groups in the census tract have poverty rates of at least 20 percent;

(*2*) The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent; or

(*3*) Upon the written request of the recipient, HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline.

(vi) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:

(A) In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses which locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

(B) Where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during each program year.

(C) Where CDBG funds are used by a recipient or subrecipient to provide technical assistance to businesses, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during each program year.

(D) Where CDBG funds are used for activities meeting the criteria listed at § 570.209(b)(2)(v), this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG

assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(E) Where CDBG funds are used by a Community Development Financial Institution to carry out activities for the purpose of creating or retaining jobs, this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(F) Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.

(*1*) Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDBG funds) for the facility/improvement is less than $10,000 per permanent full-time equivalent job to be created or retained by those businesses.

(*2*) In any case where the cost per job to be created or retained (as determined under paragraph (a)(4)(vi)(F)(*1*) of this section) is $10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the facility/improvement between the date the recipient identifies the activity in its action plan under part 91 of this title and the date one year after the physical completion of the facility/improvement. In addition, the assisted activity must comply with the public benefit standards at § 570.209(b).

(b) *Activities which aid in the prevention or elimination of slums or blight.* Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

(1) *Activities to address slums or blight on an area basis.* An activity will be considered to address prevention or elimination of slums or blight in an area if:

(i) The area, delineated by the recipient, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;

(ii) The area also meets the conditions in either paragraph (A) or (B):

(A) At least 25 percent of properties throughout the area experience one or more of the following conditions:

(*1*) Physical deterioration of buildings or improvements;

(*2*) Abandonment of properties;

(*3*) Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;

(*4*) Significant declines in property values or abnormally low property values relative to other areas in the community; or

(*5*) Known or suspected environmental contamination.

(B) The public improvements throughout the area are in a general state of deterioration.

(iii) Documentation is to be maintained by the recipient on the boundaries of the area and the conditions and standards used that qualified the area at the time of its designation. The recipient shall establish definitions of the conditions listed at § 570.208(b)(1)(ii)(A), and maintain records to substantiate how the area met the slums or blighted criteria. The designation of an area as slum or blighted under this section is required to be re-determined every 10 years for continued qualification. Documentation must be retained pursuant to the recordkeeping requirements contained at § 570.506 (b)(8)(ii).

(iv) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

(2) *Activities to address slums or blight on a spot basis.* The following activities may be undertaken on a spot basis to eliminate specific conditions of blight, physical decay, or environmental contamination that are not located in a slum or blighted area: acquisition; clearance; relocation; historic preservation; remediation of environmentally contaminated properties; or rehabilitation of buildings or improvements. However, rehabilitation must be limited to eliminating those conditions that are detrimental to public health and safety. If acquisition or relocation is undertaken, it must be a precursor to another eligible activity (funded with CDBG or other resources) that directly eliminates the specific conditions of blight or physical decay, or environmental contamination.

(3) *Activities to address slums or blight in an urban renewal area.* An activity will be considered to address prevention or elimination of slums or blight in an urban renewal area if the activity is:

(i) Located within an urban renewal project area or Neighborhood Development Program (NDP) action area; i.e., an area in which funded activities were authorized under an urban renewal Loan and Grant Agreement or an annual NDP Funding Agreement, pursuant to title I of the Housing Act of 1949; and

(ii) Necessary to complete the urban renewal plan, as then in effect, including *initial* land redevelopment permitted by the plan.

NOTE: Despite the restrictions in (b) (1) and (2) of this section, any rehabilitation activity which benefits low and moderate income persons pursuant to paragraph (a)(3) of this section can be undertaken without regard to the area in which it is located or the extent or nature of rehabilitation assisted.

(c) *Activities designed to meet community development needs having a particular urgency.* In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.

(d) *Additional criteria.* (1) Where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a national objective may be based on the planned use of the property after acquisition. A final determination shall be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a “change of use” under § 570.505.

(2) Where the assisted activity is relocation assistance that the recipient is required to provide, such relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity. Where the relocation assistance is voluntary on the part of the grantee the recipient may qualify the assistance either on the basis of the national objective addressed by the displacing activity or on the basis that the recipients of the relocation assistance are low and moderate income persons.

(3) In any case where the activity undertaken for the purpose of creating or retaining jobs is a public improvement and the area served is primarily residential, the activity must meet the requirements of paragraph (a)(1) of this section as well as those of paragraph (a)(4) of this section in order to qualify as benefiting low and moderate income persons.

(4) CDBG funds expended for planning and administrative costs under § 570.205 and § 570.206 will be considered to address the national objectives.

(5) Where the grantee has elected to prepare an area revitalization strategy pursuant to the authority of § 91.215(e) of this title and HUD has approved the strategy, the grantee may also elect the following options:

(i) Activities undertaken pursuant to the strategy for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities in the area for which, pursuant to the strategy, CDBG assistance is obligated during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(6) Where CDBG-assisted activities are carried out by a Community Development Financial Institution whose charter limits its investment area to a primarily residential area consisting of at least 51 percent low- and moderate-income persons, the grantee may also elect the following options:

(i) Activities carried out by the Community Development Financial Institution for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities for which the Community Development Financial Institution obligates CDBG assistance during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(7) Where an activity meeting the criteria at § 570.209(b)(2)(v) may also meet the requirements of either paragraph (d)(5)(i) or (d)(6)(i) of this section, the grantee may elect to qualify the activity under either the area benefit criteria at paragraph (a)(1)(vii) of this section or the job aggregation criteria at paragraph (a)(4)(vi)(D) of this section, but not both. Where an activity may meet the job aggregation criteria at both paragraphs (a)(4)(vi)(D) and (E) of this section, the grantee may elect to qualify the activity under either criterion, but not both.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56912, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 71 FR 30035, May 24, 2006; 72 FR 46370, Aug. 17, 2007]

§ 570.209 Guidelines for evaluating and selecting economic development projects.

The following guidelines are provided to assist the recipient to evaluate and select activities to be carried out for economic development purposes. Specifically, these guidelines are applicable to activities that are eligible for CDBG assistance under § 570.203. These guidelines also apply to activities carried out under the authority

of § 570.204 that would otherwise be eligible under § 570.203, were it not for the involvement of a Community-Based Development Organization (CBDO). (This would include activities where a CBDO makes loans to for-profit businesses.) These guidelines are composed of two components: guidelines for evaluating project costs and financial requirements; and standards for evaluating public benefit. The standards for evaluating public benefit are *mandatory*, but the guidelines for evaluating projects costs and financial requirements are not.

(a) *Guidelines and objectives for evaluating project costs and financial requirements.* HUD has developed guidelines that are designed to provide the recipient with a framework for financially underwriting and selecting CDBG-assisted economic development projects which are financially viable and will make the most effective use of the CDBG funds. These guidelines, also referred to as the underwriting guidelines, are published as appendix A to this part. The use of the underwriting guidelines published by HUD is not mandatory. However, grantees electing not to use these guidelines would be expected to conduct basic financial underwriting prior to the provision of CDBG financial assistance to a for-profit business. Where appropriate, HUD's underwriting guidelines recognize that different levels of review are appropriate to take into account differences in the size and scope of a proposed project, and in the case of a microenterprise or other small business to take into account the differences in the capacity and level of sophistication among businesses of differing sizes. Recipients are encouraged, when they develop their own programs and underwriting criteria, to also take these factors into account. The objectives of the underwriting guidelines are to ensure:

(1) That project costs are reasonable;

(2) That all sources of project financing are committed;

(3) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;

(4) That the project is financially feasible;

(5) That to the extent practicable, the return on the owner's equity investment will not be unreasonably high; and

(6) That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

(b) *Standards for evaluating public benefit.* The grantee is responsible for making sure that at least a minimum level of public benefit is obtained from the expenditure of CDBG funds under the categories of eligibility governed by these guidelines. The standards set forth below identify the types of public benefit that will be recognized for this purpose and the minimum level of each that must be obtained for the amount of CDBG funds used. Unlike the guidelines for project costs and financial requirements covered under paragraph (a) of this section, the use of the standards for public benefit is mandatory. Certain public facilities and improvements eligible under § 570.201(c) of the regulations, which are undertaken for economic development purposes, are also subject to these standards, as specified in § 570.208(a)(4)(vi)(F)(*2*).

(1) *Standards for activities in the aggregate.* Activities covered by these guidelines must, in the aggregate, either:

(i) Create or retain at least one full-time equivalent, permanent job per $35,000 of CDBG funds used; or

(ii) Provide goods or services to residents of an area, such that the number of low- and moderate-income persons residing in the areas served by the assisted businesses amounts to at least one low- and moderate-income person per $350 of CDBG funds used.

(2) *Applying the aggregate standards.* (i) A metropolitan city, an urban county, a non-entitlement CDBG grantee in Hawaii, or an Insular Area shall apply the aggregate standards under paragraph (b)(1) of this

section to all applicable activities for which CDBG funds are first obligated within each single CDBG program year, without regard to the source year of the funds used for the activities. For Insular Areas, the preceding sentence applies to grants received in program years after Fiscal Year 2004. A grantee under the HUD-administered Small Cities Program, or Insular Areas CDBG grants prior to Fiscal Year 2005, shall apply the aggregate standards under paragraph (b)(1) of this section to all funds obligated for applicable activities from a given grant; program income obligated for applicable activities will, for these purposes, be aggregated with the most recent open grant. For any time period in which a community has no open HUD-administered or Insular Areas grants, the aggregate standards shall be applied to all applicable activities for which program income is obligated during that period.

(ii) The grantee shall apply the aggregate standards to the number of jobs to be created/retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, the grantee may elect to count the activity under either the jobs standard or the area residents standard, but not both.

(iv) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the aggregate standards.

(v) Any activity subject to these guidelines which meets one or more of the following criteria may, at the grantee's option, be excluded from the aggregate standards described in paragraph (b)(1) of this section:

(A) Provides jobs exclusively for unemployed persons or participants in one or more of the following programs:

(*1*) Jobs Training Partnership Act (JTPA);

(*2*) Jobs Opportunities for Basic Skills (JOBS); or

(*3*) Aid to Families with Dependent Children (AFDC);

(B) Provides jobs predominantly for residents of Public and Indian Housing units;

(C) Provides jobs predominantly for homeless persons;

(D) Provides jobs predominantly for low-skilled, low- and moderate-income persons, where the business agrees to provide clear opportunities for promotion and economic advancement, such as through the provision of training;

(E) Provides jobs predominantly for persons residing within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;

(F) Provides assistance to business(es) that operate(s) within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;

(G) Stabilizes or revitalizes a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;

(H) Provides assistance to a Community Development Financial Institution that serve an area that is predominantly low- and moderate-income persons;

(I) Provides assistance to a Community-Based Development Organization serving a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;

(J) Provides employment opportunities that are an integral component of a project designed to promote spatial deconcentration of low- and moderate-income and minority persons;

(K) With prior HUD approval, provides substantial benefit to low-income persons through other innovative approaches;

(L) Provides services to the residents of an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title;

(M) Creates or retains jobs through businesses assisted in an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title.

(N) Directly involves the economic development or redevelopment of environmentally contaminated properties.

(3) *Standards for individual activities.* Any activity subject to these guidelines which falls into one or more of the following categories will be considered by HUD to provide insufficient public benefit, and therefore may under no circumstances be assisted with CDBG funds:

(i) The amount of CDBG assistance exceeds either of the following, as applicable:

(A) $50,000 per full-time equivalent, permanent job created or retained; or

(B) $1,000 per low- and moderate-income person to which goods or services are provided by the activity.

(ii) The activity consists of or includes any of the following:

(A) General promotion of the community as a whole (as opposed to the promotion of specific areas and programs);

(B) Assistance to professional sports teams;

(C) Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to users or members clearly outweighs employment or other benefits to low- and moderate-income persons;

(D) Acquisition of land for which the specific proposed use has not yet been identified; and

(E) Assistance to a for-profit business while that business or any other business owned by the same person(s) or entity(ies) is the subject of unresolved findings of noncompliance relating to previous CDBG assistance provided by the recipient.

(4) *Applying the individual activity standards.* (i) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, it will be disqualified only if the amount of CDBG assistance exceeds both of the amounts in paragraph (b)(3)(i) of this section.

(ii) The individual activity standards in paragraph (b)(3)(i) of this section shall be applied to the number of jobs to be created or retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the individual activity standards in paragraph (b)(3)(i) of this section.

(c) *Amendments to economic development projects after review determinations.* If, after the grantee enters into a contract to provide assistance to a project, the scope or financial elements of the project change to the extent that a significant contract amendment is appropriate, the project should be reevaluated under these and the recipient's guidelines. (This would include, for example, situations where the business requests a change in the amount or terms of assistance being provided, or an extension to the loan payment period required in the contract.) If a reevaluation of the project indicates that the financial elements and public benefit to be derived have also substantially changed, then the recipient should make appropriate adjustments in the amount, type, terms or conditions of CDBG assistance which has been offered, to reflect the impact of the substantial change. (For example, if a change in the project elements results in a substantial reduction of the total project costs, it may be appropriate for the recipient to reduce the amount of total CDBG assistance.) If the amount of CDBG assistance provided to the project is increased, the amended project must still comply with the public benefit standards under paragraph (b) of this section.

(d) *Documentation.* The grantee must maintain sufficient records to demonstrate the level of public benefit, based on the above standards, that is actually achieved upon completion of the CDBG-assisted economic development activity(ies) and how that compares to the level of such benefit anticipated when the CDBG assistance was obligated. If the grantee's actual results show a pattern of substantial variation from anticipated results, the grantee is expected to take all actions reasonably within its control to improve the accuracy of its projections. If the actual results demonstrate that the recipient has failed the public benefit standards, HUD may require the recipient to meet more stringent standards in future years as appropriate.

[60 FR 1947, Jan. 5, 1995, as amended at 60 FR 17445, Apr. 6, 1995; 71 FR 30035, May 24, 2006; 72 FR 12535, Mar. 15, 2007; 72 FR 46370, Aug. 17, 2007]

§ 570.210 Prohibition on use of assistance for employment relocation activities.

(a) *Prohibition.* CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one LMA to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs.

(b) *Definitions.* The following definitions apply to this section:

(1) *Directly assist.* Directly assist means the provision of CDBG funds for activities pursuant to:

(i) § 570.203(b); or

(ii) §§ 570.201(a)-(d), 570.201(l), 570.203(a), or § 570.204 when the grantee, subrecipient, or, in the case of an activity carried out pursuant to § 570.204, a Community Based Development Organization (CDBO) enters into an agreement with a business to undertake one or more of these activities as a condition of the business relocating a facility, plant, or operation to the grantee's LMA. Provision of public facilities and indirect assistance that will provide benefit to multiple businesses does not fall under the definition of “directly assist,” unless it includes the provision of infrastructure to aid a specific business that is the subject of an agreement with the specific assisted business.

(2) *Labor market area (LMA).* For metropolitan areas, an LMA is an area defined as such by the BLS. An LMA is an economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence. In addition, LMAs are non-overlapping and geographically exhaustive. For metropolitan areas, grantees must use employment data, as defined by the BLS, for the LMA in which the affected business is currently located and from which current jobs may be lost. For non-metropolitan areas, an LMA is either an area defined by

the BLS as an LMA, or a state may choose to combine non-metropolitan LMAs. States are required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. Metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. For the HUD-administered Small Cities Program, each of the three participating counties in Hawaii will be considered to be its own LMA. Recipients of Fiscal Year 1999 Small Cities Program funding in New York will follow the requirements for State CDBG recipients.

(3) *Operation.* A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity or product line of the business.

(4) *Significant loss of jobs.* (i) A loss of jobs is significant if: The number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; or in all cases, a loss of 500 or more jobs. Notwithstanding the aforementioned, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

(ii) A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within three years of the provision of assistance to the business; or the time period within which jobs are to be created as specified by the agreement between the business and the recipient if it is longer than three years.

(c) *Written agreement.* Before directly assisting a business with CDBG funds, the recipient, subrecipient, or a CDBO (in the case of an activity carried out pursuant to § 570.204) shall sign a written agreement with the assisted business. The written agreement shall include:

(1) *Statement.* A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and, if so, the number of jobs that will be relocated from each LMA;

(2) *Required information.* If the assistance will not result in a relocation covered by this section, a certification from the assisted business that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and

(3) *Reimbursement of assistance.* The agreement shall provide for reimbursement of any assistance provided to, or expended on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

(d) *Assistance not covered by this section.* This section does not apply to:

(1) *Relocation assistance.* Relocation assistance required by the Uniform Assistance and Real Property Acquisition Policies Act of 1970, (URA) (42 U.S.C. 4601-4655);

(2) *Microenterprises.* Assistance to microenterprises as defined by Section 102(a)(22) of the Housing and Community Development Act of 1974; and

(3) *Arms-length transactions.* Assistance to a business that purchases business equipment, inventory, or other physical assets in an arms-length transaction, including the assets of an existing business, provided that the purchase does not result in the relocation of the sellers' business operation (including customer base or list, goodwill, product lines, or trade names) from one LMA to another LMA and does not produce a significant loss of jobs in the LMA from which the relocation occurs.

[70 FR 76369, Dec. 23, 2005]

Subpart K—Other Program Requirements

SOURCE: 53 FR 34456, Sept. 6, 1988, unless otherwise noted.

§ 570.600 General.

(a) This subpart K enumerates laws that the Secretary will treat as applicable to grants made under section 106 of the Act, other than grants to states made pursuant to section 106(d) of the Act, for purposes of the Secretary's determinations under section 104(e)(1) of the Act, including statutes expressly made applicable by the Act and certain other statutes and Executive Orders for which the Secretary has enforcement responsibility. This subpart K applies to grants made under the Insular Areas Program in § 570.405 and § 570.440 with the exception of § 570.612. The absence of mention herein of any other statute for which the Secretary does not have direct enforcement responsibility is not intended to be taken as an indication that, in the Secretary's opinion, such statute or Executive Order is not applicable to activities assisted under the Act. For laws that the Secretary will treat as applicable to grants made to states under section 106(d) of the Act for purposes of the determination required to be made by the Secretary pursuant to section 104(e)(2) of the Act, see § 570.487.

(b) This subpart also sets forth certain additional program requirements which the Secretary has determined to be applicable to grants provided under the Act as a matter of administrative discretion.

(c) In addition to grants made pursuant to section 106(b) and 106(d)(2)(B) of the Act (subparts D and F, respectively), the requirements of this subpart K are applicable to grants made pursuant to sections 107 and 119 of the Act (subparts E and G, respectively), and to loans guaranteed pursuant to subpart M.

[53 FR 34456, Sept. 6, 1988, as amended at 61 FR 11477, Mar. 20, 1996; 72 FR 12536, Mar. 15, 2007]

§ 570.601 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.

(a) The following requirements apply according to sections 104(b) and 107 of the Act:

(1) Public Law 88-352, which is title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*), and implementing regulations in 24 CFR part 1.

(2) Public Law 90-284, which is the Fair Housing Act (42 U.S.C. 3601-3620). In accordance with the Fair Housing Act, the Secretary requires that grantees administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant under subpart D of this part, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to assume the responsibility of fair housing planning by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard.

(b) Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652; 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR part 107, also apply.

[61 FR 11477, Mar. 20, 1996]

§ 570.602 Section 109 of the Act.

Section 109 of the Act requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section

504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR part 6.

[64 FR 3802, Jan. 25, 1999]

§ 570.603 Labor standards.

(a) Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance received under the Act. In accordance with section 110(a) of the Act, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) also applies. However, these requirements apply to the rehabilitation of residential property only if such property contains not less than 8 units.

(b) The regulations in 24 CFR part 70 apply to the use of volunteers.

[61 FR 11477, Mar. 20, 1996]

§ 570.604 Environmental standards.

For purposes of section 104(g) of the Act, the regulations in 24 CFR part 58 specify the other provisions of law which further the purposes of the National Environmental Policy Act of 1969, and the procedures by which grantees must fulfill their environmental responsibilities. In certain cases, grantees assume these environmental review, decision making, and action responsibilities by execution of grant agreements with the Secretary.

[61 FR 11477, Mar. 20, 1996]

§ 570.605 National Flood Insurance Program.

Notwithstanding the date of HUD approval of the recipient's application (or, in the case of grants made under subpart D of this part or HUD-administered small cities recipients in Hawaii, the date of submission of the grantee's consolidated plan, in accordance with 24 CFR part 91), section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR parts 59 through 79 apply to funds provided under this part 570.

[61 FR 11477, Mar. 20, 1996]

§ 570.606 Displacement, relocation, acquisition, and replacement of housing.

(a) *General policy for minimizing displacement.* Consistent with the other goals and objectives of this part, grantees (or States or state recipients, as applicable) shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities assisted under this part.

(b) *Relocation assistance for displaced persons at URA levels.* (1) A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24, which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

(2) *Displaced person.* (i) For purposes of paragraph (b) of this section, the term " *displaced person* " means any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of

rehabilitation, demolition, or acquisition for an activity assisted under this part. A permanent, involuntary move for an assisted activity includes a permanent move from real property that is made:

(A) After notice by the grantee (or the state recipient, if applicable) to move permanently from the property, if the move occurs after the initial official submission to HUD (or the State, as applicable) for grant, loan, or loan guarantee funds under this part that are later provided or granted.

(B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity.

(C) Before the date described in paragraph (b)(2)(i)(A) or (B) of this section, if either HUD or the grantee (or State, as applicable) determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

(D) After the "initiation of negotiations" if the person is the tenant-occupant of a dwelling unit and any one of the following three situations occurs:

(*1*) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/complex upon the completion of the project, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income; or

(*2*) The tenant is required to relocate temporarily for the activity but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable; and the tenant does not return to the building/complex; or

(*3*) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) Notwithstanding the provisions of paragraph (b)(2)(i) of this section, the term " *displaced person* -" does not include:

(A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, the grantee (or State or state recipient, as applicable) must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;

(B) A person who moves into the property after the date of the notice described in paragraph (b)(2)(i)(A) or (B) of this section, but who received a written notice of the expected displacement before occupancy.

(C) A person who is not displaced as described in 49 CFR 24.2(g)(2).

(D) A person who the grantee (or State, as applicable) determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.

(iii) A grantee (or State or state recipient, as applicable) may, at any time, request HUD to determine whether a person is a displaced person under this section.

(3) *Initiation of negotiations.* For purposes of determining the type of replacement housing assistance to be provided under paragraph (b) of this section, if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property, the term " *initiation of negotiations* " means the

execution of the grant or loan agreement between the grantee (or State or state recipient, as applicable) and the person owning or controlling the real property.

(c) *Residential anti-displacement and relocation assistance plan.* The grantee shall comply with the requirements of 24 CFR part 42, subpart B.

(d) *Optional relocation assistance.* Under section 105(a)(11) of the Act, the grantee may provide (or the State may permit the state recipient to provide, as applicable) relocation payments and other relocation assistance to persons displaced by activities that are not subject to paragraph (b) or (c) of this section. The grantee may also provide (or the State may also permit the state recipient to provide, as applicable) relocation assistance to persons receiving assistance under paragraphs (b) or (c) of this section at levels in excess of those required by these paragraphs. Unless such assistance is provided under State or local law, the grantee (or state recipient, as applicable) shall provide such assistance only upon the basis of a written determination that the assistance is appropriate (see, e.g., 24 CFR 570.201(i), as applicable). The grantee (or state recipient, as applicable) must adopt a written policy available to the public that describes the relocation assistance that the grantee (or state recipient, as applicable) has elected to provide and that provides for equal relocation assistance within each class of displaced persons.

(e) *Acquisition of real property.* The acquisition of real property for an assisted activity is subject to 49 CFR part 24, subpart B.

(f) *Appeals.* If a person disagrees with the determination of the grantee (or the state recipient, as applicable) concerning the person's eligibility for, or the amount of, a relocation payment under this section, the person may file a written appeal of that determination with the grantee (or state recipient, as applicable). The appeal procedures to be followed are described in 49 CFR 24.10. In addition, a low- or moderate-income household that has been displaced from a dwelling may file a written request for review of the grantee's decision to the HUD Field Office. For purposes of the State CDBG program, a low- or moderate-income household may file a written request for review of the state recipient's decision with the State.

(g) *Responsibility of grantee or State.* (1) The grantee (or State, if applicable) is responsible for ensuring compliance with the requirements of this section, notwithstanding any third party's contractual obligation to the grantee to comply with the provisions of this section. For purposes of the State CDBG program, the State shall require state recipients to certify that they will comply with the requirements of this section.

(2) The cost of assistance required under this section may be paid from local public funds, funds provided under this part, or funds available from other sources.

(3) The grantee (or State and state recipient, as applicable) must maintain records in sufficient detail to demonstrate compliance with the provisions of this section.

(Approved by the Office of Management and Budget under OMB control number 2506-0102)

[61 FR 11477, Mar. 20, 1996, as amended at 61 FR 51760, Oct. 3, 1996]

§ 570.607 Employment and contracting opportunities.

To the extent that they are otherwise applicable, grantees shall comply with:

(a) Executive Order 11246, as amended by Executive Orders 11375, 11478, *12086,* and 12107 (3 CFR 1964-1965 Comp. p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970., p. 803; 3 CFR, 1978 Comp., p. 230; 3 CFR, 1978 Comp., p. 264 (Equal Employment Opportunity), and Executive Order 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations), 67 FR 77141, 3 CFR, 2002 Comp., p. 258; and the implementing regulations at 41 CFR chapter 60; and

(b) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

[68 FR 56405, Sept. 30, 2003]

§ 570.608 Lead-based paint.

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this part apply to activities under this program.

[64 FR 50226, Sept. 15, 1999]

§ 570.609 Use of debarred, suspended or ineligible contractors or subrecipients.

The requirements set forth in 24 CFR part 5 apply to this program.

[61 FR 5209, Feb. 9, 1996]

§ 570.610 Uniform administrative requirements and cost principles.

The recipient, its agencies or instrumentalities, and subrecipients shall comply with the policies, guidelines, and requirements of 24 CFR part 85 and 2 CFR PART 200 as applicable, as they relate to the acceptance and use of Federal funds under this part. The applicable sections of 24 CFR parts 84 and 85 are set forth at § 570.502.

[2] See footnote 1 at § 570.200(a)(5).

[60 FR 56916, Nov. 9, 1995]

§ 570.611 Conflict of interest.

(a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)).

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995]

§ 570.612 Executive Order 12372.

(a) *General.* Executive Order 12372, Intergovernmental Review of Federal Programs, and the Department's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to the CDBG Entitlement program and the UDAG program. The Executive Order applies to all activities proposed to be assisted under UDAG, but it applies to the Entitlement program only where a grantee proposes to use funds for the planning or construction

(reconstruction or installation) of water or sewer facilities. Such facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement. It is the responsibility of the grantee to initiate the Executive Order review process if it proposes to use its CDBG or UDAG funds for activities subject to review.

§ 570.613 Eligibility restrictions for certain resident aliens.

(a) *Restriction.* Certain newly legalized aliens, as described in 24 CFR part 49, are not eligible to apply for benefits under covered activities funded by the programs listed in paragraph (e) of this section. “Benefits” under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities made available under covered activities funded by programs listed in paragraph (e) of this section. “Benefits” do not include relocation services and payments to which displacees are entitled by law.

(b) *Covered activities.* “Covered activities” under this section means activities meeting the requirements of § 570.208(a) that either:

(1) Have income eligibility requirements limiting the benefits exclusively to low and moderate income persons; or

(2) Are targeted geographically or otherwise to primarily benefit low and moderate income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons on the basis of an application.

(c) *Limitation on coverage.* The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this section.

(d) *Compliance.* Compliance can be accomplished by obtaining certification as provided in 24 CFR 49.20.

(e) *Programs affected.* (1) The Community Development Block Grant program for small cities, administered under subpart F of part 570 of this title until closeout of the recipient's grant.

(2) The Community Development Block Grant program for entitlement grants, administered under subpart D of part 570 of this title.

(3) The Community Development Block Grant program for States, administered under subpart I of part 570 of this title until closeout of the unit of general local government's grant by the State.

(4) The Urban Development Action Grants program, administered under subpart G of part 570 of this title until closeout of the recipient's grant.

[55 FR 18494, May 2, 1990]

§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.

(a) The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of “residential structure” as defined in 24 CFR 40.2 or the definition of “building” as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

(b) The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

[60 FR 56917, Nov. 9, 1995]

UPDATE: Effective March 2015

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance supersedes, consolidates and streamlines requirements from 8 OMB Circulars referenced in Exhibit D - CDBG Regulations and Other Program Requirements:

A - 21	A - 110
A - 87	A - 122
A - 89	A - 133
A - 102	A – 50

To view Notice SD-2015-01 Issued by the U.S. Department of Housing and Urban Development, please visit the following link:

www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf

Exhibit E

Audit Findings or Exceptions

(N/A - No audit findings or exceptions)

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, on a Resolution Approving the FY 2026 Final Workplan for the Hidalgo County Urban County Program. [Monica Gomez, Director of Planning]

STAFF COMMENTS AND RECOMMENDATIONS:

The proposed resolution approves the FY 2026 Final Workplan for the Hidalgo County Urban County Program, detailing the use of CDBG funds for eligible infrastructure, public service, and facility improvement projects benefiting low - to moderate - income residents.

Street Improvements Project FY 2026
Based on area eligibility and current street conditions, staff recommends that the FY 2026 Urban County Program funds be allocated for street repaving improvements at Los Laureles Estates in the following areas:
Guadalupe Drive (from San Francisco to San Ramon Street)
San Ramon Street (from Guadalupe Drive to Santa Fe Drive)

FY 2026 Funding Allocation
For Fiscal Year 2026, the City of San Juan was awarded a total of $279,996.00 in CDBG funds. The allocation is as follows:
General Administration: $3,000.00
Street Improvements: $247,996.00
Senior Services — Amigos Del Valle, Inc.: $10,000.00
Senior Services — Lower Rio Grande Valley Development Council: $5,000.00
Health Services — Nuestra Clinica Del Valle, Inc.: $10,000.00
Abused and Neglected Children — Children's Advocacy Center of Hidalgo and Starr Countries: $5,000.00

RECOMMENDATION:

Staff recommends approval of the Final Workplan as presented.

PREPARED BY:
Monica Gomez,
Interim Director of
Planning

APPROVED BY:
Ruben Guajardo, City
Manager

City/Precinct Name
WORKPLAN SUMMARY SHEET
FISCAL YEAR 2026

AVAILABLE FUNDS: $279,996.00

MATRIX CODE	PROJECT NAME BRIEF DISCRIPTION (INCLUDE AGENCY NAME)	ESTIMATED AMOUNT
21A	**General Administration**	$3,000.00
03K	**Street Improvements**	$246,996.00
05A	**Senior Services** - Amigos Del Valle, Inc.	$10,000.00
05A	**Senior Services** - LRGVDC	$5,000.00
05M	**Health Services** - Nuestra Clinica Del Valle, Inc.	$10,000.00
05N	**Abused & Neglected Children** - Children's Advocacy Center	$5,000.00
		$ -
	TOTAL:	**$ 279,996.00**

*** UCP will Fill in Matrix Codes**

CITY OF SAN JUAN
WORKPLAN PROJECT SHEET
FY 2026

Project Name: General Program Administration

Proposed Budget: $3,000.00

National Objective: LMA
Matrix Code: 21A

(Check One)

X	Benefits low/moderate income
	Prevention/elimination of slum & blight
	Meets an urgent need

Project Description: Funds shall be used for expenses related to compliance with CDBG requirements including but not limited to advertisements, postings and coordinating eligible projects.

Project Location: 512 S. Nebraska Avenue
San Juan, TX 78589

SECTION II

Primary Purpose: (Check One)

	Help the homeless		Helps Persons with HIV/AIDS
	Help persons with disabilities		Address public housing needs
X	Not applicable		

Priority Need Category: (Check One)

	Rental Housing		Public facility
	Owner Occupied Housing		Infrastructure
	Economic Development		Public Service
X	Plannign/Adminstration		Other

If Public Services: (Number of Beneficiaries)

	Youth	N/A	People (General)
	Elderly		

SECTION III

Specific Objectives: (Check all that apply)

_____	Improved access to affordable owner housing for minorities
_____	Increase number of homeless persons moving into permanent housing
_____	End chronic homelessness
X	Improve the services to low/mod income persons
_____	Improve quality/increase quantity of neighborhood facility for low-income person
_____	Improve quality/increase quantity of public improvements for low-income persons
_____	Remediate and re-develop brownfields
_____	Improve economic opportunities for low income persons

Proposed Outcome: Project will provide the much needed street imrovements in the City of Garciaville for safe and easier access for daily commuters, school buses, emergency vehicles and Police.

Will CDBG funds be levereged?

_____ **Yes**	X **No**

If yes... list all funding sources and amounts

1 _____	Amount: _____
2 _____	Amount: _____
3 _____	Amount: _____
4 _____	Amount: _____

SECTION IV
(MUST INCLUDE WITH WORKPLAN)

Infrastructure Projects	Public Service (Sub-recipients)
_____ City map	_____ Sub recipient agency letter
_____ Flood Zone map	_____ Beneficiary count
_____ Project site photos	_____ List of minor equip./supplies

SECTION V
CERTIFICATION OF COMPLETION

DOES THE PROPOSED PROJECT MEET A NATIONAL OBJECTIVE?

X **YES**	_____ **NO**

COMPLETED BY: Monica Gomez TITLE: Interim Director of Planning

CITY OF SAN JUAN
WORKPLAN PROJECT SHEET
FY 2026

Project Name: Street Improvements

Proposed Budget: $246,996.00

National Objective: LMA
Matrix Code: 03K

(Check One)

X	Benefits low/moderate income
	Prevention/elimination of slum & blight
	Meets an urgent need

Project Description: Project consists of street paving (overlay) within the City of San Juan to include but not limited to the adjacent/abutting streets within the same general vicinity and related appurtenances. Other expenditures include professional engineering service fee, geo-technical and construction material testing fees, etc.

Project Location: Guadalupe Drive (from San Francisco Street to San Ramon Street)
San Ramon Street (from Guadalupe to Santa Fe Street)

SECTION II

Primary Purpose: (Check One)

	Help the homeless		Helps Persons with HIV/AIDS
	Help persons with disabilities		Address public housing needs
X	Not applicable		

Priority Need Category: (Check One)

	Rental Housing		Public facility
	Owner Occupied Housing	X	Infrastructure
	Economic Development		Public Service
	Plannign/Adminstration		Other

If Public Services: (Number of Beneficiaries)

	Youth	1380	People (General)
	Elderly		

SECTION III

Specific Objectives: (Check all that apply)

____	Improved access to affordable owner housing for minorities
____	Increase number of homeless persons moving into permanent housing
____	End chronic homelessness
X	Improve the services to low/mod income persons
____	Improve quality/increase quantity of neighborhood facility for low-income person
____	Improve quality/increase quantity of public improvements for low-income persons
____	Remediate and re-develop brownfields
____	Improve economic opportunities for low income persons

Proposed Outcome: Project will provide the much needed street improvements in the City of San Juan for safe and easier access for daily commuters, school buses, emergency vehicles and Police.

Will CDBG funds be levereged?

____ **Yes**	X **No**

If yes... list all funding sources and amounts

1 ____	Amount: ____
2 ____	Amount: ____
3 ____	Amount: ____
4 ____	Amount: ____

SECTION IV
(MUST INCLUDE WITH WORKPLAN)

Infrastructure Projects		Public Service (Sub-recipients)	
X	City map	____	Sub recipient agency letter
X	Flood Zone map	____	Beneficiary count
X	Project site photos	____	List of minor equip./supplies

SECTION V
CERTIFICATION OF COMPLETION

DOES THE PROPOSED PROJECT MEET A NATIONAL OBJECTIVE?

X **YES**	____ **NO**

COMPLETED BY: Monica Gomez TITLE: Interim Director of Planning

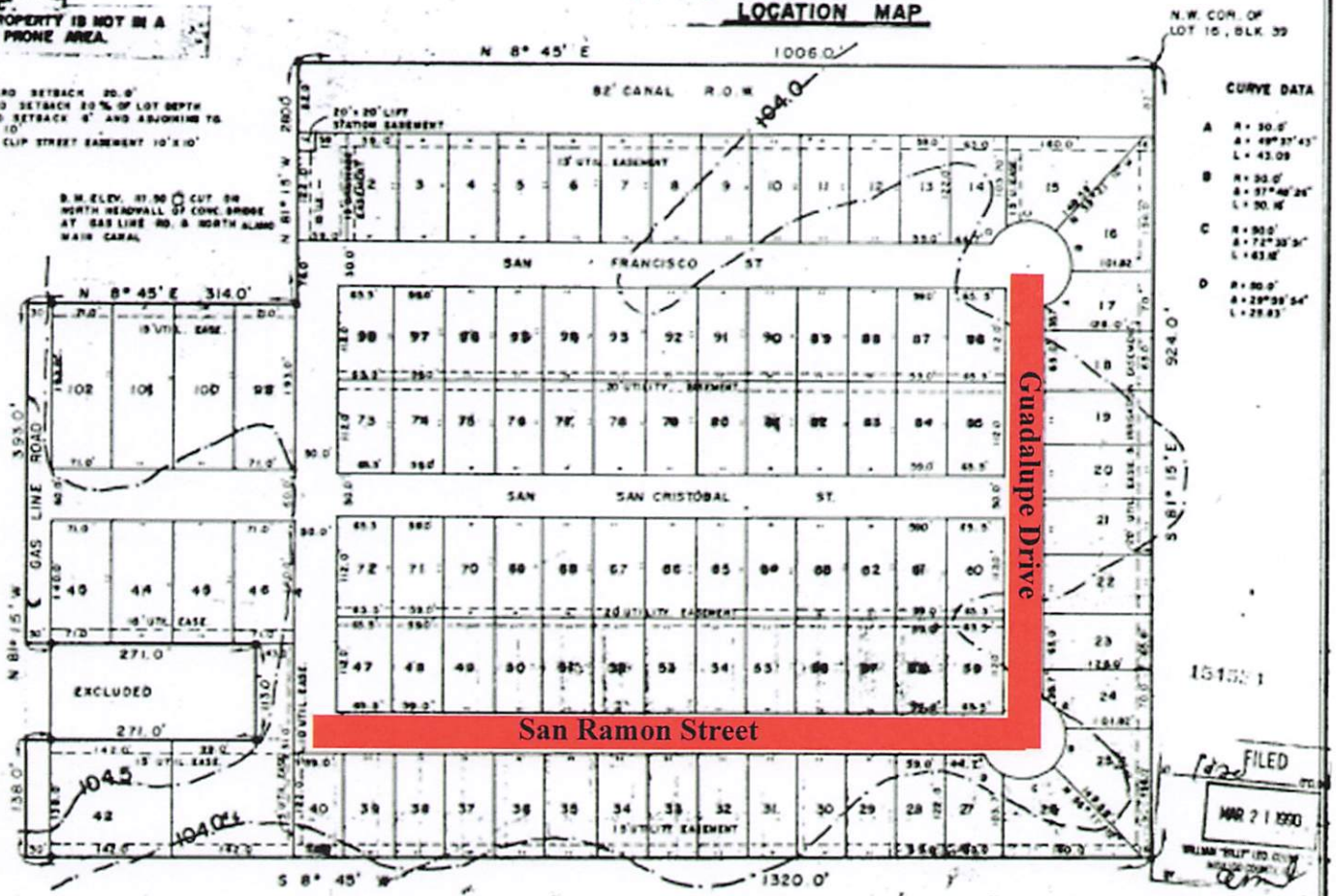
LOS LAURELES ESTATES

LOCATION MAP

SC. 1" = 100'

ZONE "C"
THIS PROPERTY IS NOT IN A FLOOD PRONE AREA.

NOTE
1. FRONTYARD SETBACK 20.0'
2. REARYARD SETBACK 20 % OF LOT DEPTH
3. SIDEYARD SETBACK 0' AND ADJOINING TO STREET 10'
4. CORNER CLIP STREET EASEMENT 10'X10'



CURVE DATA

A	R = 30.0' Δ = 49° 37' 43" L = 43.09
B	R = 30.0' Δ = 57° 46' 26" L = 30.16'
C	R = 80.0' Δ = 72° 33' 34" L = 63.16'
D	R = 80.0' Δ = 29° 08' 54" L = 29.83'

FILED
MAR 21 1990

LOS LAURELES ESTATES

SAN JUAN, TEXAS

STATE OF TEXAS:
COUNTY OF HIDALGO:

KNOW ALL MEN BY THESE PRESENTS:

THAT I, DIAMOND H.D. INC., OWNER, OF THE LANDS HEREIN DESCRIBED, HAVING CAUSED SAME TO BE SUBDIVIDED AS SHOWN HEREON, DO HEREBY ACCEPT, ADOPT AND APPROVE THE AFORESAID MAP OF SAID SUBDIVISION OF SAID LANDS AND DO HEREBY DEDICATE TO THE PUBLIC USE OF AND AS EASEMENT INTO THE STREETS AND ALLEYS SHOWN THEREON, THERE ARE RESERVED OVER, UNDER, AND ACROSS THE STREETS AND ALLEYS SHOWN THEREON, EASEMENTS FOR WATER, SEWER, TELEPHONE, TELEGRAPH, ELECTRIC LINES, AND OTHER PUBLIC UTILITIES. SUCH EASEMENTS ARE RESERVED TO THE CITY OF SAN JUAN OR THOSE TO WHOM SAID CITY MAY HEREAFTER GRANT FRANCHISE.

Hector Garcia I PRESIDENT

STATE OF TEXAS:
COUNTY OF HIDALGO:

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED Hector Garcia KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME FOR THE PURPOSE AND CONSIDERATIONS THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 14 DAY OF July 1987

NOE GARZA
Notary Public
STATE OF TEXAS
My Comm. Exp. Sept. 30, 1989

NOTARY PUBLIC IN AND FOR Hidalgo COUNTY, TEXAS
MY COMMISSION EXPIRES Sept 30 1989

APPROVAL BY PLANNING AND ZONING COMMISSION

I, ALBERTO MUÑOZ, CHAIRMAN OF THE PLANNING AND ZONING COMMISSION, HEREBY CERTIFY THAT THE SUBDIVISION PLAT CONFORMS TO REQUIREMENTS OF THE SUBDIVISION REGULATION OF THE CITY OF SAN JUAN.

Alberto Muñoz

APPROVED FOR RECORDING
HIDALGO CO. PLANNING DEPT.
BY 3-20-90

DATE

APPROVAL BY CITY COMMISSION
APPROVED AND ACCEPTED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ON THIS THE 2 DAY OF Feb 1990

Arturo Hurtado
MAYOR

ATTEST:
Victoria Lozano
CITY SECRETARY

I, NOE GARZA, P.E., A REGISTERED PROFESSIONAL ENGINEER/REGISTERED PUBLIC SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE A TRUE AND CORRECT REPRESENTATION OF THE SUBDIVISION OF THE LANDS HEREIN DESCRIBED AS SURVEYED ON THE GROUND AND SUBDIVIDED UNDER MY DIRECTION.

Noe Garza, P.E. & R.P.S.
NOE GARZA, P.E.
REG. PROFESSIONAL ENGINEER NO. 30466
REG. PUBLIC SURVEYOR NO. 2589
3-3-87

Recorded in Book 26 Page 97 of the map records of Hidalgo County, Texas
Jackie Reed, Jr.
County Surveyor

THIS PLAT IS HEREBY APPROVED BY HIDALGO COUNTY IRRIGATION DISTRICT NO. 9 SUBJECT TO THE CONDITION THAT IF SUBDIVISION FRONT SAID DISTRICT IS ASSIGNED TO THE SUBDIVISION, LOTS IN SAID SUBDIVISION, PROVISION SHALL BE MADE FOR APPROPRIATE EASEMENTS FOR THE INSTALLATION OF NECESSARY IRRIGATION FACILITIES TO SUCH LOTS FROM THE CLOSEST WATER DISTRICT DELIVERY POINT AND IT SHALL BE THE RESPONSIBILITY OF THE OWNER OF THE PROPERTY TO INSTALL SUCH NECESSARY FACILITIES.

Approved December 7, 1987

Ed Miller
PRESIDENT, HIDALGO COUNTY IRRIGATION DISTRICT NO. 9

CHECKED FOR DRAINAGE

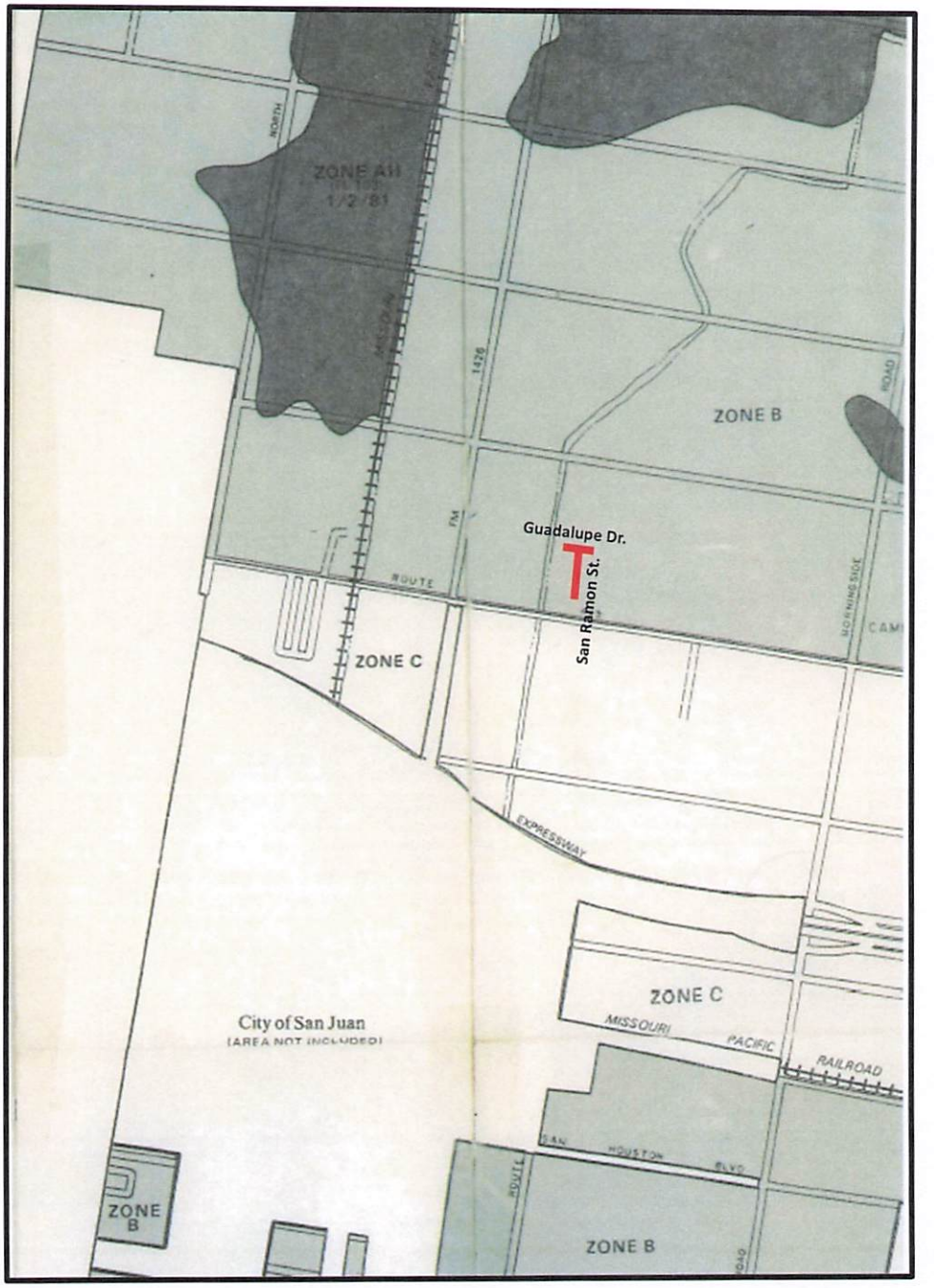
By: Larry Lewis

NOE GARZA ENGINEERS – MCALLEN TEXAS – 687-4201

HIDALGO COUNTY FEMA MAP

COMMUNITY PANEL NUMBER 480334 0425 C

MAP REVISED: NOVEMBER 16, 1982



NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP

HIDALGO COUNTY, TEXAS
(UNINCORPORATED AREA)

PANEL 425 OF 525
(SEE MAP INDEX FOR PANELS NOT PRINTED)

COMMUNITY-PANEL NUMBER
480334 0425 C

MAP REVISED:
NOVEMBER 16, 1982

federal emergency management agency

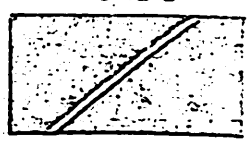
"F" FRAME

KEY TO MAP

500-Year Flood Boundary ———— ZONE B

100-Year Flood Boundary ————

Zone Designations* With Date of Identification e.g., 12/2/74



100-Year Flood Boundary ———— ZONE B

500-Year Flood Boundary ————

Base Flood Elevation Line With Elevation In Feet** ——513——

Base Flood Elevation in Feet Where Uniform Within Zone** (EL 987)

Elevation Reference Mark RM7×

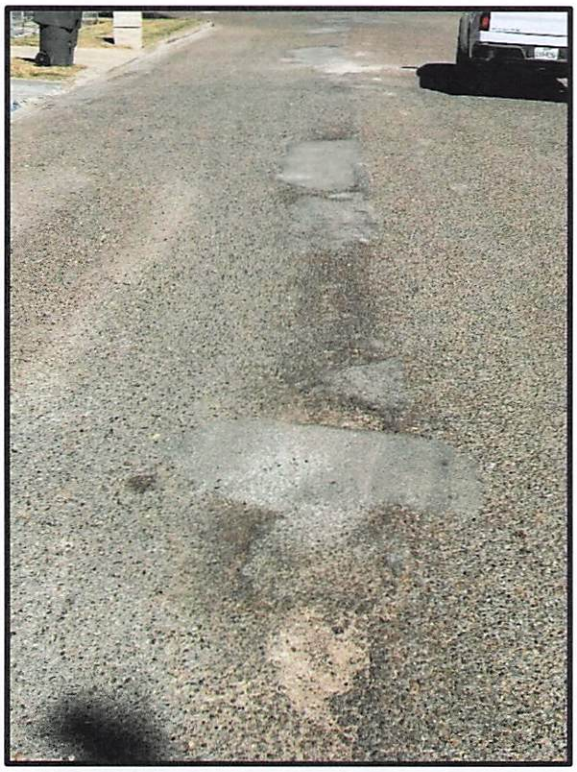
River Mile • M1.5

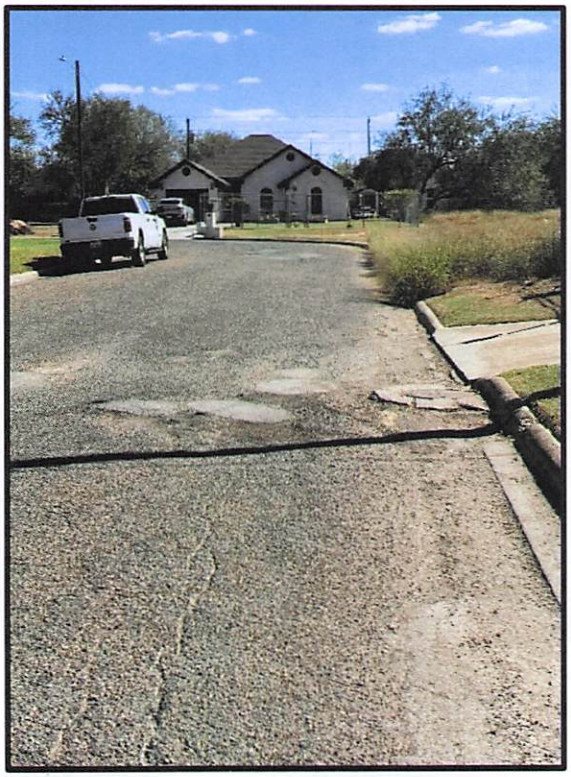
**Referenced to the National Geodetic Vertical Datum of 1929

*EXPLANATION OF ZONE DESIGNATIONS

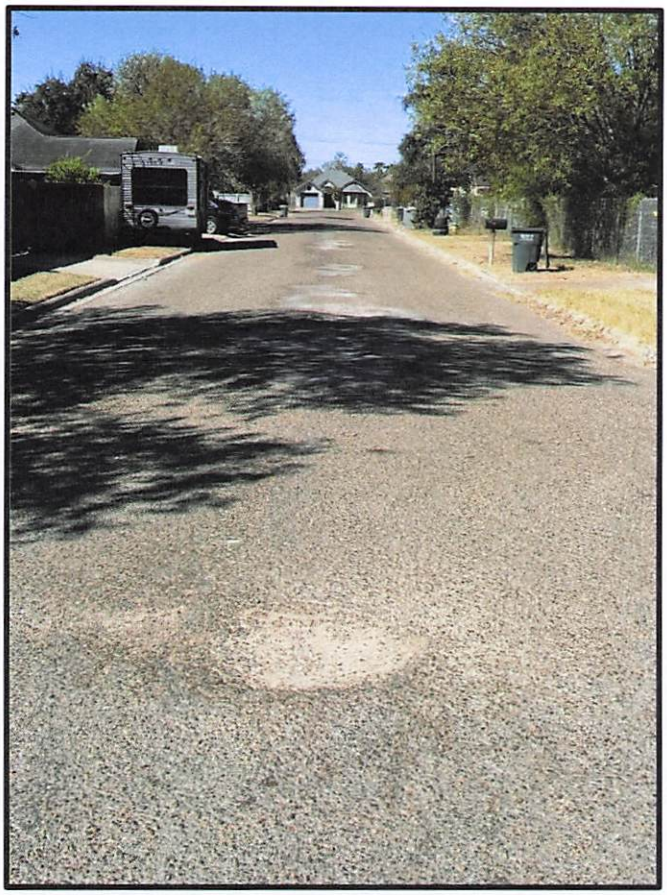
ZONE	EXPLANATION
A	Areas of 100-year flood; base flood elevations and flood hazard factors not determined.
AO	Areas of 100-year shallow flooding where depths are between one (1) and three (3) feet; average depths of inundation are shown, but no flood hazard factors are determined.
AH	Areas of 100-year shallow flooding where depths are between one (1) and three (3) feet; base flood elevations are shown, but no flood hazard factors are determined.
A1-A30	Areas of 100-year flood; base flood elevations and flood hazard factors determined.
A99	Areas of 100-year flood to be protected by flood protection system under construction; base flood elevations and flood hazard factors not determined.
B	Areas between limits of the 100-year flood and 500-year flood; or certain areas subject to 100-year flooding with average depths less than one (1) foot or where the contributing drainage area is less than one square mile; or areas protected by levees from the base flood. (Medium shading)
C	Areas of minimal flooding. (No shading)
D	Areas of undetermined, but possible, flood hazards.
V	Areas of 100-year coastal flood with velocity (wave action); base flood elevations and flood hazard factors not determined.
V1-V30	Areas of 100-year coastal flood with velocity (wave action); base flood elevations and flood hazard factors determined.

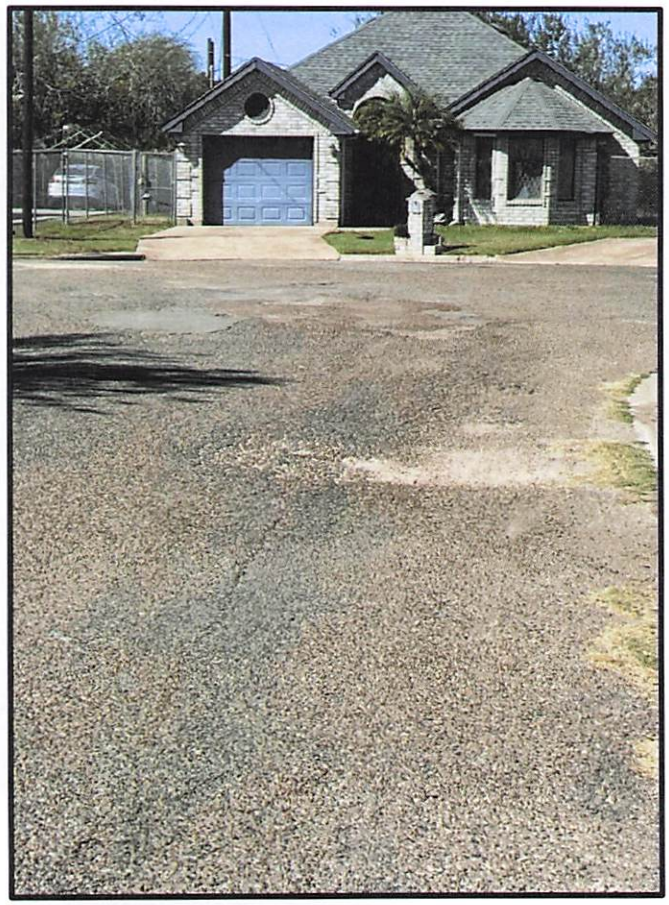
LOS LAURELES ESTATES SUBDIVISION
Street Improvements Project FY 2026
SAN ROMAN STREET





LOS LAURELES ESTATES SUBDIVISION
Street Improvements Project FY 2026
GUADALUPE DRIVE





Date: November 7, 2025
Location: City of San Juan, Texas

OPINION OF PROBABLE CONSTRUCTION COST ESTIMATE
CITY OF SAN JUAN GUADALUPE DRIVE & SAN RAMON STREET IMPROVEMENTS
PRELIMINARY

BASE BID

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	ITEM TOTAL
	Miscellaneous				
1	MOBILIZATION	1	LS	$ 20,000.00	$ 20,000.00
2	BARRICADES, SIGNS, & TRAFFIC HANDLING	1	LS	$ 5,000.00	$ 5,000.00
				Subtotal	$ 25,000.00
	Guadalupe Drive ± 640 LF (From Guadalupe Dr to San Ramon St)				
3	MILL EXIST. ROADWAY (ASPH)(2")	2,067	SY	$ 13.00	$ 26,869.56
4	PRIME COAT (MC-30)(0.2 GAL/SY)	413	GAL	$ 8.00	$ 3,307.02
5	2" HMAC TYPE D	2,067	SY	$ 19.00	$ 39,270.89
6	BASE REPAR WITH FLEXIBLE BASE (8" DEPTH)	1,033	SY	$ 18.00	$ 18,602.00
7	CURB AND GUTTER REPLACEMENT	128	LF	$ 22.00	$ 2,816.00
8	CURB INLET GRAVEL FILTER	40	LF	$ 10.00	$ 400.00
				Subtotal	$ 91,265.47
	San Ramon St ± 900 LF (From San Ramon St to Santa Fe Dr)				
9	MILL EXIST. ROADWAY (ASPH)(2")	3,008	SY	$ 13.00	$ 39,104.00
10	PRIME COAT (MC-30)(0.2 GAL/SY)	602	GAL	$ 8.00	$ 4,812.80
11	2" HMAC TYPE D	3,008	SY	$ 19.00	$ 57,152.00
12	BASE REPAR WITH FLEXIBLE BASE (8" DEPTH)	1,504	SY	$ 18.00	$ 27,072.00
13	CURB AND GUTTER REPLACEMENT	180	LF	$ 22.00	$ 3,960.00
				Subtotal	$ 132,100.80
				CIVIL CONSTRUCTION TOTAL	**$ 248,366.27**

ESTIMATED PROJECT TOTAL: $ 248,366.27 GRAND TOTAL

The engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Engineer at this time and represent only the Engineer's judgement as a design professional familiar with the construction industry. The engineer cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

CITY OF SAN JUAN
WORKPLAN PROJECT SHEET
FY 2026

Project Name: Senior Services - Amigos Del Valle, Inc.

Proposed Budget: $10,000.00

National Objective: LMC
Matrix Code: 05A

(Check One)

X	Benefits low/moderate income
	Prevention/elimination of slum & blight
	Meets an urgent need

Project Description: Project expenditures inlclude continued financial support to continue providing much need meals to the homebound seniors to assistant them to continue living as healthy, independent, productive and self-sufficient lives as possible.

Project Location: Nutrition Center/Senior Center
600 W. 1st Street, San Juan, TX 78589

SECTION II

Primary Purpose: (Check One)

	Help the homeless		Helps Persons with HIV/AIDS
	Help persons with disabilities		Address public housing needs
X	Not applicable		

Priority Need Category: (Check One)

	Rental Housing		Public facility
	Owner Occupied Housing		Infrastructure
	Economic Development	X	Public Service
	Plannign/Adminstration		Other

If Public Services: (Number of Beneficiaries)

	Youth		People (General)
X	Elderly		

SECTION III

Specific Objectives: (Check all that apply)

____	Improved access to affordable owner housing for minorities
____	Increase number of homeless persons moving into permanent housing
____	End chronic homelessness
X	Improve the services to low/mod income persons
____	Improve quality/increase quantity of neighborhood facility for low-income person
____	Improve quality/increase quantity of public improvements for low-income persons
____	Remediate and re-develop brownfields
____	Improve economic opportunities for low income persons

Proposed Outcome: Project will provide the much needed street improvements in the City of San Juan for safe and easier access for daily commuters, school buses, emergency vehicles and Police.

Will CDBG funds be levereged?

____	**Yes**	X	**No**

If yes... list all funding sources and amounts

1	____	Amount:	____
2	____	Amount:	____
3	____	Amount:	____
4	____	Amount:	____

SECTION IV
(MUST INCLUDE WITH WORKPLAN)

Infrastructure Projects		Public Service (Sub-recipients)	
____	City map	X	Sub recipient agency letter
____	Flood Zone map	X	Beneficiary count
____	Project site photos	____	List of minor equip./supplies

SECTION V
CERTIFICATION OF COMPLETION

DOES THE PROPOSED PROJECT MEET A NATIONAL OBJECTIVE?

X	**YES**	____	**NO**

COMPLETED BY: Monica Gomez TITLE: Interim Director of Planning

AMIGOS
DEL VALLE, INC.
"Providing 50 Years of Service"
1974 - 2025

212 W. 18TH ST.
MISSION, TX 78572
Phone: (956) 213-9400
Fax: (956) 213-8119
www.advrgv.org

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Mario Tijerina
Commissioner, Willacy County

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Commissioner, City of San Juan

Juan J. Barrios
Banking / Finance

Executive Director - Amigos Del Valle, Inc.
Alejandro Guerra

September 8, 2025

Mr. Tirso Garza
Interim City Manager
City of San Juan
709 S. Nebraska
San Juan, TX 78589

Re: Letter of request for CDBG Funds FY 2026-2027

Dear Mr. Garza,

Amigos Del Valle, Inc.is respectfully requesting $10,000 in CDBG funds for Fiscal Year 2026-2027 These funds will continue to be utilized to provide home delivered meals to 09 eligible citizens for 165 days that reside within the **City of San Juan area.**

With your continued financial support, we will be able to continue providing much needed meals to the homebound seniors to assist them to continue living as healthy, independent, productive and self-sufficient lives as possible.

Please be assured that we are very grateful for your proven generous, valuable financial and moral support for our agency's projects throughout our Fifty (50) years of experience.

If you have any questions or concerns, please do not hesitate to contact us at (956)213-9400 or by email:

Alejandro Guerra, Executive Director: aguerra@advrgv.org
Dianira Gonzalez, Nutrition Coordinator: dgonzalez@advrgv.org
Ayssa DeAlejandro, Nutrition Clerk: adealejandro@advrgv.org

Alejandro Guerra
Executive Director

AG/AD

EQUAL HOUSING OPPORTUNITY

CITY OF SAN JUAN
WORKPLAN PROJECT SHEET
FY 2026

Project Name: Senior Services - Lower Rio Grande Valley Development Council

Proposed Budget: $5,000.00

National Objective: LMC

Matrix Code: 05A

(Check One)

X	Benefits low/moderate income
	Prevention/elimination of slum & blight
	Meets an urgent need

Project Description: Project expenditures is to support the senior services initiative. The request funds wuold help expand Health Maintenance and Homemaker Services for Disable Residents, reducing waiting lists and supporting disabled individual's ability to remain independent and safe in their homes.

Project Location: 301 W. Railroad Street
Weslaco, TX 78596

SECTION II

Primary Purpose: (Check One)

	Help the homeless		Helps Persons with HIV/AIDS
	Help persons with disabilities		Address public housing needs
X	Not applicable		

Priority Need Category: (Check One)

	Rental Housing		Public facility
	Owner Occupied Housing		Infrastructure
	Economic Development	X	Public Service
	Plannign/Adminstration		Other

If Public Services: (Number of Beneficiaries)

	Youth		People (General)
X	Elderly		

SECTION III

Specific Objectives: (Check all that apply)

____	Improved access to affordable owner housing for minorities
____	Increase number of homeless persons moving into permanent housing
____	End chronic homelessness
X	Improve the services to low/mod income persons
____	Improve quality/increase quantity of neighborhood facility for low-income person
____	Improve quality/increase quantity of public improvements for low-income persons
____	Remediate and re-develop brownfields
____	Improve economic opportunities for low income persons

Proposed Outcome: Project expenditures is to assist senior citizens with medications, nutritional supplements and medical equipment. Provide light housekeeping, meal prep and essential errands for older adults.

Will CDBG funds be levereged?

____ **Yes**	X **No**

If yes... list all funding sources and amounts

1 ____	Amount: ____
2 ____	Amount: ____
3 ____	Amount: ____
4 ____	Amount: ____

SECTION IV
(MUST INCLUDE WITH WORKPLAN)

Infrastructure Projects		Public Service (Sub-recipients)	
____	City map	X	Sub recipient agency letter
____	Flood Zone map	X	Beneficiary count
____	Project site photos	____	List of minor equip./supplies

SECTION V
CERTIFICATION OF COMPLETION

DOES THE PROPOSED PROJECT MEET A NATIONAL OBJECTIVE?

X **YES**	____ **NO**

COMPLETED BY: Monica Gomez ____ TITLE: Interim Director of Planning ____

Lower Rio Grande Valley Development Council

Mayor Norie Gonzalez Garza Mission ..... President
Judge Aurelio Guerra, Willacy County ..... 1st Vice President
Mayor John Cowen, Jr, Brownsville ..... 2nd Vice President
Mayor Ramiro Garza, Edinburg ..... Secretary
Mayor Norma Sepulveda, Harlingen ..... Treasurer

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Javier Villalobos
Mayor, McAllen

Alejandro Flores
Mayor, Los Fresnos

Ambrosio "Amos" Hernandez
Mayor, Pharr

Edward Gonzales
Commissioner, Raymondville

Ricardo "Rick" Guerra
Mayor, San Benito

Marco "Markie" Villegas
Commissioner, San Juan

Veronica Gonzales
UT Rio Grande Valley

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South Texas College

Luke Lucio
Texas State Technical College

Troy Allen
Delta Lake Irrigation District

Ronald Mills
Willacy County Navigation District

Jim Darling
Member-at -Large

Oscar Garcia
Member-at-Large

Andres Chavez
Member-at-Large

Lupita Sanchez Martinez
Grassroots Organizations

EXECUTIVE DIRECTOR
Manuel "Manny" Cruz

Greetings,

On behalf of the Lower Rio Grande Valley Development Council (LRGVDC) **and its** Aging and Disability Resource Center (ADRC) **program,** we are pleased **to submit this** Letter of Intent **requesting** $30,000 in funding **through the** City of San Juan's Community Development Block Grant (CDBG) Program **to support our senior services initiative.** The requested funds would help expand **Health Maintenance** and **Homemaker Services** for **Disabled Residents**, reducing waiting lists and supporting disabled individuals' ability to remain independent and safe in their homes.

Proposed Services:

- **Health Maintenance Services:** Assistance with medications, nutritional supplements, diabetic footwear, grab bars, and other durable medical equipment that promote health and safety.
- **Homemaker Services:** Light housekeeping, meal preparation, and essential errands for older adults unable to perform daily tasks due to health limitations.

These services directly enhance well-being, prevent unnecessary hospitalizations, and improve the overall quality of life for vulnerable seniors in our community. We anticipate serving **30 low-income individuals with disabilities** in San Juan through this funding. We sincerely appreciate the City of San Juan's commitment to supporting aging residents and their families. Thank you for this opportunity to collaborate in strengthening local services for disabled individuals.

Best regards,

Margarita Lopez, MSW, C.P.C
Director II
Health and Human Services
LRGVDC - Area Agency on Aging
301 w. Railroad
Weslaco Texas, 78596

Rolando Florez
Program Supervisor
Health and Human Services
LRGVDC – Area Agency on Aging
301 w. Railroad
Weslaco Texas, 78596

CITY OF SAN JUAN
WORKPLAN PROJECT SHEET
FY 2026

Project Name: Health Services - Nuestra Clinica Del Valle, Inc.

Proposed Budget: $10,000.00

National Objective: LMC

Matrix Code: 05M

(Check One)

X	Benefits low/moderate income
	Prevention/elimination of slum & blight
	Meets an urgent need

Project Description: Project expenditures include providing medical, dental and behavioral services to uninsured, economically disadvantaged residents in the San Juan area. NCDV will provide medical services to 75 adults and children without all these services.

Project Location: 801 W. 1st Street, San Juan, TX 78589
P.O. Box 1689, Pharr, TX 78577

SECTION II

Primary Purpose: (Check One)

X	Help the homeless		Helps Persons with HIV/AIDS
X	Help persons with disabilities		Address public housing needs
	Not applicable		

Priority Need Category: (Check One)

	Rental Housing		Public facility
	Owner Occupied Housing		Infrastructure
	Economic Development	X	Public Service
	Plannign/Adminstration		Other

If Public Services: (Number of Beneficiaries)

	Youth	X	People (General)
	Elderly		

SECTION III

Specific Objectives: (Check all that apply)

____	Improved access to affordable owner housing for minorities
____	Increase number of homeless persons moving into permanent housing
____	End chronic homelessness
X	Improve the services to low/mod income persons
____	Improve quality/increase quantity of neighborhood facility for low-income person
____	Improve quality/increase quantity of public improvements for low-income persons
____	Remediate and re-develop brownfields
____	Improve economic opportunities for low income persons

Proposed Outcome: Project will provide medical, dental and behavioral services to 75 adults and children who would oetherwise have not access to these services.

Will CDBG funds be levereged?

____ **Yes** X **No**

If yes... list all funding sources and amounts

1 ____ Amount: ____

2 ____ Amount: ____

3 ____ Amount: ____

4 ____ Amount: ____

SECTION IV
(MUST INCLUDE WITH WORKPLAN)

Infrastructure Projects		Public Service (Sub-recipients)	
____	City map	X	Sub recipient agency letter
____	Flood Zone map	X	Beneficiary count
____	Project site photos	____	List of minor equip./supplies

SECTION V
CERTIFICATION OF COMPLETION

DOES THE PROPOSED PROJECT MEET A NATIONAL OBJECTIVE?

X **YES** ____ **NO**

COMPLETED BY: Monica Gomez TITLE: Interim Director of Planning

NUESTRA CLINICA DEL VALLE, INC.

ADMINISTRATIVE OFFICES
P.O. BOX 1689 PHARR, TEXAS 78577
956-787-8915

September 11, 2025

Mayor Mario Garza
City of San Juan
709 S. Nebraska
San Juan, TX 78589

Dear Mayor Garza:

Please accept this as Nuestra Clinica del Valle's letter of intent to seek funds in the amount of $10,000 from Urban County/CDBG funds for program year 39 (2026-2027).

Nuestra Clinica del Valle, Inc. (NCDV) will provide medical, dental and behavioral services to uninsured, economically disadvantaged residents in the City of San Juan. NCDV will provide medical, dental and behavioral services to 75 adults and children who would otherwise have no access to these services.

Please contact our office regarding additional information required in order to expedite our request.

Sincerely,

Lucy Torres

Lucy Torres
Chief Executive Officer

CITY OF SAN JUAN
WORKPLAN PROJECT SHEET
FY 2026

Project Name: Abuse and Neglected Children - Children's Advocacy Center of Hidalgo and Starr Counties

Proposed Budget: $5,000.00

National Objective:

Matrix Code: 05N

(Check One)

X	Benefits low/moderate income
	Prevention/elimination of slum & blight
	Meets an urgent need

Project Description: Project expenditures is to provide services to abuse and neglect children aged 2 to 17. Thorugh forensic interviews, medical evaluations, crisis interventions, victim support, and counseling services.

Project Location: 525 W. Wisconsin Rd
Edinburg, TX 78539

SECTION II

Primary Purpose: (Check One)

	Help the homeless		Helps Persons with HIV/AIDS
	Help persons with disabilities		Address public housing needs
X	Not applicable		

Priority Need Category: (Check One)

	Rental Housing		Public facility
	Owner Occupied Housing		Infrastructure
	Economic Development	X	Public Service
	Plannign/Adminstration		Other

If Public Services: (Number of Beneficiaries)

X	Youth		People (General)
	Elderly		

SECTION III

Specific Objectives: (Check all that apply)

_____	Improved access to affordable owner housing for minorities
_____	Increase number of homeless persons moving into permanent housing
_____	End chronic homelessness
X	Improve the services to low/mod income persons
_____	Improve quality/increase quantity of neighborhood facility for low-income person
_____	Improve quality/increase quantity of public improvements for low-income persons
_____	Remediate and re-develop brownfields
_____	Improve economic opportunities for low income persons

Proposed Outcome: Project will provide a safe and nurturing environment where children can feel supported as they share their experiences and begin their journey toward healing.

Will CDBG funds be levereged?

_____ **Yes** X **No**

If yes... list all funding sources and amounts

1 _____ Amount: _____

2 _____ Amount: _____

3 _____ Amount: _____

4 _____ Amount: _____

SECTION IV

(MUST INCLUDE WITH WORKPLAN)

Infrastructure Projects		Public Service (Sub-recipients)	
_____	City map	X	Sub recipient agency letter
_____	Flood Zone map	_____	Beneficiary count
_____	Project site photos	_____	List of minor equip./supplies

SECTION V

CERTIFICATION OF COMPLETION

DOES THE PROPOSED PROJECT MEET A NATIONAL OBJECTIVE?

X **YES** _____ **NO**

COMPLETED BY: Monica Gomez TITLE: Interim Director of Planning

CHILDREN'S ADVOCACY CENTER OF HIDALGO AND STARR COUNTIES

525 W. Wisconsin Rd. · Edinburg, Texas 78539 · Phone (956) 287-9754 · Fax (956) 287-9764

WWW.CACHIDALGO.ORG

Executive Officers:
Jennifer Szatz, President
Tina Martin, Vice President
Will Lowry, Treasurer
Jessica Galloso, Secretary

Hidalgo County Board Members:
Amira Kalifa
Belinda Escamilla, CPS
Carol Ann Huckaby Hinojosa
Dr. Carolina Huerta
J.E. "Eddie" Guerra, Sheriff
Lorena Castillo
Maria Elena Solemana
Murray Moore
Paola Escalante-Castillo
Providence Boneta
Ricardo "Rick" Guerrero Jr.
Toribio "Terry" Palacios, DA

Starr County Board Members:
Gocha Ramirez, DA

Executive Director:
Nadia Ochoa, MPA
Finance Director:
Daniel Sanchez

October 9, 2025

San Juan City Commissioners
512 S. Nebraska Ave.
San Juan, TX 78589

Dear Commissioners,

I hope this letter finds you well.

The Children's Advocacy Center of Hidalgo and Starr Counties (CACHS) is a nonprofit organization founded in 2000 in response to the heartbreaking loss of a two-year-old child due to abuse and neglect. Our mission is to provide a safe and nurturing environment where children can feel supported as they share their experiences and begin their journey toward healing.

We work closely with state, local, and federal law enforcement agencies, along with the Department of Family and Protective Services, to serve children aged 2 to 17. Through forensic interviews, medical evaluations, crisis intervention, victim support, and counseling services, we strive to reduce re-victimization and offer compassionate care to those in need.

At this time, we respectfully seek your support through a funding request of $10,000 to help sustain these vital services for approximately 200 children from Precinct 4. Your generosity would make a meaningful difference in the lives of these children and their families, ensuring they receive the care and justice they deserve.

Thank you very much for your consideration of our request. We deeply appreciate your ongoing commitment to the wellbeing of our community's children.

With gratitude,

Nadia Ochoa, MPA
Executive Director
Children's Advocacy Centers of Hidalgo and Starr Counties
Hope. Healing. Justice.
"Breaking the cycle of abuse one child at a time."

cactx
children's advocacy centers of texas

Backed by National Children's Alliance Accredited Member

RESOLUTION NO.

A RESOLUTION ADOPTING THE WORK PLAN AND BUDGET FOR YEAR 2026 FOR THE URBAN COUNTY PROGRAM

WHEREAS, the City of San Juan, Texas is participating in the Urban County Program; and

WHEREAS, the City of San Juan, Texas conducted a Public Hearing on Tuesday, October 14, 2025 at 6:00 p.m. at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas to solicit public input on community needs in compliance with CDBG Requirements;

NOW THEREFORE BE IT RESOLVED THAT THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, THAT:

The Urban County work plan and budget for Fiscal Year 2026 is hereby adopted as follows:

FISCAL YEAR 2026

PROGRAM ACTIVITY	**BUDGET**
General Administration	$ 3,000.00
Street Improvements	$ 247,996.00
Senior Services – Amigos del Valle, Inc.	$ 10,000.00
Senior Service – Lower Rio Grande Valley Development Council	$ 5,000.00
Health Services - Nuestra Clinica del Valle, Inc.	$ 10,000.00
Abused and Neglected Children – Children's Advocacy Center of Hidalgo County and Starr Countries	$ 5,000.00

READ, CONSIDERED and APPROVED this the 13th day of January, 2026.

_____
Mario Garza, Mayor
San Juan, Texas

ATTEST:

_____
Brenda Escalante, City Secretary
San Juan, Texas

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, on a Resolution Accepting Petition for Voluntary Annexation; Setting Dates and Times of Public Hearings; and Directing the Planning Department to Prepare a Service Plan. [Monica Gomez, Director of Planning]

STAFF COMMENTS AND RECOMMENDATIONS:

The Planning and Zoning Department proposes the adoption of a Resolution for a Voluntary Annexation Petition, establishing the dates and times for a public hearing regarding the annexation of six (6) properties, legally described as follows:

- **Lot 1** — A 6.814-acre tract of land out of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, as recorded in Volume 0, Page 43, Hidalgo County Map Records.
- **Lot 2** — A 6.039-acre tract of land out of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, as recorded in Volume 0, Page 43, Hidalgo County Map Records.
- **Lot 3** — A 4.748-acre tract of land out of Lot 55 and Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as recorded in Volume 0, Page 43, Hidalgo County Map Records.
- **Lot 4** — A 7.708-acre tract of land out of Lot 55 and Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as recorded in Volume 0, Page 43, Hidalgo County Map Records.
- **Lot 5** — A 5.936-acre tract of land out of Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as recorded in Volume 0, Page 43, Hidalgo County Map Records.
- **Lot 6** — A 6.706-acre tract of land out of Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as recorded in Volume 0, Page 43, Hidalgo County Map Records.

The property owners of the subject properties have submitted petitions for voluntary annexation to the City of San Juan. The proposed annexation is being undertaken in accordance with the provisions of the Texas Local Government Code, Chapter 43 (Municipal Annexation), Section 43.028, and the City Charter.

RECOMMENDATION:

Staff recommends acceptance of the voluntary annexation petition and authorization for planning staff to begin the annexation process.

PREPARED BY:
Monica Gomez,
Interim Director of
Planning

APPROVED BY:
Ruben Guajardo, City
Manager

City of San Juan
Planning Department
709 S. Nebraska Ave.
San Juan, Texas 78589
Phone: (956) 223-2220 | Fax: (956) 787-5978

Date: December 8, 2025

To the Honorable Mayor and Members of the Board of Commissioners, City of San Juan:

The undersigned, being an inhabitant and duly qualified voter of the property described below, which adjoins the corporate limits of the City of San Juan, respectfully petitions the Board of Commissioners to consider the annexation of the following tract of land into the City of San Juan:

Exhibit A: Metes and Bounds Description For Lot 1 (Agricore Properties, LLC)
Exhibit B: Survey
Exhibit C: Warranty Deed

The petitioner affirms that the information provided herein is true and correct to the best of their knowledge and requests that the City of San Juan proceed with the annexation in accordance with applicable laws and ordinances.

Respectfully submitted,

Alejandro Rodriguez Magana
PO Box 3000
Edinburg TX 78505
956-369-6580

ACKNOWLEDGEMENT

State of Texas

County of Hidalgo

This instrument was acknowledged before me on this **8th day of December, 2025**, by **Alejandro Rodriguez Magana**, Member of **Agricore Properties, LLC**, a Texas limited partnership, on behalf of said partnership.

Signature of Notary Public

Adriana Cepeda Villar
Notary Public, State of Texas
My Commission Expires: 11-11-2027

(Seal)

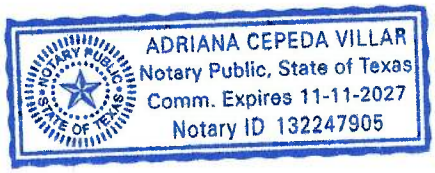


EXHIBIT A

R.O.W. Surveying Services, L.L.C.

900 South Stewart Rd., Suite 13
Mission, Texas 78572

Metes and Bounds Description For Lot 1

Being a 6.814 acre tract of land out of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, conveyed to Agricore Properties, LLC, by a "Special Warranty Deed", as shown in Document Number 3610238, of the Official Records, Hidalgo County, Texas, said 6.814 acre tract of land being more particularly described as follows:

COMMENCING at a cotton spindle found on the Centerline of Las Milpas Rd, being the Northwest corner of said Lot 55;

Thence, South 81°23'51" East, a distance of 150.00 feet, with the North line of said Lot 55, to a Magnail set for the Northwest corner of this tract and also being the POINT OF BEGINNING of this herein described tract;

Thence, South 81°23'51" East, a distance of 670.00 feet, with the North line of said Lot 55 to the Northeast corner of this herein described tract of land;

Thence, South 08°36'09" West, a distance of 443.00 feet, to a corner of this herein described tract of land;

Thence, North 81°23'51" West, a distance of 670.00 feet, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set on the Southwest corner this herein described tract of land;

Thence, North 08°36'09" East, a distance of 443.00 feet to the **Point of Beginning**, containing a computed area of 6.814 acres.

Bearings and Distances referenced to the Texas Coordinate System, South Zone, North American Datum of 1983 (4205). A survey plat accompanies this herein metes and bounds description.

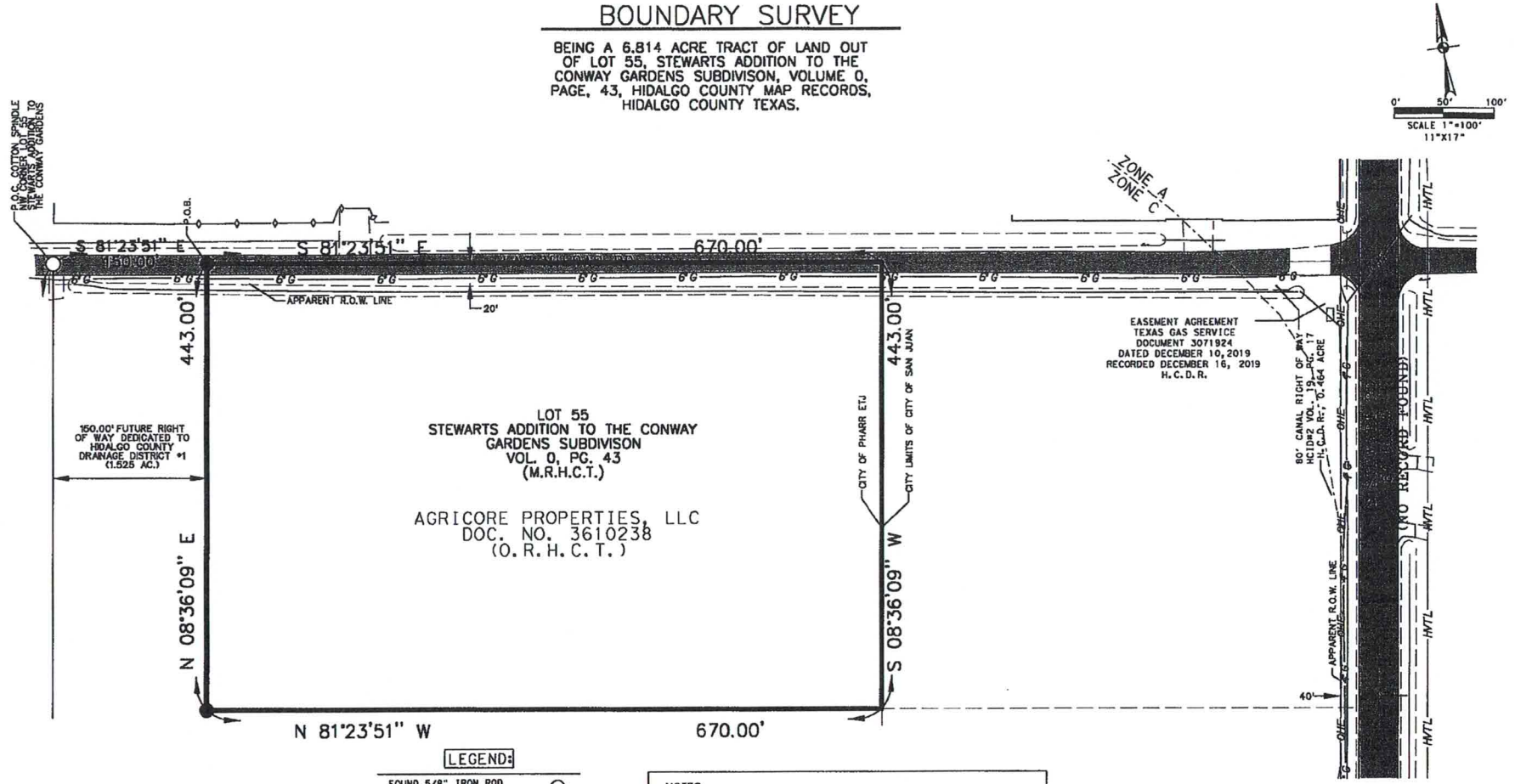
06/13/2025

Victor H. Trevino — Date
Registered Professional Land Surveyor No. 6968

EXHIBIT B

BOUNDARY SURVEY

BEING A 6.814 ACRE TRACT OF LAND OUT OF LOT 55, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISON, VOLUME 0, PAGE, 43, HIDALGO COUNTY MAP RECORDS, HIDALGO COUNTY TEXAS.



LEGEND:

FOUND 5/8" IRON ROD UNLESS OTHERWISE NOTED	○
SET 5/8" IRON ROD WITH PLASTIC CAP STAMPED "ROWSS PROP. COR." UNLESS OTHERWISE NOTED	●
HIDALGO COUNTY DEED RECORDS	H.C.D.R.
POINT OF BEGINNING	P.O.B.
RIGHT OF WAY	R.O.W.
POWER POLE	◉
HIGH VOLTAGE LINE	—HVTL—
OVERHEAD ELECTRIC	—ONE—
GAS LINE	—G—
ROAD (ASPHALT)	

NOTES:

1. BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH ZONE (4205), NORTH AMERICAN DATUM 1983. VERTICAL BASED ON: NAVD 1988 VERTICAL DATUM.
2. THIS SURVEYOR DID NOT ATTEMPT TO LOCATE UNDERGOUND UTILITES.
3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT.
4. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED

STATE OF TEXAS
COUNTY OF HIDALGO

I, VICTOR H. TREVINO, CERTIFY THAT THE ABOVE PLAT IS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN AND THAT ALL CORNERS HAVE BEEN LOCATED AS INDICATED.

06/13/2025

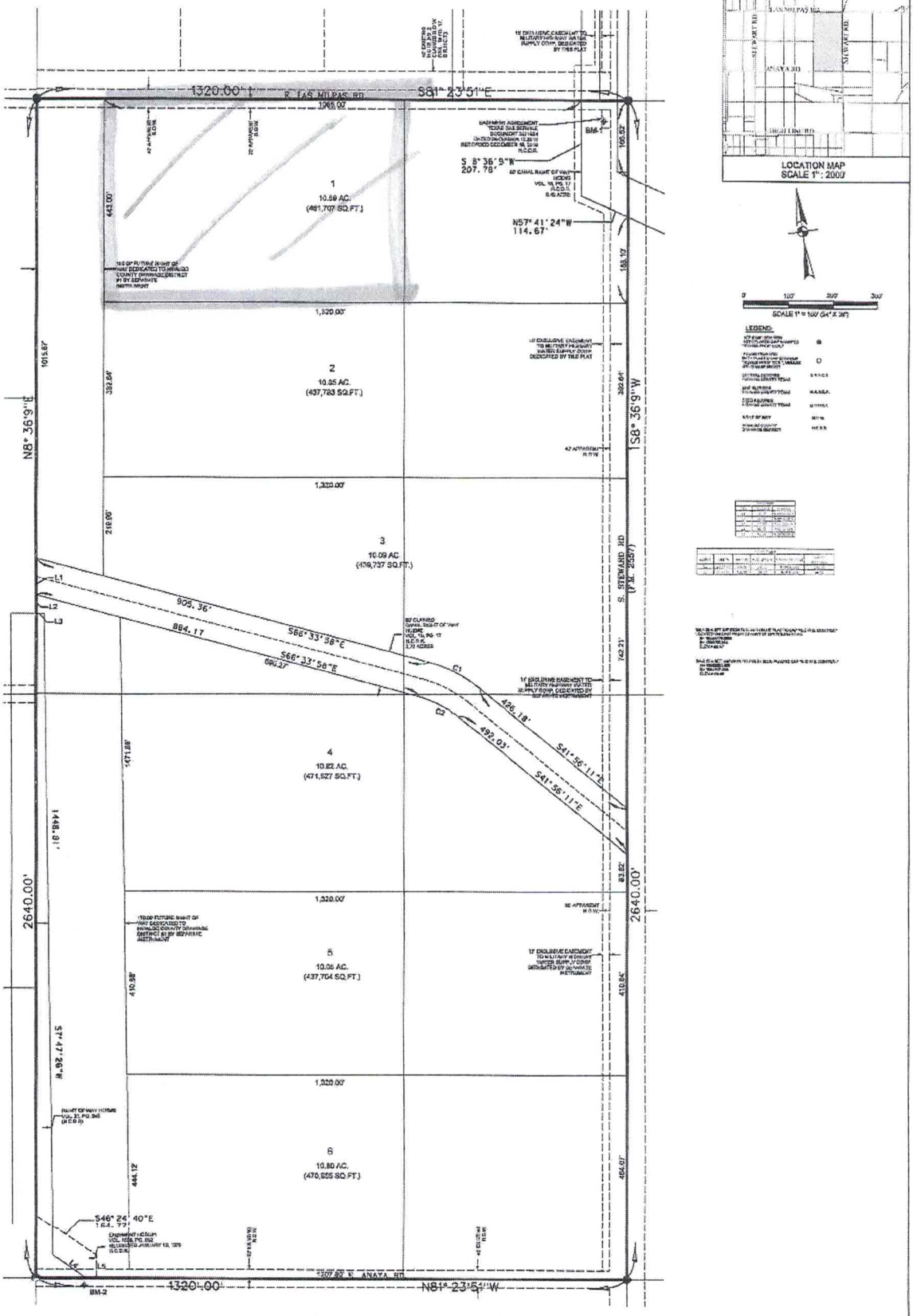
VICTOR H. TREVINO
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6968

STATE OF TEXAS
REGISTERED
VICTOR H. TREVINO
6968
PROFESSIONAL
LAND SURVEYOR

ROW SURVEYING SERVICES, LLC.
900 S. STEWART RD. SUITE 13
MISSION, TEXAS 78572
TEL.: (956) 424-3335
FAX.: (956) 583-7116
TBPLS REG. FIRM# 10193866

© COPYRIGHT 2025 ROW SURVEYING SERVICES LLC THIS SURVEY WAS PROVIDED IN MULTIPLE ORIGINALS SOLELY FOR THE USE OF THE BORROWER NAMES HEREON. NO LICENSE HAS BEEN CREATED, EXPRESSED OR IMPLIED TO COPY THIS SURVEY.

PROJECT NO. R23015



PRELIMINARY SURVEY PLAT
STEWART INDUSTRIAL PARK

PRINCIPAL CONTACTS:	NAME	ADDRESS	CITY & ZIP	PHONE	FAX
OWNER:					
ENGINEER:					
SURVEYOR:					

SOUTH TEXAS INFRASTRUCTURE GROUP

PAGE 1

EXHIBIT C

Doc-3610238

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg, Texas 78540

Document No: 3610238 **Billable Pages: 9**

Recorded On: January 02, 2025 09:37 AM **Number of Pages: 10**

SPECIAL W/D

*******Examined and Charged as Follows*******

Total Recording: $ 67.00

*******THIS PAGE IS PART OF THE DOCUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document No:	3610238
Receipt No:	20250102000083
Recorded On:	January 02, 2025 09:37 AM
Deputy Clerk:	Rene Salinas
Station:	CH-1-CC-K17

Record and Return To:

Simplifile
5072 North 300 West

PROVO UT 84604

COUNTY COURT ★ COUNTY OF HIDALGO, TEXAS ★

STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.
County Clerk
Hidalgo County, Texas

HARGE San Jacinto Title Services McAllen
File 2424499888 Closer RMS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Special Warranty Deed

Date: DECEMBER 30, 2024

Grantor: M & S ESTATE, LTD., a Texas limited partnership

Grantor's Mailing Address: P.O. BOX 250
MCALLEN, TEXAS 78505
HIDALGO COUNTY

Grantee: AGRICORE PROPERTIES, LLC

Grantee's Mailing Address: P.O. BOX 3000
EDINBURG, TEXAS 78540
HIDALGO COUNTY

Consideration: TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration.

Property (including any improvements):

Being a 11.899 acre tract of land out of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, Conveyed to M&S Estate, LTD, By a Warranty Deed with Vendor's Lien, as shown in Document 3459093, Dated June 20, 2023, Recorded June 23, 2023, in the Official Records of Hidalgo County, Texas, save and except Hidalgo County Irrigation District #2 0.464 acre tracts recorded in Volume 19, Page 17, in the Official Records of Hidalgo County, Texas, said 11.899 acre tract of land being more particularly described as follows:

COMMENCING at a cotton spindle found on the Centerline of Las Milpas Rd, being the Northwest corner of said Lot 55;

Thence, South 81°23'51" East, a distance of 150.00 feet, with the North line of said Lot 55, to a Magnail set for the Northwest corner of this tract and also being the POINT OF BEGINNING of this herein described tract;

Thence, South 81°23'51" East, a distance of 1170.00 feet with the North line of said Lot 55 to a Magnail found on the intersection of Las Milpas Rd and Stewart Rd for the Northeast corner of said Lot 55 and the Northeast corner of this herein described tract of land;

Thence, South 08°36'09" West, a distance of 443.00 feet with the East line of said Lot 55 to a Magnail Set for the Southeast corner of this herein described tract of land;

Thence, North 81°23'51" West, a distance of 1170.00 feet to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Southwest corner this herein described tract of land;

Thence, North 08°36'09" East, a distance of 443.00 feet to the Point of Beginning, containing a computed area of 11.899 acres.

Reservations from Conveyance: NONE

Deed Restrictions:

GENERAL RESTRICTIONS. NOTWITHSTANDING ANY PROVISIONS IN THE

CONTRACT TO THE CONTRARY, THE PROPERTY SHALL NOT BE USED, LEASED OR OCCUPIED FOR ANY OF THE FOLLOWING USES (THE "PROHIBITED USES"):

(I) ANY OPERATION USED IN DISTILLING, REFINING, SMELTING, BREWING, CHEMICAL MANUFACTURING OR PROCESSING, MINING OPERATION, MINERAL EXPLORATION OR DEVELOPMENT EXCEPT BY NON-SURFACE MEANS, WHOLESALE TRADE OR WHOLESALE TRADE ACCESSORY TO ANY RETAIL OPERATION FOR THE FOLLOWING: HIDE, SKINS AND RAW FURS, TOBACCO, LIVESTOCK, PETROLEUM BULK STATIONS AND TERMINALS, SCRAP OR JUNK WASTE MATERIALS OR ANY USE WHICH CREATES A NUISANCE;

(II) ANY "SECOND HAND" STORES, ODD LOT, CLOSEOUT OR LIQUIDATION STORE, FLEA MARKET, FIRE SALE BANKRUPTCY SALE (UNLESS PURSUANT TO A COURT ORDER) OR AUCTION HOUSE OPERATION;

(III) ANY COLONIA, MOBILE HOME PARK, TRAILER COURT, LABOR CAMP, JUNKYARD, OR STOCKYARD (EXCEPT THAT PROVISION SHALL NOT PROHIBIT THE TEMPORARY USE OF CONSTRUCTION TRAILERS DURING PERIODS OF CONSTRUCTION, RECONSTRUCTION, OR MAINTENANCE);

(IV) ANY STOCKYARD OR ANIMAL RAISING FACILITY;

(V) ANY SMOKE SHOP, ESTABLISHMENT SELLING OR EXHIBITING DRUG RELATED PARAPHERNALIA OR AS AN ADULT BOOKSTORE OR A STORE SELLING OR EXHIBITING PORNOGRAPHIC MATERIALS, ADULT THEATER, ADULT AMUSEMENT FACILITY, ANY FACILITY SELLING OR DISPLAYING PORNOGRAPHIC MATERIALS OR HAVING SUCH DISPLAYS;

(VI) ANY GAMING FACILITY OR OPERTATION, INCLUDING BUT NOT LIMITED TO: ON-TRACK OR SPORTS BETTING PARLOR, TABLE GAMES SUCH AS BLACK-JACK OR POKER, OR SLOT MACHINES, VIDEO POKER/BLACK-JACK/KENO MACHINES OR SIMILAR DEVISES; OR BINGO HALL;

(VII) GASOLINE SERVICE STATIONS OR RETAIL OUTLETS WHERE GASOLINE PRODUCTS ARE SOLD AT RETAIL PRICES SHALL BE PERMITTED; HOWEVER, THEY MUST BE LIMITED IN THEIR ACTIVITY TO THE SALES OF GASOLINE, OIL AND MINOR ACCESSORIES ONLY, AND INCIDENTAL SERVICE REPAIR, STEAM CLEANING, UNDERCOATING, VEHICLE BODY REPAIR, PAINTING, TIRE RECAPPING AND ENGINE REBUILDING, AUTO DISMANTLING, UPHOLSTERY, AUTO GLASSWORK ARE NOT PERMITTED.

(VIII) THE PROPERTY SHALL BE USED FOR LAWFUL PURPOSES IN CONFORMANCE WITH ALL RESTRICTIONS IMPOSED BY ALL APPLICABLE FEDERAL, STATE, COUNTY, MUNICIPAL, AND/OR LOCAL GOVERNMENTAL LAWS, ORINANCES, CODES AND REGULATIONS, AND NO USE OR OPERATION SHALL BE MADE OR CONDUCTED OR PERMITTED ON OR WITH RESPECT TO ALL OR ANY PORTION OF THE PROPERTY WHICH IS ILLEGAL.

Exceptions to Conveyance and Warranty:

a. Standby fees, taxes and assessments by any taxing authority for the year 2024, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

b. Statutory rights, rules, regulations, easements and liens in favor of Hidalgo County Irrigation District No. 2, pursuant to applicable sections of the Texas Water Code.

c. Rights or claims by Hidalgo County Irrigation District No. 2 to any portion of property lying within canal and/or drain ditch easements and/or rights of way located on the property.

d. Easements and reservations as shown according to the map or plat thereof recorded in Volume 0, Page 43, Map Records of Hidalgo County, Texas.

e. Subject to rights of way, easements and conditions as more fully described and reserved in Warranty Deed recorded in Volume 19, Page 17, Deed Records of Hidalgo County, Texas.

f. Right of Way dated January 28, 1947 from the County of Hidalgo to Reynosa Pipe Linie Company of Texas, filed for record in Volume 610, Page 213, Deed Records of Hidalgo County, Texas.

g. Easement Agreement dated December 10, 2019, filed December 16, 2019, by and between FORTCO PROPERTIES, LTD. and TEXAS GAS SERVICE, A DIVISION OF ONE GAS, INC., recorded under Document No. 3071924, Official Records of Hidalgo County, Texas.

h. Military Highway Water Supply Corporation Exclusive Utility Easement dated June 27, 2024, executed by M & S Estate, Ltd. to Military Highway Water Supply Corporation, recorded under Document No. 3560912, Official Records of Hidalgo County, Texas.

i. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated December 20 ,1925, from C. J. Howerton to Charles Smith, filed for record in Volume 426, Page 44, Deed Records of Hidalgo County, Texas.

j. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 426, Deed Records of Hidalgo County, Texas.

k. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated June 25, 1946 by and between A. Van Dresar, as Lessor, and Carl T. Conrad, as Lessee, recorded in Volume 69, Page 247, Oil and Gas Records of Hidalgo County, Texas.

l. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated January 5, 1948 by and between B. C. Young, as Lessor, and Siniclair Prairie Oil Company, as Lessee, recorded in Volume 77, Page 13, Oil and Gas Records of Hidalgo County, Texas.

m. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated March 15, 1948 from B. C. Young to Fred Krenmueller, filed for record in Volume 636, Page 505, Deed Records of Hidalgo County, Texas.

n. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated May 23, 1988 from Ilse Lydia Krenmueller to Marcus John Forthuber and Elizabeth Ann Forthuber Cofoid, filed for record under Clerk's File No. 81721, Volume 2648, Page 498 and corrected under Clerk's File No. 107479, Volume 2740, Page 283, Deed Records of Hidalgo County, Texas.

o. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 400, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

p. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 398, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

q. Mineral and/or Royalty Deed dated September 30, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 601, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

r. Mineral and/or Royalty Deed dated May 8, 1957, from Mrs. Van Dresser to W. H. Wilson, recorded in Volume 200, Page 508, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

s. Mineral and/or Royalty Deed dated May 22, 1957, from W. H. Wilson to J. H. Beard, Trustee, recorded in Volume 201, Page 225, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

t. Mineral and/or Royalty Deed dated August 6, 1957, from Mrs. A. Van Dresser to Mrs. Noreen H. Holland, recorded in Volume 203, Page 294, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

u. Mineral and/or Royalty Deed dated September 23, 1957, from Mrs. Loreen H. Holland to Harold W. Balbirnie, recorded in Volume 205, Page 45, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

v. Mineral and/or Royalty Deed dated February 20, 1958, from J. R. Beard, Trustee to C. J. Griffin, recorded under Volume 210, Page 160, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

w. Right of Way Agreement dated March 1, 1958, from Mrs. Fred Krenmueller, individually and as guardian of the Estate of Margaret Louise Krenmueller, Bert Forthuber and Gertrude Ann Forthuber to Coastal States Gas Producing Company, recorded under Volume 910, Page 573, Deed Records of Hidalgo County, Texas.

x. Mineral and/or Royalty Deed dated September 5, 1958 from W. H. Wilson to Valco Investments, Inc., recorded under Volume 219, Page 286, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

y. Mineral and/or Royalty Deed dated February 26, 1959, from Mrs. Loreen H. Holland and W. H. Holland to William H. Wilson, Trustee for the William H. Wilson, Jr. Trust, recorded under Volume 225, Page 566, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

z. Mineral and/or Royalty Deed dated July 11, 1961, from C. J. Griffin to John R. Freeland, recorded under Volume 264, Page 138, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

aa. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Gertrude Ann Krenmueller Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225420, Volume 3121, Page 145, Oil and Gas Records of Hidalgo County, Texas.

bb. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Ilse Lydia Krenmueller, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225421, Volume 3121, Page 150, Oil and Gas Records of Hidalgo County, Texas. Ratification of Oil and Gas Lease under Clerk's File No. 262248, Volume 3254, Page 142, Official Records of Hidalgo County, Texas.

cc. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Ruth E. Van Dresar, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228474, Volume 3131, Page 544, Oil and Gas Records of Hidalgo County, Texas.

dd. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Dorothy Ethel Ferguson, as Lessor, and Enron Oil

& Gas Company, as Lessee, recorded under Clerk's File No. 228475, Volume 3131, Page 548, Oil and Gas Records of Hidalgo County, Texas.

ee. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Bert Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded in Volume 3203, Page 591, Offical Records of Hidalgo County, Texas.

ff. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.R. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254140 Volume 3224, Page 129, Offical Records of Hidalgo County, Texas.

gg. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.H. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254141 Volume 3224, Page 133, Offical Records of Hidalgo County, Texas.

hh. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between James Kialing and Marion Kialing, Trustees, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 257869, Volume 3238, Page 165, Offical Records of Hidalgo County, Texas.

ii. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between William Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 258968, Volume 3242, Page 197, Offical Records of Hidalgo County, Texas.

jj. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Gertrude R. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299128, Volume 3392, Page 394, Official Records of Hidalgo County, Texas.

kk. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Bert. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299129, Volume 3392, Page 400, Official Records of Hidalgo County, Texas.

ll. Mineral and/or Royalty Deed dated April 5, 2010, from Mary Quaid Young to Samantha S. Young, recorded under Clerk's File No. 2094568, Official Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

mm. All leases, grants, exceptions or reservations of coal, ignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records.

nn. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.

oo. Building, Zoning, Platting and/or Regulatory Laws and/or Ordinances of any Municipal and/or other Governmental Authority.

pp. Gas Line and Overhead Electric as shown on survey dated October 12, 2023, prepared by Victor H.Trevino, Registered Professional Land Surveyor No. 6968.

qq. Road right-of-way inside subject property along the North and East boundary as shown on survey dated October 12, 2023, prepared by Victor H. Trevino, Registered Professional Land Surveyor No. 6968.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property,

together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

GRANTEE, BY ACCEPTANCE OF THIS DEED, ACKNOWLEDGES THAT IT HAS INSPECTED AND ASSESSED THE PROPERTY AND HAS SATISFIED ITSELF AS TO THE CONDITION OF SAME AND THAT IT ACCEPTS THE PROPERTY "AS IS" AND "WHERE IS" AND WITH ALL FAULTS, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESSED, IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WITHOUT IMPLIED WARRANTY AS TO HABITABILITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR ANY PURPOSE, SAVE AND EXCEPT THE WARRANTIES OF TITLE CONTAINED HEREIN. THE DISCLAIMERS, WAIVERS AND OTHER PROVISIONS OF THIS PARAGRAPH INURE TO THE BENEFIT OF GRANTOR AND GRANTOR'S PREDECESSORS IN INTEREST.

When the context requires, singular nouns and pronouns include the plural.

M & S ESTATE, LTD., a Texas limited partnership

BY: M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company

ITS: GENERAL PARTNER

BY: Hugo Martinez
HUGO MARTINEZ, MEMBER/MANAGER

BY: Monica Salgado
MONICA SALGADO, MEMBER/MANAGER

Agreed and Accepted by Grantee:

AGRICORE PROPERTIES, LLC

BY: _____
ALEJANDRO RODRIGUEZ MAGANA,
SOLE MANAGER

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 31st day of December, 2024, by HUGO MARTINEZ, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company, GENERAL PARTNER of M & S ESTATE, LTD., a Texas limited partnership on behalf of said partnership.

Notarial Act Performed by Audio visual communication

RICK HINOJOSA
Notary Public, State of Texas
Comm. Expires Sep 20, 2028
Notary ID 124066795

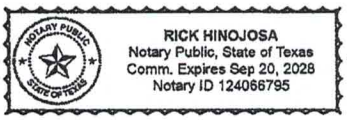
_____
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 31st day of December, 2024, by MONICA SALGADO, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company, GENERAL PARTNER of M & S ESTATE, LTD., a Texas limited partnership on behalf of said partnership.

Notarial Act Performed by Audio visual communication



NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the _____ day of _____, 2024, by ALEJANDRO RODRIGUEZ MAGANA, SOLE MANGER, of AGRICORE PROPERTIES, LLC, a _____ limited liability company on behalf of said company.

NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:
SLUSHER & ASSOCIATES, PLLC
4900 N. 10TH, STE. E-2
McALLEN, TEXAS 78504
GF# 242449888

AFTER RECORDING, RETURN TO:
AGRICORE PROPERTIES, LLC
P.O. BOX 3000
EDINBURG, TEXAS 78540

together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

GRANTEE, BY ACCEPTANCE OF THIS DEED, ACKNOWLEDGES THAT IT HAS INSPECTED AND ASSESSED THE PROPERTY AND HAS SATISFIED ITSELF AS TO THE CONDITION OF SAME AND THAT IT ACCEPTS THE PROPERTY "AS IS" AND "WHERE IS" AND WITH ALL FAULTS, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESSED, IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WITHOUT IMPLIED WARRANTY AS TO HABITABILITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR ANY PURPOSE, SAVE AND EXCEPT THE WARRANTIES OF TITLE CONTAINED HEREIN. THE DISCLAIMERS, WAIVERS AND OTHER PROVISIONS OF THIS PARAGRAPH INURE TO THE BENEFIT OF GRANTOR AND GRANTOR'S PREDECESSORS IN INTEREST.

When the context requires, singular nouns and pronouns include the plural.

M & S ESTATE, LTD., a Texas limited partnership

BY: M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company

ITS: GENERAL PARTNER

BY: _____
HUGO MARTINEZ, MEMBER/MANAGER

BY: _____
MONICA SALGADO, MEMBER/MANAGER

Agreed and Accepted by Grantee:

AGRICORE PROPERTIES, LLC

BY: _____
ALEJANDRO RODRIGUEZ MAGANA,
SOLE MANAGER

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the _____ day of _____, 2024, by HUGO MARTINEZ, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company, GENERAL PARTNER of M & S ESTATE, LTD., a Texas limited partnership on behalf of said partnership.

_____
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the _____ day of _____, 2024, by MONICA SALGADO, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company, GENERAL PARTNER of M & S ESTATE, LTD., a Texas limited partnership on behalf of said partnership.

_____
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 30 day of December, 2024, by ALEJANDRO RODRIGUEZ MAGANA, SOLE MANGER, of AGRICORE PROPERTIES, LLC, a _____ limited liability company on behalf of said company.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

_____
NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:
SLUSHER & ASSOCIATES, PLLC
4900 N. 10TH, STE, E-2
McALLEN, TEXAS 78504
GF# 242449888

AFTER RECORDING, RETURN TO:
AGRICORE PROPERTIES, LLC
P.O. BOX 3000
EDINBURG, TEXAS 78540

RESOLUTION NO.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ACCEPTING PETITION FOR A VOLUNTARY ANNEXATION OF THE 6.814 ACRE TRACT OF LAND OUT OF LOT 55, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, SETTING THE DATES AND TIMES FOR PUBLIC HEARINGS REGARDING THE PROPOSED ANNEXATION OF THE BELOW MENTIONED PROPERTIES; AND DIRECTING THE PLANNING DEPARTMENT TO PREPARE A PLAN OF SERVICES FOR SAID ANNEXATION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

Section 1. The City of San Juan has received a petition from the following property owners for voluntary annexation of properties described in Exhibit "A". The City Commission of the City of San Juan hereby declares its intention to institute proceedings to annex to the City the territory generally described in Exhibit "A" and being out of the and made a part hereof by the passage of an ordinance of annexation extending the general corporate limits of the City of San Juan for all purposes to include such territory. A map of such proposed annexation is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 2. The City Commission of the City of San Juan hereby calls two (2) public hearings at which time all interested persons shall have the right and opportunity to appear and be heard upon such proposal to annex the territories described above. The first public hearing shall be held in the City Commission Meeting at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on January 27, 2026. The second public hearing shall be held at the City Commission Meeting at San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 on February 10, 2026 at 6:00 p.m. The annexation proceeding, of which notice of intention to annex is given by this Resolution, shall be instituted not less than eleven (11) days nor more than twenty (20) days subsequent to such public hearings.

Section 3. The City Secretary of the City of San Juan is hereby directed to cause notices of such public hearings to be given by publication in a newspaper having general circulation within the City of San Juan and within the territory proposed to be annexed, the publication of notice of each public hearing to be made at least once in such newspaper not less than eleven (11) days nor more than twenty (20) days prior to the day of that public hearing.

Section 4. The Planning Department is hereby directed to cause to be prepared a service plan that provides for the extension of municipal services to the territories that are proposed to be annexed. The proposed service plan shall be made available for public inspection and shall be explained to the inhabitants of the territory at the public hearings called herein. Such service plan shall be prepared in accordance with the provisions of Chapter 43 of the Texas Local Government Code.

CONSIDERED, **PASSED** AND **APPROVED** on this **13th day of January, 2026** at a meeting of the City Commission of the City of San Juan, at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

_____

Mario Garza
Mayor

Attest:

_____

Brenda Escalante
City Secretary

City of San Juan
Planning Department
709 S. Nebraska Ave.
San Juan, Texas 78589
Phone: (956) 223-2220 | Fax: (956) 787-5978

Date: December 8, 2025

To the Honorable Mayor and Members of the Board of Commissioners, City of San Juan:

The undersigned, being an inhabitant and duly qualified voter of the property described below, which adjoins the corporate limits of the City of San Juan, respectfully petitions the Board of Commissioners to consider the annexation of the following tract of land into the City of San Juan:

Exhibit A: Metes and Bounds Description for Lot 2 (S&ML Properties, LLC)
Exhibit B: Survey
Exhibit C: Warranty Deed

The petitioner affirms that the information provided herein is true and correct to the best of their knowledge and requests that the City of San Juan proceed with the annexation in accordance with applicable laws and ordinances.

Respectfully submitted,

Guillermo Martinez
10801 S. Palm Drive
Pharr TX 78577
520-604-9086

ACKNOWLEDGEMENT

State of Texas

County of Hidalgo

This instrument was acknowledged before me on this **8th day of December, 2025**, by **Guillermo Martinez**, Member of **S&ML Properties, LLC**, a Texas limited partnership, on behalf of said partnership.

Signature of Notary Public

Adriana Cepeda Villar
Notary Public, State of Texas
My Commission Expires: 11-11-2027

(Seal)

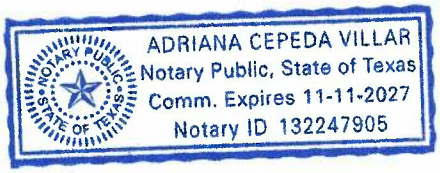


EXHIBIT A

R.O.W. Surveying Services, L.L.C.

900 South Stewart Rd., Suite 13
Mission, Texas 78572

Metes and Bounds Description For Lot 2

Being a 6.039 acre tract of land out of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, as per map thereof recorded in Volume 0, Page 43, of the Map Records, Hidalgo County, Texas, conveyed to S&ML Properties, LLC, by a "Deed of Trust", as described in Document Number 3609145, of the Official Records, Hidalgo County, Texas, said 6.039 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found for the Northwest corner of said Lot 55, Stewarts Addition to the Conway Gardens Subdivision, and also being on the centerline of E. Las Milpas Road (40.0 feet Right-of-Way), **Thence**, South 08°36'09" West, a distance of 443.00 feet on the West line of said Lot 55, **Thence**, South 81°23'51" East, a distance of 150.00 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the **Point of Beginning** this herein described tract of land;

Thence, South 81°23'51" East, a distance of 670.00 feet, to the Northeast corner this herein described tract of land;

Thence, South 08°36'09" West, a distance of 392.64 feet, to the Southeast corner this herein described tract of land;

Thence, North 81°23'51" West, a distance of 670.00 feet, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set on the Southwest corner this herein described tract of land;

Thence, North 08°36'09" East, a distance of 392.64 feet to the **Point of Beginning**, containing a computed area of 6.039 acres.

Bearings and Distances referenced to the Texas Coordinate System, South Zone, North American Datum of 1983 (4205). A survey plat accompanies this herein metes and bounds description.

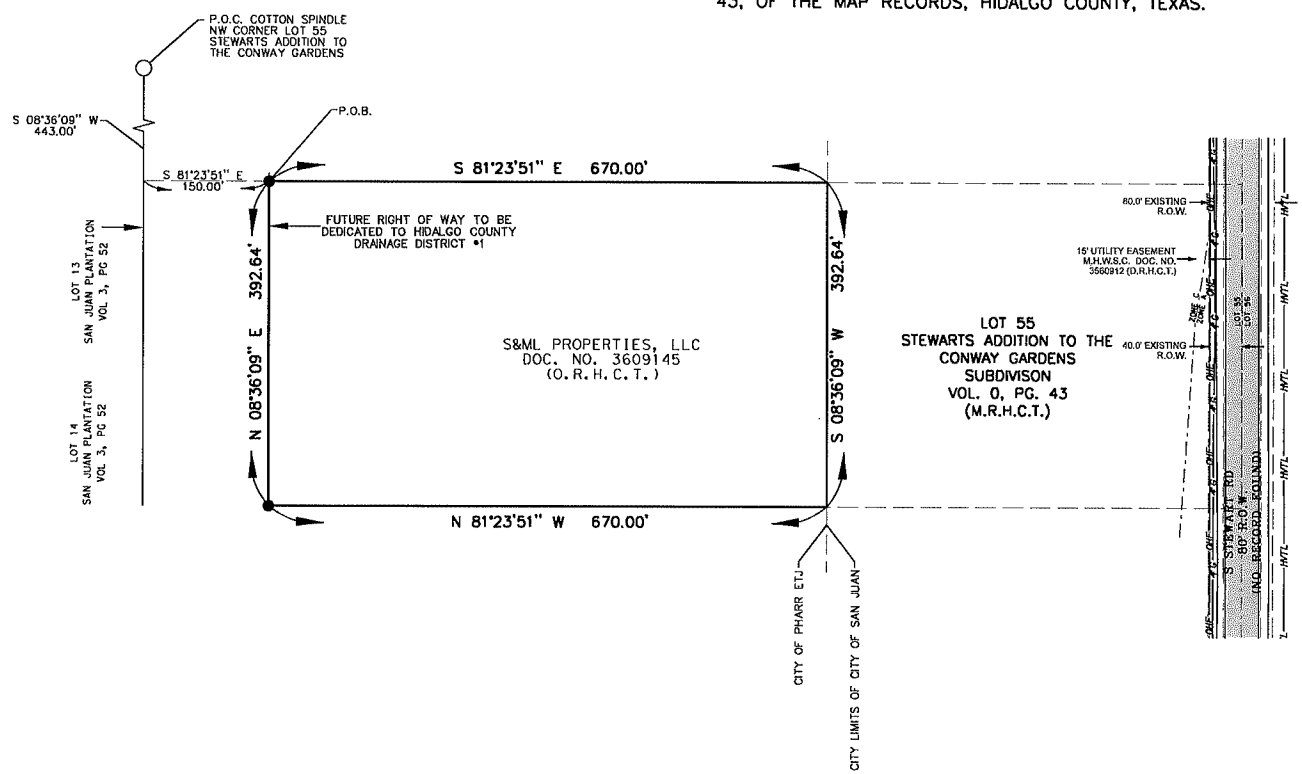
06/13/2025

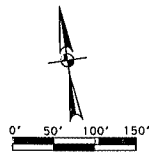
Victor H. Trevino — Date
Registered Professional Land Surveyor No. 6968

EXHIBIT B

BOUNDARY SURVEY

BEING A 6.039 ACRE TRACT OF LAND OUT OF LOT 55, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, AS PER MAP OR PLAT THEREOF RECORDED IN VOLUME 0, PAGE 43, OF THE MAP RECORDS, HIDALGO COUNTY, TEXAS.





LEGEND:

FOUND 5/8" IRON ROD UNLESS OTHERWISE NOTED	○
SET 5/8" IRON ROD WITH PLASTIC CAP STAMPED "ROWSS PROP. COR." UNLESS OTHERWISE NOTED	●
POWER POLE	
HIDALGO COUNTY DEED RECORDS	H.C.D.R.
POINT OF COMMENCEMENT	P.O.C.
POINT OF BEGRIMING	P.O.B.
RIGHT OF WAY	R.O.W.
HIGH VOLTAGE LINE	—HVTL—
OVERHEAD ELECTRIC	—OHE—
GAS LINE	—G—
ROAD (ASPHALT)	

NOTES:

1. BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH ZONE (4205), NORTH AMERICAN DATUM 1983. VERTICAL BASED ON: NAVD 1988 VERTICAL DATUM.

2. THIS SURVEYOR DID NOT ATTEMPT TO LOCATE UNDERGOUND UTILITES.

3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT.

4. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED

STATE OF TEXAS
COUNTY OF HIDALGO

I, VICTOR H. TREVINO, CERTIFY THAT THE ABOVE PLAT IS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN AND THAT ALL CORNERS HAVE BEEN LOCATED AS INDICATED.

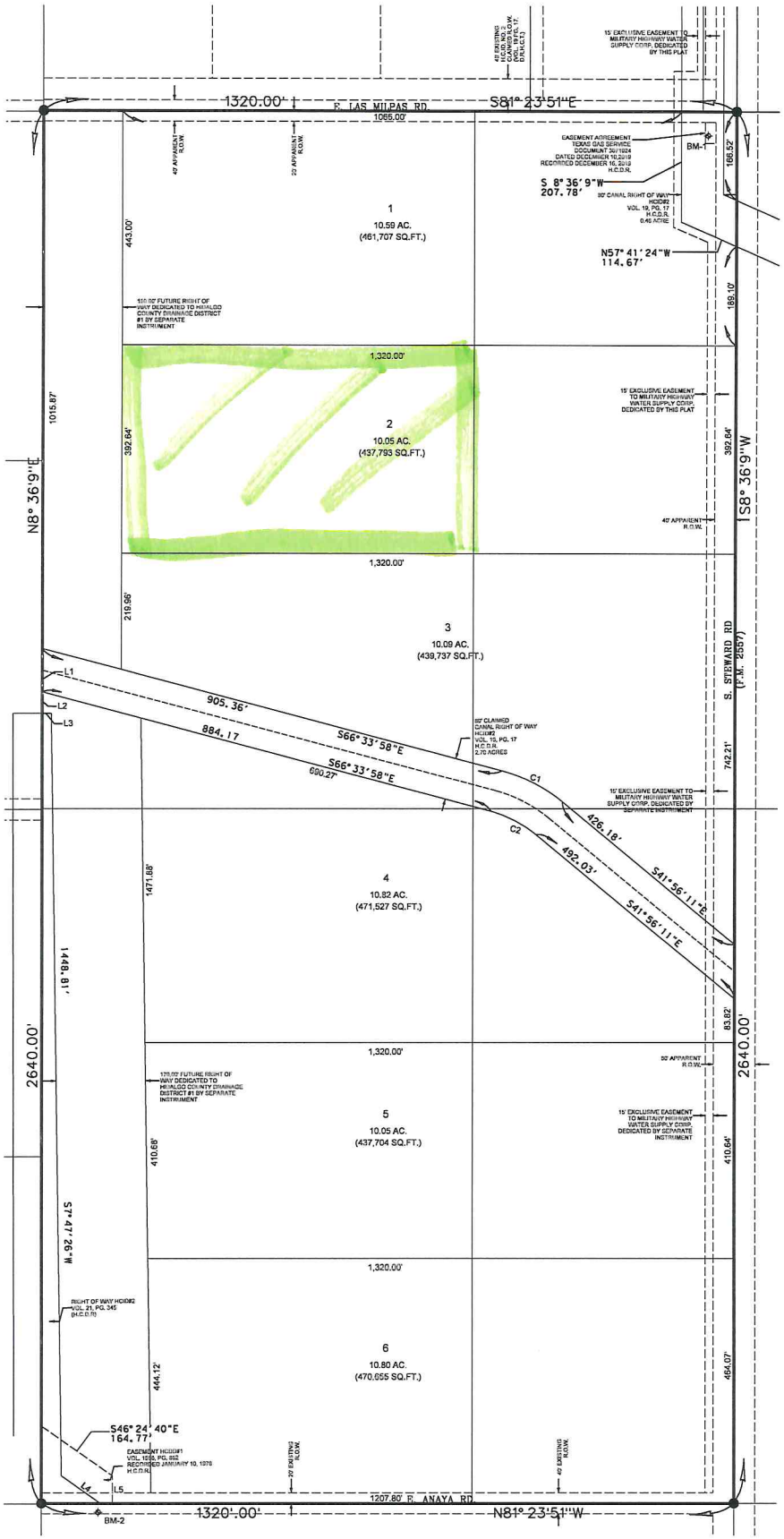
06/13/2025

VICTOR H. TREVINO
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6968

©COPYRIGHT 2025 ROW SURVEYING SERVICES LLC THIS SURVEY WAS PROVIDED IN MULTIPLE ORIGINALS SOLELY FOR THE USE OF THE BORROWER NAMES HEREON. NO LICENSE HAS BEEN CREATED, EXPRESSED OR IMPLIED TO COPY THIS SURVEY.

ROW SURVEYING SERVICES, LLC.
900 S. STEWART RD. SUITE 13
MISSION, TEXAS 78572
TEL.: (956) 424-3335
FAX.: (956) 683-7116
TBPLS REG. FIRM# 10193886

PROJECT NO. R25013



PRELIMINARY SURVEY PLAT
STEWART INDUSTRIAL PARK

BEING A 60.06 ACRE TRACT OF LAND, BEING ALL OF LOT 56 & 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, VOLUME 0, PAGE 43, HIDALGO COUNTY MAP RECORDS.

PRINCIPAL CONTACTS:

	NAME	ADRESS	CITY & ZIP	PHONE	FAX
OWNER:	M & S ESTATE, LTD	3904 SANTA LAURA	MISSION, TEXAS 78572	(956) 580-0002	
ENGINEER:	VICTOR H. TREVINO, P.E.	900 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(956) 424-3335	(956) 424-3132
SURVEYOR:	VICTOR H. TREVINO, R.P.L.S.	900 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(956) 424-3335	(956) 424-3132

SOUTH TEXAS INFRASTRUCTURE GROUP
900 S. STEWART, SUITE 13
MISSION, TEXAS 78572
PH: (956) 424-3335
FAX: (956) 424-3132
TBPE REG. # 10000

SOUTH TEXAS INFRASTRUCTURE GROUP

PAGE 1

EXHIBIT C

Doc-3609144

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg, Texas 78540

Document No: 3609144 **Billable Pages: 10**

Recorded On: December 27, 2024 08:18 AM **Number of Pages: 11**

S WARR DEED W/VL

*******Examined and Charged as Follows*******

Total Recording: $ 71.25

*******THIS PAGE IS PART OF THE DOCUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document No:	3609144
Receipt No:	20241226000426
Recorded On:	December 27, 2024 08:18 AM
Deputy Clerk:	Olga Garcia
Station:	CH-1-CC-K21

Record and Return To:

Simplifile
5072 North 300 West

PROVO UT 84604

STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.
County Clerk
Hidalgo County, Texas

CHARGE San Jacinto Title Services-McAllen
GF# 2024-9502 Closer RMS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Special Warranty Deed with Vendor's Lien

Date: DECEMBER 23, 2024

Grantor: M & S ESTATE, LTD., a Texas limited partnership

Grantor's Mailing Address: P. O. BOX 250
MCALLEN, TEXAS 78505
HIDALGO COUNTY

Grantee: S&ML PROPERTIES, LLC, a Texas limited liability company

Grantee's Mailing Address: 10801 S. PALM DRIVE
PHARR, TEXAS 78577
HIDALGO COUNTY

Consideration:

Cash and a first lien note of even date executed by Grantee and payable to the order of M & S ESTATE, LTD., a Texas limited partnership in the principal amount of SEVEN HUNDRED FORTY THOUSAND AND NO/100 DOLLARS ($740,000.00). The note is secured by a first and superior vendor's lien and superior title retained in this deed in favor of Grantor and by a first-lien deed of trust of even date from Grantee to CHANNING SLUSHER, trustee.

Property (including any improvements):

Being a 10.546 acre tract of land out of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, as per map thereof recorded in Volume 0, Page 43, of the Map Records, Hidalgo County, Texas, Conveyed to M&S Estate, LTD, By a Warranty Deed with Vendor's Lien, as described in Document 3459093, Dated June 20, 2023, Recorded June 23, 2023, in the Official Records, Hidalgo County, Texas, said 10.546 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found for the Northwest corner of said Lot 55, Stewarts Addition to the Conway Gardens Subdivision, and also being on the centerline of E. Las Milpas Road (40.0 feet Right-of-Way), Thence, South 08°36'09" West, a distance of 443.00 feet on the West line of said Lot 55, Thence, South 81°23'51" East, a distance of 150.00 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the Point of Beginning this herein described tract of land;

Thence, South 81°23'51" East, a distance of 1170.00 feet to a Magnail set on the centerline of Stewart Rd for the Northeast corner this herein described tract of land;

Thence, South 08°36'09" West, a distance of 392.64 feet with the East line of Lot 55 to a Magnail set on the centerline of Stewart Rd for the Southeast corner this herein described tract of land;

Thence, North 81°23'51" West, a distance of 1170.00 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Southwest corner this herein described tract of land;

Thence, North 08°36'09" East, a distance of 392.64 feet to the Point of Beginning, containing a computed area of 10.546 acres.

Reservations from Conveyance:

Grantor reserves and excepts from this conveyance (a) all minerals and other valuable mineral substances of every kind and character including, but not limited to, oil and gas and all related hydrocarbons, sulphur, coal, lignite, gold, copper, iron, zinc, lead, uranium,

vanadium, plutonium, molybdenum, thorium and other fissionable minerals and materials that may be produced from the Property and (b) all of the underground water, percolating water, artesian water, and other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of the Property.

Deed Restrictions:

GENERAL RESTRICTIONS. NOTWITHSTANDING ANY PROVISIONS IN THE CONTRACT TO THE CONTRARY, THE PROPERTY SHALL NOT BE USED, LEASED OR OCCUPIED FOR ANY OF THE FOLLOWING USES (THE "PROHIBITED USES"):

(I) ANY OPERATION USED IN DISTILLING, REFINING, SMELTING, BREWING, CHEMICAL MANUFACTURING OR PROCESSING, MINING OPERATION, MINERAL EXPLORATION OR DEVELOPMENT EXCEPT BY NON-SURFACE MEANS, WHOLESALE TRADE OR WHOLESALE TRADE ACCESSORY TO ANY RETAIL OPERATION FOR THE FOLLOWING: HIDE, SKINS AND RAW FURS, TOBACCO, LIVESTOCK, PETROLEUM BULK STATIONS AND TERMINALS, SCRAP OR JUNK WASTE MATERIALS OR ANY USE WHICH CREATES A NUISANCE;

(II) ANY "SECOND HAND" STORES, ODD LOT, CLOSEOUT OR LIQUIDATION STORE, FLEA MARKET, FIRE SALE BANKRUPTCY SALE (UNLESS PURSUANT TO A COURT ORDER) OR AUCTION HOUSE OPERATION;

(III) ANY COLONIA, MOBILE HOME PARK, TRAILER COURT, LABOR CAMP, JUNKYARD, OR STOCKYARD (EXCEPT THAT PROVISION SHALL NOT PROHIBIT THE TEMPORARY USE OF CONSTRUCTION TRAILERS DURING PERIODS OF CONSTRUCTION, RECONSTRUCTION, OR MAINTENANCE);

(IV) ANY STOCKYARD OR ANIMAL RAISING FACILITY;

(V) ANY SMOKE SHOP, ESTABLISHMENT SELLING OR EXHIBITING DRUG RELATED PARAPHERNALIA OR AS AN ADULT BOOKSTORE OR A STORE SELLING OR EXHIBITING PORNOGRAPHIC MATERIALS, ADULT THEATER, ADULT AMUSEMENT FACILITY, ANY FACILITY SELLING OR DISPLAYING PORNOGRAPHIC MATERIALS OR HAVING SUCH DISPLAYS;

(VI) ANY GAMING FACILITY OR OPERTATION, INCLUDING BUT NOT LIMITED TO: ON-TRACK OR SPORTS BETTING PARLOR, TABLE GAMES SUCH AS BLACK-JACK OR POKER, OR SLOT MACHINES, VIDEO POKER/BLACK-JACK/KENO MACHINES OR SIMILAR DEVISES; OR BINGO HALL;

(VII) GASOLINE SERVICE STATIONS OR RETAIL OUTLETS WHERE GASOLINE PRODUCTS ARE SOLD AT RETAIL PRICES SHALL BE PERMITTED; HOWEVER, THEY MUST BE LIMITED IN THEIR ACTIVITY TO THE SALES OF GASOLINE, OIL AND MINOR ACCESSORIES ONLY, AND INCIDENTAL SERVICE REPAIR, STEAM CLEANING, UNDERCOATING, VEHICLE BODY REPAIR, PAINTING, TIRE RECAPPING AND ENGINE REBUILDING, AUTO DISMANTLING, UPHOLSTERY, AUTO GLASSWORK ARE NOT PERMITTED.

(VIII) THE PROPERTY SHALL BE USED FOR LAWFUL PURPOSES IN CONFORMANCE WITH ALL RESTRICTIONS IMPOSED BY ALL APPLICABLE FEDERAL, STATE, COUNTY, MUNICIPAL, AND/OR LOCAL GOVERNMENTAL LAWS, ORINANCES, CODES AND REGULATIONS, AND NO USE OR OPERATION SHALL BE MADE OR CONDUCTED OR PERMITTED ON OR WITH RESPECT TO ALL OR ANY PORTION OF THE PROPERTY WHICH IS ILLEGAL.

Exceptions to Conveyance and Warranty:

a. Standby fees, taxes and assessments by any taxing authority for the year 2024, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

b. Rights or claims by Hidalgo County Irrigation District No. 2 to any portion of property lying within canal and/or drain ditch easements and/or rights of way located on the property

c. Statutory rights, rules, regulations, easements and liens in favor of Hidalgo County Irrigation District No. 2, pursuant to applicable sections of the Texas Water Code.

d. Easements and reservations as shown according to the map or plat thereof recorded in Volume 0, Page 43, Map Records of Hidalgo County, Texas.

e. Right of Way dated January 28, 1947 from the County of Hidalgo to Reynosa Pipe Linie Company of Texas, filed for record in Volume 610, Page 213, Deed Records of Hidalgo County, Texas. both lots

f. Easement Agreement dated December 10, 2019, filed December 16, 2019, by and between FORTCO PROPERTIES, LTD. and TEXAS GAS SERVICE, A DIVISION OF ONE GAS, INC., recorded under Document No. 3071924, Official Records of Hidalgo County, Texas.

g. Military Highway Water Supply Corporation Exclusive Utility Easement dated June 27, 2024, filed July 2, 2024, executed by M & S Estate, Ltd. to Military Highway Water Supply Corporation, recorded under Document No. 3560912, Official Records of Hidalgo County, Texas.

h. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated December 20 ,1925, from C. J. Howerton to Charles Smith, filed for record in Volume 426, Page 44, Deed Records of Hidalgo County, Texas. both lots

i. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 426, Deed Records of Hidalgo County, Texas.

j. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated June 25, 1946 by and between A. Van Dresar, as Lessor, and Carl T. Conrad, as Lessee, recorded in Volume 69, Page 247, Oil and Gas Records of Hidalgo County, Texas.

k. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated January 5, 1948 by and between B. C. Young, as Lessor, and Siniclair Prairie Oil Company, as Lessee, recorded in Volume 77, Page 13, Oil and Gas Records of Hidalgo County, Texas.

l. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated March 15, 1948 from B. C. Young to Fred Krenmueller, filed for record in Volume 636, Page 505, Deed Records of Hidalgo County, Texas. covers both lots

m. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated May 23, 1988 from Ilse Lydia Krenmueller to Marcus John Forthuber and Elizabeth Ann Forthuber Cofoid, filed for record under Clerk's File No. 81721, Volume 2648, Page 498 and corrected under Clerk's File No. 107479, Volume 2740, Page 283, Deed Records of Hidalgo County, Texas. covers both lots

n. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 400, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

o. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 398, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

p. Mineral and/or Royalty Deed dated September 30, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 601, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

q. Mineral and/or Royalty Deed dated May 8, 1957, from Mrs. Van Dresser to W. H. Wilson, recorded in Volume 200, Page 508, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

r. Mineral and/or Royalty Deed dated May 22, 1957, from W. H. Wilson to J. H. Beard, Trustee, recorded in Volume 201, Page 225, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

s. Mineral and/or Royalty Deed dated August 6, 1957, from Mrs. A. Van Dresser to Mrs. Noreen H. Holland, recorded in Volume 203, Page 294, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

t. Mineral and/or Royalty Deed dated September 23, 1957, from Mrs. Loreen H. Holland to Harold W. Balbirnie, recorded in Volume 205, Page 45, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

u. Mineral and/or Royalty Deed dated February 20, 1958, from J. R. Beard, Trustee to C. J. Griffin, recorded under Volume 210, Page 160, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

v. Right of Way Agreement dated March 1, 1958, from Mrs. Fred Krenmueller, individually and as guardian of the Estate of Margaret Louise Krenmueller, Bert Forthuber and Gertrude Ann Forthuber to Coastal States Gas Producing Company, recorded under Volume 910, Page 573, Deed Records of Hidalgo County, Texas. both lots

w. Mineral and/or Royalty Deed dated September 5, 1958 from W. H. Wilson to Valco Investments, Inc., recorded under Volume 219, Page 286, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

x. Mineral and/or Royalty Deed dated February 26, 1959, from Mrs. Loreen H. Holland and W. H. Holland to William H. Wilson, Trustee for the William H. Wilson, Jr. Trust, recorded under Volume 225, Page 566, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

y. Mineral and/or Royalty Deed dated July 11, 1961, from C. J. Griffin to John R. Freeland, recorded under Volume 264, Page 138, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

z. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Gertrude Ann Krenmueller Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225420, Volume 3121, Page 145, Oil and Gas Records of Hidalgo County, Texas. both lots

aa. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Ilse Lydia Krenmueller, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225421, Volume 3121, Page 150, Oil and Gas Records of Hidalgo County, Texas. both lots

bb. Ratification of Oil and Gas Lease under Clerk's File No. 262248, Volume 3254, Page 142, Official Records of Hidalgo County, Texas.

cc. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Ruth E. Van Dresar, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228474, Volume 3131, Page 544, Oil and Gas Records of Hidalgo County, Texas. both lots

dd. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Dorothy Ethel Ferguson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228475, Volume 3131, Page 548, Oil and Gas Records of Hidalgo County, Texas. both lots

ee. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Bert Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded in Volume 3203, Page 591, Official Records of Hidalgo County, Texas. both lots

ff. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.R. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254140 Volume 3224, Page 129, Official Records

of Hidalgo County, Texas. both lots

gg. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.H. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254141 Volume 3224, Page 133, Official Records of Hidalgo County, Texas. both lots

hh. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between James Kialing and Marion Kialing, Trustees, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 257869, Volume 3238, Page 165, Official Records of Hidalgo County, Texas. both lots

ii. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between William Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 258968, Volume 3242, Page 197, Official Records of Hidalgo County, Texas. both lots

jj. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Gertrude R. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299128, Volume 3392, Page 394, Official Records of Hidalgo County, Texas.

kk. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Bert. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299129, Volume 3392, Page 400, Official Records of Hidalgo County, Texas.

ll. Mineral and/or Royalty Deed dated April 5, 2010, from Mary Quaid Young to Samantha S. Young, recorded under Clerk's File No.2094568, Official Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

mm. All leases, grants, exceptions or reservations of coal, ignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records.

nn. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.

oo. Building, Zoning, Platting and/or Regulatory Laws and/or Ordinances of any Municipal and/or other Governmental Authority.

pp. Overhead electric and gas line as shown on survey dated October 25, 2024, under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

qq. Road right-of-way being inside subject property along the Easterly boundary as shown on survey dated October 25, 2024, under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

Grantor, for the consideration indicated above, and subject to the reservations from, and exceptions to conveyance and warranty contained in this instrument, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold the Property to Grantee, Grantee's heirs, executors, administrators, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof forever, when the claim, is by, through, or under Grantor, but not otherwise, except as to the reservations from, and exceptions to conveyance and warranty herein contained.

The vendor's lien against and superior title to the Property are retained until each note described is fully paid according to its terms, at which time this deed will become absolute.

GRANTEE, BY ACCEPTANCE OF THIS DEED, ACKNOWLEDGES THAT IT HAS INSPECTED AND ASSESSED THE PROPERTY AND HAS SATISFIED ITSELF AS TO THE CONDITION OF SAME AND THAT IT ACCEPTS THE PROPERTY "AS IS" AND "WHERE IS" AND WITH ALL FAULTS, WITHOUT REPRESENTATION OR WARRANTY

OF ANY KIND, EXPRESSED, IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WITHOUT IMPLIED WARRANTY AS TO HABITABILITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR ANY PURPOSE, SAVE AND EXCEPT THE WARRANTIES OF TITLE CONTAINED HEREIN. THE DISCLAIMERS, WAIVERS AND OTHER PROVISIONS OF THIS PARAGRAPH INURE TO THE BENEFIT OF GRANTOR AND GRANTOR'S PREDECESSORS IN INTEREST.

By acceptance of this Deed, Grantee assumes payment of all property taxes on the Property for the year 2024 and subsequent years and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

IN WITNESS WHEREOF, this Deed has been executed by Grantor on the date of the acknowledgement set forth below, to be effective for all purposes as of the day of December 23, 2024.

When the context requires, singular nouns and pronouns include the plural.

Grantor:

M & S ESTATE, LTD., a Texas limited partnership

BY: M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company

ITS: General Partner

BY: _____
HUGO MARTINEZ, MEMBER/MANAGER

BY: _____
MONICA SALGADO, MEMBER/MANAGER

Agreed and Accepted by Grantee:

S&ML PROPERTIES, LLC, a Texas limited liability company

BY: _____
GUILLERMO MARTINEZ, MANAGER

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

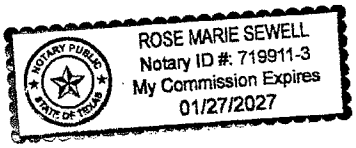
This instrument was acknowledged before me on the 23 day of December, 2024, by HUGO MARTINEZ, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, General Partner of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

_____
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 23 day of December, 2024, by MONICA SALGADO, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, General Partner of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.



NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the _____ day of _____, 2024, by GUILLERMO MARTINEZ, MANAGER of S&ML PROPERTIES, LLC, a Texas limited liability company on behalf of said company.

NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:
SLUSHER & ASSOCIATES, PLLC
4900 N. 10TH, STE, E-2
McALLEN, TEXAS 78504
GF# 242449502

AFTER RECORDING, RETURN TO:
S&ML PROPERTIES, LLC, a Texas limited liability company
10801 S. PALM DRIVE
PHARR, TEXAS 78577

OF ANY KIND, EXPRESSED, IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WITHOUT IMPLIED WARRANTY AS TO HABITABILITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR ANY PURPOSE, SAVE AND EXCEPT THE WARRANTIES OF TITLE CONTAINED HEREIN. THE DISCLAIMERS, WAIVERS AND OTHER PROVISIONS OF THIS PARAGRAPH INURE TO THE BENEFIT OF GRANTOR AND GRANTOR'S PREDECESSORS IN INTEREST.

By acceptance of this Deed, Grantee assumes payment of all property taxes on the Property for the year 2024 and subsequent years and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

IN WITNESS WHEREOF, this Deed has been executed by Grantor on the date of the acknowledgement set forth below, to be effective for all purposes as of the day of December 23, 2024.

When the context requires, singular nouns and pronouns include the plural.

Grantor:

M & S ESTATE, LTD., a Texas limited partnership

BY: M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company

ITS: General Partner

BY: _____
HUGO MARTINEZ, MEMBER/MANAGER

BY: _____
MONICA SALGADO, MEMBER/MANAGER

Agreed and Accepted by Grantee:

S&ML PROPERTIES, LLC, a Texas limited liability company

BY: _____
GUILLERMO MARTINEZ, MANAGER

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the _____day of _____, 2024, by HUGO MARTINEZ, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, General Partner of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.

_____
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the _____day of _____, 2024, by MONICA SALGADO, MEMBER/MANAGER of M & S ESTATE MANAGEMENT, LLC, General Partner of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.

_____
NOTARY PUBLIC, STATE OF TEXAS

STATE OF ~~TEXAS~~ California §
San Diego §
COUNTY OF ~~HIDALGO~~ §

This instrument was acknowledged before me on the 23rd day of December, 2024, by GUILLERMO MARTINEZ, ~~MANAGER of S&ML PROPERTIES, LLC, a Texas limited liability company~~ on behalf of said company.

JOHN McNAB
COMM. #2374523
Notary Public - California
San Diego County
My Comm. Expires Oct. 5, 2025

_____
NOTARY PUBLIC, STATE OF ~~TEXAS~~ California

PREPARED BY:
SLUSHER & ASSOCIATES, PLLC
4900 N. 10TH, STE, E-2
McALLEN, TEXAS 78504
GF# 242449502

AFTER RECORDING, RETURN TO:
S&ML PROPERTIES, LLC, a Texas limited liability company
10801 S. PALM DRIVE
PHARR, TEXAS 78577

CALIFORNIA
JURAT CERTIFICATE

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 23rd day of December, 20 24, by Guillermo Martinez,

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

WITNESS MY HAND AND OFFICIAL SEAL.

JOHN McNAB
COMM. #2374523
Notary Public - California
San Diego County
My Comm. Expires Oct. 5, 2025

Signature of Notary Public

(Notary Seal)

OPTIONAL INFORMATION

The jurat contained within this document is in accordance with California law. Any affidavit subscribed and sworn to before a notary shall use the preceding wording or substantially similar wording pursuant to Civil Code sections 1189 and 8202. A jurat certificate cannot be affixed to a document sent by mail or otherwise delivered to a notary public, including electronic means, whereby the signer did not personally appear before the notary public, even if the signer is known by the notary public. The seal and signature cannot be affixed to a document without the correct notarial wording. As an additional option an affiant can produce an affidavit on the same document as the notarial certificate wording to eliminate the use of additional documentation.

DESCRIPTION OF ATTACHED DOCUMENT

Closing Affidavit
(Title of document)

Number of Pages _____(Including jurat)

Document Date _____

_____
(Additional Information)

CAPACITY CLAIMED BY THE SIGNER

- [ ] Individual
- [x] Corporate Officer
- [ ] Partner
- [ ] Attorney-In-Fact
- [ ] Trustee
- [x] Other: manager S&ML properties llc

MMX V. BAN2 510.409.1334 www.BayAreaNotary.com

EXHIBIT D

ArcGIS Web Map

8/2/2025, 4:24:54 PM

Streets

City of Pharr ETJ

1:9,028

0 0.07 0.15 0.3 mi

0 0.15 0.3 0.6 km

Web AppBuilder for ArcGIS

RESOLUTION NO.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ACCEPTING PETITION FOR A VOLUNTARY ANNEXATION OF THE 6.039 ACRE TRACT OF LAND OUT OF LOT 55, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, SETTING THE DATES AND TIMES FOR PUBLIC HEARINGS REGARDING THE PROPOSED ANNEXATION OF THE BELOW MENTIONED PROPERTIES; AND DIRECTING THE PLANNING DEPARTMENT TO PREPARE A PLAN OF SERVICES FOR SAID ANNEXATION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

Section 1. The City of San Juan has received a petition from the following property owners for voluntary annexation of properties described in Exhibit "A". The City Commission of the City of San Juan hereby declares its intention to institute proceedings to annex to the City the territory generally described in Exhibit "A" and being out of the and made a part hereof by the passage of an ordinance of annexation extending the general corporate limits of the City of San Juan for all purposes to include such territory. A map of such proposed annexation is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 2. The City Commission of the City of San Juan hereby calls two (2) public hearings at which time all interested persons shall have the right and opportunity to appear and be heard upon such proposal to annex the territories described above. The first public hearing shall be held in the City Commission Meeting at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on January 27, 2026. The second public hearing shall be held at the City Commission Meeting at San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 on February 10, 2026 at 6:00 p.m. The annexation proceeding, of which notice of intention to annex is given by this Resolution, shall be instituted not less than eleven (11) days nor more than twenty (20) days subsequent to such public hearings.

Section 3. The City Secretary of the City of San Juan is hereby directed to cause notices of such public hearings to be given by publication in a newspaper having general circulation within the City of San Juan and within the territory proposed to be annexed, the publication of notice of each public hearing to be made at least once in such newspaper not less than eleven (11) days nor more than twenty (20) days prior to the day of that public hearing.

Section 4. The Planning Department is hereby directed to cause to be prepared a service plan that provides for the extension of municipal services to the territories that are proposed to be annexed. The proposed service plan shall be made available for public inspection and shall be explained to the inhabitants of the territory at the public hearings called herein. Such service plan shall be prepared in accordance with the provisions of Chapter 43 of the Texas Local Government Code.

CONSIDERED, **PASSED** AND **APPROVED** on this **13th day of January, 2026** at a meeting of the City Commission of the City of San Juan, at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

_____

Mario Garza
Mayor

Attest:

_____

Brenda Escalante
City Secretary

City of San Juan
Planning Department
709 S. Nebraska Ave.
San Juan, Texas 78589
Phone: (956) 223-2220 | Fax: (956) 787-5978

Date: December 8, 2025

To the Honorable Mayor and Members of the Board of Commissioners, City of San Juan:

The undersigned, being an inhabitant and duly qualified voter of the property described below, which adjoins the corporate limits of the City of San Juan, respectfully petitions the Board of Commissioners to consider the annexation of the following tract of land into the City of San Juan:

Exhibit A: Metes and Bounds Description for Lot 3 (Aldape Family Investments, LLC)

Exhibit B: Survey

Exhibit C: Warranty Deed

The petitioner affirms that the information provided herein is true and correct to the best of their knowledge and requests that the City of San Juan proceed with the annexation in accordance with applicable laws and ordinances.

Respectfully submitted,

Jose Francisco Aldape
4608 Ben Hogen Av.
McAllen TX 78503
956-802-4782

ACKNOWLEDGMENT
State of Texas §
§
County of Hidalgo §

This instrument was acknowledged before me on this 10 day of December, **2025**, by Jose Francisco Aldape, Member of Aldape Family Investments, LLC, a Texas limited partnership on behalf of said partnership

Notary Public, State of Texas
My Commission Expires: 10/11/2029

MARIA ISABEL MONREAL
Notary Public, State of Texas
Comm. Expires 10-11-2029
Notary ID 133384069

EXHIBIT A

R.O.W. Surveying Services, L.L.C.

900 South Stewart Rd., Suite 13
Mission, Texas 78572

Metes and Bounds Description For Lot 3

Being a 4.748 acre tract of land out of Lot 55 and Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as per map or plat thereof recorded in Volume 0, Page 43, of the Map Records, Hidalgo County, Texas, Conveyed to Aldape Family Investments, LLC, by a "Special Warranty Deed", as described in Document Number 3604148, of the Official Records, Hidalgo County, Texas, said 4.748 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found on the Centerline of Las Milpas Rd, being on the Northwest corner of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, **Thence**, South 08°36'09" West, a distance of 835.64 feet on the West line of said Lot 55, **Thence**, South 81°23'51" East, a distance of 150.00 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the **Point of Beginning** this herein described tract of land;

Thence, South 81°23'51" East, a distance of 670.00 feet, to the Northeast corner this herein described tract of land;

Thence, South 08°36'09"West, a distance of 397.37 feet, to the Southeast corner of this herein described tract of land;

Thence, North 66°33'58" West, a distance of 693.09 feet, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set on the Southwest corner this herein described tract of land;

Thence, North 08°36'09" East, a distance of 219.96 feet to the **Point of Beginning**, containing a computed area of 4.748 acres.

Bearings and Distances referenced to the Texas Coordinate System, South Zone, North American Datum of 1983 (4205). A survey plat accompanies this herein metes and bounds description.

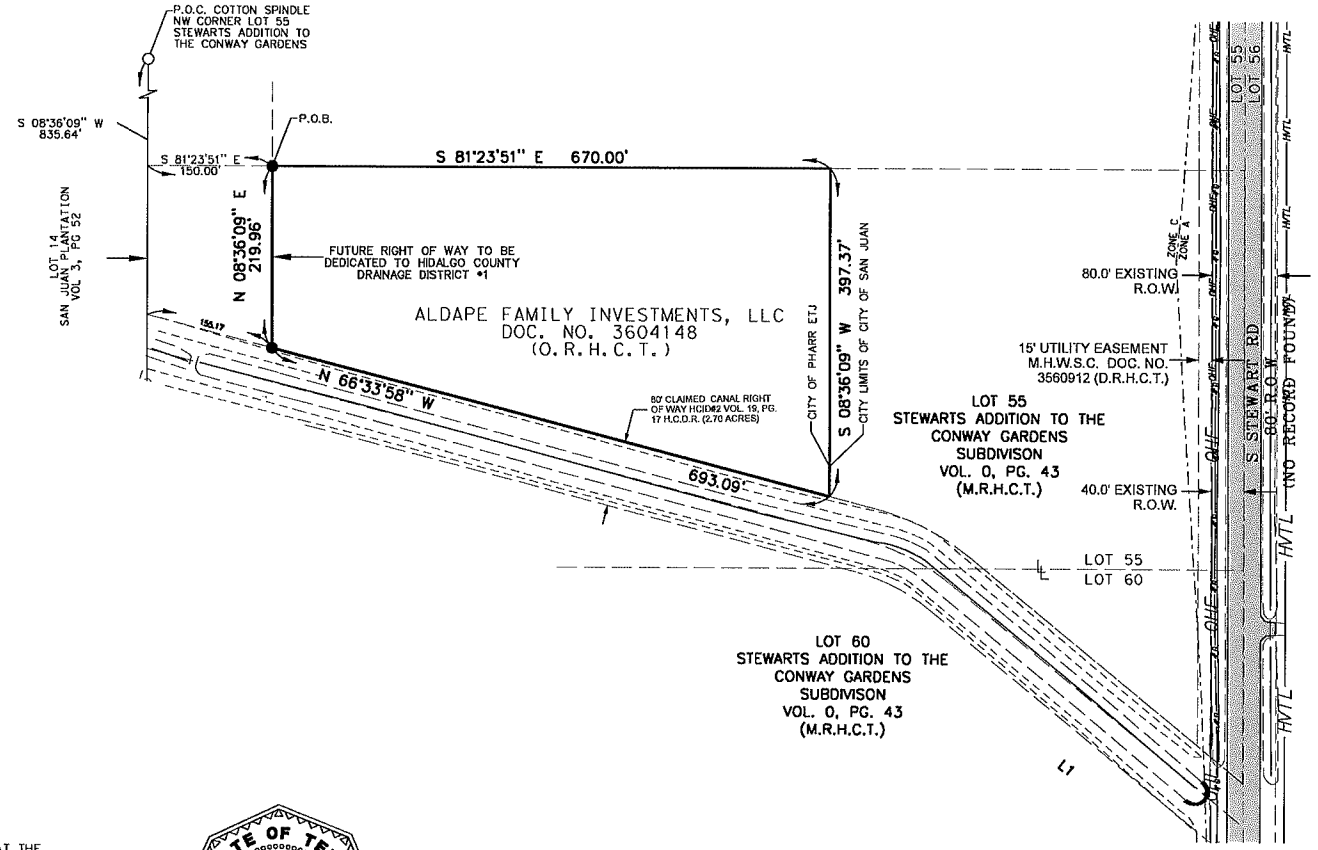
06/13/2025

Victor H. Trevino — Date
Registered Professional Land Surveyor No. 6968

EXHIBIT B

BOUNDARY SURVEY

BEING A 4.748 ACRE TRACT OF LAND OUT OF LOT 55 AND LOT 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, AS PER MAP OR PLAT THEREOF RECORDED IN VOLUME 0, PAGE 43, OF THE MAP RECORDS, HIDALGO COUNTY, TEXAS.



0' 50' 100' 150'
SCALE 1"=150'
11"X17"

LEGEND:

FOUND 5/8" IRON ROD UNLESS OTHERWISE NOTED	○
SET 5/8" IRON ROD WITH PLASTIC CAP STAMPED "ROWSS PROP. COR." UNLESS OTHERWISE NOTED	●
POWER POLE	◎
HIDALGO COUNTY DEED RECORDS	H.C.D.R.
POINT OF COMMENCEMENT	P.O.C.
POINT OF BEGRIMING	P.O.B.
RIGHT OF WAY	R.O.W.
HIGH VOLTAGE LINE	—HVTL—
OVERHEAD ELECTRIC	—OHE—
GAS LINE	—G—
ROAD (ASPHALT)	

NOTES:

1. BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH ZONE (4205), NORTH AMERICAN DATUM 1983. VERTICAL BASED ON: NAVD 1988 VERTICAL DATUM.
2. THIS SURVEYOR DID NOT ATTEMPT TO LOCATE UNDERGOUND UTILITES.
3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT.
4. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED

STATE OF TEXAS
COUNTY OF HIDALGO

I, VICTOR H. TREVINO, CERTIFY THAT THE ABOVE PLAT IS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN AND THAT ALL CORNERS HAVE BEEN LOCATED AS INDICATED.

06/13/2025

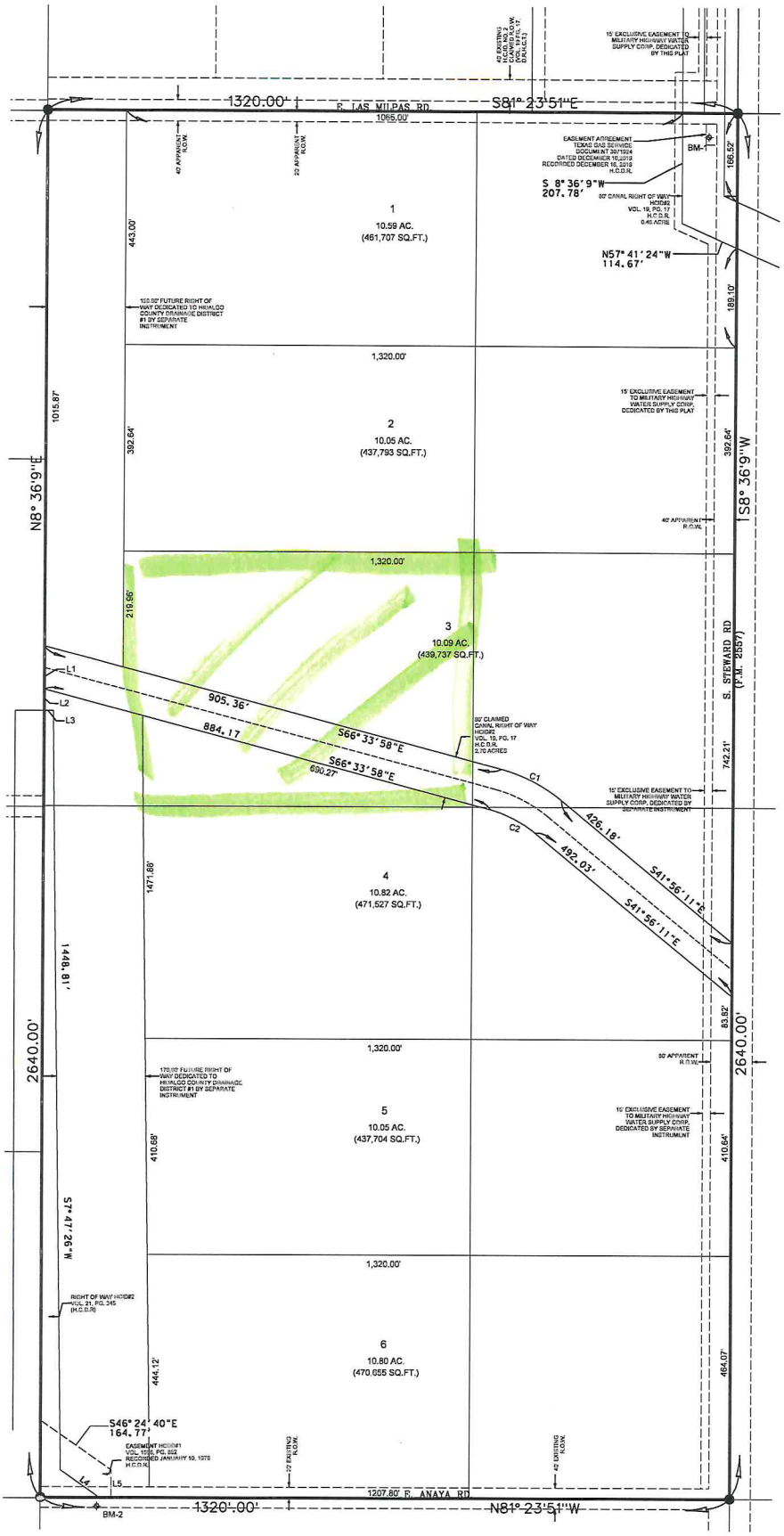
VICTOR H. TREVINO
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6968

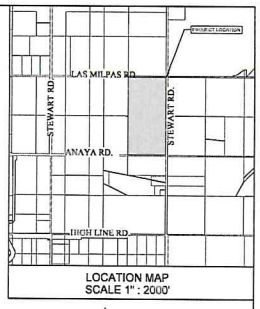
STATE OF TEXAS
REGISTERED
VICTOR H. TREVINO
6968
PROFESSIONAL
LAND SURVEYOR

ROW SURVEYING SERVICES, LLC.
900 S. STEWART RD. SUITE 13
MISSION, TEXAS 78572
TEL.: (956) 424-3335
FAX.: (956) 583-7116
TBPLS REG. FIRM# 10193886

© COPYRIGHT 2025 ROW SURVEYING SERVICES LLC THIS SURVEY WAS PROVIDED IN MULTIPLE ORIGINALS SOLELY FOR THE USE OF THE BORROWER NAMES HEREON. NO LICENSE HAS BEEN CREATED, EXPRESSED OR IMPLIED TO COPY THIS SURVEY.

PROJECT NO. R23015





LOCATION MAP
SCALE 1" : 2000'

0' 100' 200' 300'
SCALE 1" = 100' (24" X 36")

LEGEND:

SET 4 SAY IRON ROD WITH PLASTIC CAP STAMPED "BURNS PROP. LOT"

FOUND IRON ROD WITH PLASTIC CAP STAMPED "BURNS PROP. ONLY UNLESS OTHERWISE NOTED

OFFICIAL RECORDS HIDALGO COUNTY TEXAS	O.R.H.C.T.
MAP RECORDS HIDALGO COUNTY TEXAS	M.R.H.C.T.
DEED RECORDS HIDALGO COUNTY TEXAS	D.R.H.C.T.
RIGHT-OF-WAY	R.O.W.
HIDALGO COUNTY DRAINAGE DISTRICT	H.C.D.D.

BM-1 IS A SET 5/8" IRON ROD WITH BLUE PLASTIC CAP "SOUTH TEXAS INFRASTRUCTURE GROUP" LOCATED ON EAST RIGHT-OF-WAY OF STEWARD ROAD.
N= 16565719.6465
E= 1662752.3754
ELEV.= 69.47'

BM-2 IS A SET 5/8" IRON ROD WITH BLUE PLASTIC CAP "SOUTH TEXAS INFRASTRUCTURE GROUP" LOCATED ON EAST RIGHT-OF-WAY OF STEWARD ROAD.
N= 16565481.6395
E= 1664411.2256
ELEV.= 69.40'

PRELIMINARY SURVEY PLAT
STEWART INDUSTRIAL PARK

BEING A 60.09 ACRE TRACT OF LAND, BEING ALL OF LOT 58 & 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, VOLUME 9, PAGE 43, HIDALGO COUNTY MAP RECORDS.

PRINCIPAL CONTACTS:

	NAME	ADRESS	CITY & ZIP	PHONE	FAX
OWNER:	M & S ESTATE, LTD	3324 SANTA LAURA	MISSION, TEXAS 78572	(956) 500-0000	
ENGINEER:	VICTOR H. TREVINO, P.E.	900 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(956) 424-3335	(956) 424-3132
SURVEYOR:	VICTOR H. TREVINO, R.P.L.S.	900 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(956) 424-3335	(956) 424-3132

SOUTH TEXAS INFRASTRUCTURE GROUP
900 S. STEWART, SUITE 13
MISSION, TEXAS 78572
PH: (956) 424-3335
FAX: (956) 424-3132
TBPE REG. # 16000

SOUTH TEXAS INFRASTRUCTURE GROUP

PAGE 1

EXHIBIT C

Doc-3604148

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg, Texas 78540

Document No: 3604148 **Billable Pages: 7**

Recorded On: December 06, 2024 04:14 PM **Number of Pages: 8**

SPECIAL W/D

*******Examined and Charged as Follows*******

Total Recording: $ 59.25

*******THIS PAGE IS PART OF THE DOCUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:	
Document No:	3604148
Receipt No:	20241206000316
Recorded On:	December 06, 2024 04:14 PM
Deputy Clerk:	Olga Garcia
Station:	CH-1-CC-K21

Record and Return To:
Simplifile
5072 North 300 West
PROVO UT 84604

STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.
County Clerk
Hidalgo County, Texas

GF# 24244945O closer RMS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Special Warranty Deed

Date: DECEMBER 6, 2024

Grantor: M & S ESTATE, LTD

Grantor's Mailing Address: P.O. BOX 250
MCALLEN, TEXAS 78505
HIDALGO COUNTY

Grantee: ALDAPE FAMILY INVESTMENTS LLC, a Texas limited liability company

Grantee's Mailing Address: 4608 BEN HOGAN AVE.
MCALLEN, TEXAS 78503
HIDALGO COUNTY

Consideration: TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration.

Property (including any improvements):

Being a 11.004 acre tract of land out of Lot 55 and Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as per map or plat thereof recorded in Volume 0, Page 43, of the Map Records, Hidalgo County, Texas, Conveyed to M&S Estate, LTD, By a Warranty Deed with Vendor's Lien, as described in Document 3459093, Dated June 20, 2023, Recorded June 23, 2023, in the Official Records, Hidalgo County, Texas, said 11.004 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found on the Centerline of Las Milpas Rd, being on the Northwest corner of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, Thence, South 08°36'09" West, a distance of 835.64 feet on the West line of said Lot 55, Thence, South 81°23'51" East, a distance of 150.00 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the Point of Beginning this herein described tract of land;

Thence, South 81°23'51" East, a distance of 1170.00 feet over and across said Lot 55 to a Magnail Set on the centerline of Stewart Rd for the Northeast corner this herein described tract of land;

Thence, South 08°36'09"West, a distance of 742.21 with the East line of Lot 55 to a Magnail set for the Southeast corner of this herein described tract of land;

Thence, North 41°56'H" West, a distance of 426.18 feet with the North line of an 80.00 foot claimed Canal Right of Way by Hidalgo County Irrigation District #2, as recorded in Volume 19, Page 17, Hidalgo County Deed Records, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for a point of a curvature to the left and being a corner of this herein described tract of land;

Thence, along said curve to the left having radius 305.00 feet, a central angle of 24° 37' 47", an arc length of 131.11 feet, a chord bearing of North 54° 15' 05" West and a chord distance of 130.10 feet to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for a corner of this herein described tract of land;

Thence, North 66°33'58" West, a distance of 750.19 feet with the North line of said 80.00 foot Claimed Canal Right of Way, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Southwest corner of this herein described tract of land;

Thence, North 08°36'09" East, a distance of 219.96 feet to the Point of Beginning containing a computed area of 11.004 acres.

Reservations from Conveyance:

For Grantor and Grantor's heirs, successors, and assigns forever, a reservation of all oil, gas, and other minerals in and under the Property, and any royalty and other benefits under any existing or future lease covering any part of the Property, including a reservation and retaining of the rights of ingress and egress and of reasonable use of the Property (including surface materials) for mining, drilling, exploring, operating, developing, or removing the oil, gas, and other minerals.

Deed Restrictions:

GENERAL RESTRICTIONS. NOTWITHSTANDING ANY PROVISIONS IN THE CONTRACT TO THE CONTRARY, THE PROPERTY SHALL NOT BE USED, LEASED OR OCCUPIED FOR ANY OF THE FOLLOWING USES (THE "PROHIBITED USES"):

(I) ANY OPERATION USED IN DISTILLING, REFINING, SMELTING, BREWING, CHEMICAL MANUFACTURING OR PROCESSING, MINING OPERATION, MINERAL EXPLORATION OR DEVELOPMENT EXCEPT BY NON-SURFACE MEANS, WHOLESALE TRADE OR WHOLESALE TRADE ACCESSORY TO ANY RETAIL OPERATION FOR THE FOLLOWING: HIDE, SKINS AND RAW FURS, TOBACCO, LIVESTOCK, PETROLEUM BULK STATIONS AND TERMINALS, SCRAP OR JUNK WASTE MATERIALS OR ANY USE WHICH CREATES A NUISANCE;

(II) ANY "SECOND HAND" STORES, ODD LOT, CLOSEOUT OR LIQUIDATION STORE, FLEA MARKET, FIRE SALE BANKRUPTCY SALE (UNLESS PURSUANT TO A COURT ORDER) OR AUCTION HOUSE OPERATION;

(III) ANY COLONIA, MOBILE HOME PARK, TRAILER COURT, LABOR CAMP, JUNKYARD, OR STOCKYARD (EXCEPT THAT PROVISION SHALL NOT PROHIBIT THE TEMPORARY USE OF CONSTRUCTION TRAILERS DURING PERIODS OF CONSTRUCTION, RECONSTRUCTION, OR MAINTENANCE);

(IV) ANY STOCKYARD OR ANIMAL RAISING FACILITY;

(V) ANY SMOKE SHOP, ESTABLISHMENT SELLING OR EXHIBITING DRUG RELATED PARAPHERNALIA OR AS AN ADULT BOOKSTORE OR A STORE SELLING OR EXHIBITING PORNOGRAPHIC MATERIALS, ADULT THEATER, ADULT AMUSEMENT FACILITY, ANY FACILITY SELLING OR DISPLAYING PORNOGRAPHIC MATERIALS OR HAVING SUCH DISPLAYS;

(VI) ANY GAMING FACILITY OR OPERTATION, INCLUDING BUT NOT LIMITED TO: ON-TRACK OR SPORTS BETTING PARLOR, TABLE GAMES SUCH AS BLACK-JACK OR POKER, OR SLOT MACHINES, VIDEO POKER/BLACK-JACK/KENO MACHINES OR SIMILAR DEVISES; OR BINGO HALL;

(VII) GASOLINE SERVICE STATIONS OR RETAIL OUTLETS WHERE GASOLINE PRODUCTS ARE SOLD AT RETAIL PRICES SHALL BE PERMITTED; HOWEVER, THEY MUST BE LIMITED IN THEIR ACTIVITY TO THE SALES OF GASOLINE, OIL AND MINOR ACCESSORIES ONLY, AND INCIDENTAL SERVICE REPAIR, STEAM CLEANING, UNDERCOATING, VEHICLE BODY REPAIR, PAINTING, TIRE RECAPPING AND ENGINE REBUILDING, AUTO DISMANTLING, UPHOLSTERY, AUTO GLASSWORK ARE NOT PERMITTED.

(VIII) THE PROPERTY SHALL BE USED FOR LAWFUL PURPOSES IN CONFORMANCE WITH ALL RESTRICTIONS IMPOSED BY ALL APPLICABLE FEDERAL, STATE, COUNTY, MUNICIPAL, AND/OR LOCAL GOVERNMENTAL LAWS, ORINANCES, CODES AND REGULATIONS, AND NO USE OR OPERATION SHALL BE MADE OR CONDUCTED OR PERMITTED ON OR WITH RESPECT TO ALL OR ANY PORTION OF THE PROPERTY WHICH IS ILLEGAL.

Exceptions to Conveyance and Warranty:

a. Standby fees, taxes and assessments by any taxing authority for the year 2024, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

b. Rights or claims by Hidalgo County Irrigation District No. 2 to any portion of property lying within canal and/or drain ditch easements and/or rights of way located on the property

c. Statutory rights, rules, regulations, easements and liens in favor of Hidalgo County Irrigation District No. 2, pursuant to applicable sections of the Texas Water Code.

d. Easements and reservations as shown according to the map or plat thereof recorded in Volume 0, Page 43, Map Records of Hidalgo County, Texas.

e. Right of Way dated January 28, 1947 from the County of Hidalgo to Reynosa Pipe Linie Company of Texas, filed for record in Volume 610, Page 213, Deed Records of Hidalgo County, Texas. both lots

f. Easement Agreement dated December 10, 2019, filed December 16, 2019, by and between FORTCO PROPERTIES, LTD. and TEXAS GAS SERVICE, A DIVISION OF ONE GAS, INC., recorded under Document No. 3071924, Official Records of Hidalgo County, Texas. Lot 55

g. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated December 20 ,1925, from C. J. Howerton to Charles Smith, filed for record in Volume 426, Page 44, Deed Records of Hidalgo County, Texas. both lots

h. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 426, Deed Records of Hidalgo County, Texas. covers Lot 55

i. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 427, Deed Records of Hidalgo County, Texas. covers Lot 60

j. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated June 25, 1946 by and between A. Van Dresar, as Lessor, and Carl T. Conrad, as Lessee, recorded in Volume 69, Page 247, Oil and Gas Records of Hidalgo County, Texas. both lots

k. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated January 5, 1948 by and between B. C. Young, as Lessor, and Siniclair Prairie Oil Company, as Lessee, recorded in Volume 77, Page 13, Oil and Gas Records of Hidalgo County, Texas. both lots

l. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated March 15, 1948 from B. C. Young to Fred Krenmueller, filed for record in Volume 636, Page 505, Deed Records of Hidalgo County, Texas. covers both lots

m. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated May 23, 1988 from Ilse Lydia Krenmueller to Marcus John Forthuber and Elizabeth Ann Forthuber Cofoid, filed for record under Clerk's File No. 81721, Volume 2648, Page 498 and corrected under Clerk's File No. 107479, Volume 2740, Page 283, Deed Records of Hidalgo County, Texas. covers both lots

n. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 400, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

o. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 398, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

p. Mineral and/or Royalty Deed dated September 30, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 601, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

q. Mineral and/or Royalty Deed dated May 8, 1957, from Mrs. Van Dresser to W. H. Wilson, recorded in Volume 200, Page 508, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

r. Mineral and/or Royalty Deed dated May 22, 1957, from W. H. Wilson to J. H. Beard, Trustee, recorded in Volume 201, Page 225, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

s. Mineral and/or Royalty Deed dated August 6, 1957, from Mrs. A. Van Dresser to Mrs. Noreen H. Holland, recorded in Volume 203, Page 294, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

t. Mineral and/or Royalty Deed dated September 23, 1957, from Mrs. Loreen H. Holland to Harold W. Balbirnie, recorded in Volume 205, Page 45, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

u. Mineral and/or Royalty Deed dated February 20, 1958, from J. R. Beard, Trustee to C. J. Griffin, recorded under Volume 210, Page 160, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

v. Right of Way Agreement dated March 1, 1958, from Mrs. Fred Krenmueller, individually and as guardian of the Estate of Margaret Louise Krenmueller, Bert Forthuber and Gertrude Ann Forthuber to Coastal States Gas Producing Company, recorded under Volume 910, Page 573, Deed Records of Hidalgo County, Texas. both lots

w. Mineral and/or Royalty Deed dated September 5, 1958 from W. H. Wilson to Valco Investments, Inc., recorded under Volume 219, Page 286, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

x. Mineral and/or Royalty Deed dated February 26, 1959, from Mrs. Loreen H. Holland and W. H. Holland to William H. Wilson, Trustee for the William H. Wilson, Jr. Trust, recorded under Volume 225, Page 566, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

y. Mineral and/or Royalty Deed dated July 11, 1961, from C. J. Griffin to John R. Freeland, recorded under Volume 264, Page 138, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

z. Easement and Right of Way dated June 30, 1982 from Mrs. Fred Krenmueller etal to Central Power and Light Company, filed for record in Volume 1802, Page 668, Deed Records of Hidalgo County, Texas. Lot 60

aa. Easement South Lateral Drain dated January 9, 1978 from Ilse Lydia Kernmueller etal to Hidalgo County Drainage District Number One, filed for record under Clerk's File No. 826, Volume 1558, Page 852, Deed Records of Hidalgo County, Texas. Lot 60

bb. Military Highway Water Supply Corporation Exclusive Utility Easement dated June 27, 2024, executed by M&S Estate, Ltd., a Texas limited partnership, to Military Highway Water Supply Corporation, a Texas non-profit corporation, filed for record on July 2, 2024 under Document No. 3560912, Official Records of Hidalgo County, Texas.

cc. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Gertrude Ann Krenmueller Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225420, Volume 3121, Page 145, Oil and Gas Records of Hidalgo County, Texas. both lots

dd. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Ilse Lydia Krenmueller, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225421, Volume 3121, Page 150, Oil and Gas Records of Hidalgo County, Texas. both lots

ee. Ratification of Oil and Gas Lease under Clerk's File No. 262248, Volume 3254, Page 142, Official Records of Hidalgo County, Texas.

ff. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Ruth E. Van Dresar, as Lessor, and Enron Oil & Gas

Company, as Lessee, recorded under Clerk's File No. 228474, Volume 3131, Page 544, Oil and Gas Records of Hidalgo County, Texas. both lots

gg. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Dorothy Ethel Ferguson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228475, Volume 3131, Page 548, Oil and Gas Records of Hidalgo County, Texas. both lots

hh. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Bert Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded in Volume 3203, Page 591, Offical Records of Hidalgo County, Texas. both lots

ii. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.R. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254140 Volume 3224, Page 129, Official Records of Hidalgo County, Texas. both lots

jj. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.H. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254141 Volume 3224, Page 133, Offical Records of Hidalgo County, Texas. both lots

kk. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between James Kialing and Marion Kialing, Trustees, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 257869, Volume 3238, Page 165, Offical Records of Hidalgo County, Texas. both lots

ll. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between William Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 258968, Volume 3242, Page 197, Offical Records of Hidalgo County, Texas. both lots

mm. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Gertrude R. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299128, Volume 3392, Page 394, Official Records of Hidalgo County, Texas.

nn. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Bert. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299129, Volume 3392, Page 400, Official Records of Hidalgo County, Texas.

oo. Mineral and/or Royalty Deed dated April 5, 2010, from Mary Quaid Young to Samantha S. Young, recorded under Clerk's File No.2094568, Official Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

pp. All leases, grants, exceptions or reservations of coal, ignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records.

qq. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.

rr. Building, Zoning, Platting and/or Regulatory Laws and/or Ordinances of any Municipal and/or other Governmental Authority.

ss. Overhead electric and gas line as shown on survey dated October 25, 2024, under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

tt. Road right-of-way inside subject property along the Easterly boundary as shown on survey dated October 25, 2024, under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together

with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

As a material part of the Consideration for this deed, Grantor and Grantee agree that Grantee is taking the Property "AS IS". Grantee is taking the property in an Arm's-Length agreement between the parties. The Consideration was bargained on the basis of an "AS IS, WHERE IS" transaction and reflects the agreement of the parties that there are no representations or express or implied warranties, except those contained in the Purchase Contract, this Deed, and the other closing documents. Grantee has not relied on any information other than Grantee's inspection and the representations and warranties expressly contained in the Purchase Contract, this Deed, and the other closing documents.

ALDAPE FAMILY INVESTMENTS LLC, a Texas limited liability company Grantee, accepts the deed and consents to its form and substance. Grantee acknowledges that the terms of the deed conform with Grantee's intent and that they will control in the event of any conflict with the contract Grantee signed regarding the Property described in the deed.

When the context requires, singular nouns and pronouns include the plural.

Grantor:

M & S ESTATE, LTD

BY: M & S ESTATE MANAGEMENT, LLC,
a Texas limited liability company

ITS: GENERAL PARTNER

BY: _____
HUGO MARTINEZ, MEMBER/ MANAGER

BY: _____
MONICA SALGADO,
MEMBER/MANAGER

Agreed and Accepted by Grantee:

ALDAPE FAMILY INVESTMENTS LLC, a
Texas limited liability company

BY: _____
JOSE FRANCISCO ALDAPE, MEMBER

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 6 day of December, 2024, by HUGO MARTINEZ, MEMBER/ MANAGER of M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company, GENERAL PARTNER of M & S ESTATE, LTD., a Texas limited partnership on behalf of said partnership.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 6 day of December, 2024, by MONICA SALGADO, MEMBER/ MANAGER of M & S ESTATE MANAGEMENT, LLC, a Texas limited liability company, GENERAL PARTNER of M & S ESTATE, LTD., a Texas limited partnership on behalf of said partnership.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the 6 day of December, 2024, by JOSE FRANCISCO ALDAPE, MEMBER of ALDAPE FAMILY INVESTMENTS LLC, a Texas limited liability company on behalf of said company.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:
SLUSHER & ASSOCIATES, PLLC
4900 N. 10TH, STE, E-2
McALLEN, TEXAS 78504
GF#242449450

AFTER RECORDING, RETURN TO:
ALDAPE FAMILY INVESTMENTS LLC, a Texas limited liability company
4608 BEN HOGAN AVE.
MCALLEN, TEXAS 78503

EXHIBIT D

ArcGIS Web Map

8/2/2025, 4:09:48 PM

Streets

City of Pharr ETJ

1:9,028

0 0.07 0.15 0.3 mi

0 0.15 0.3 0.6 km

Web AppBuilder for ArcGIS

RESOLUTION NO.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ACCEPTING PETITION FOR A VOLUNTARY ANNEXATION OF THE 4.748 ACRE TRACT OF LAND OUT OF LOT 55 AND 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, SETTING THE DATES AND TIMES FOR PUBLIC HEARINGS REGARDING THE PROPOSED ANNEXATION OF THE BELOW MENTIONED PROPERTIES; AND DIRECTING THE PLANNING DEPARTMENT TO PREPARE A PLAN OF SERVICES FOR SAID ANNEXATION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

Section 1. The City of San Juan has received a petition from the following property owners for voluntary annexation of properties described in Exhibit "A". The City Commission of the City of San Juan hereby declares its intention to institute proceedings to annex to the City the territory generally described in Exhibit "A" and being out of the and made a part hereof by the passage of an ordinance of annexation extending the general corporate limits of the City of San Juan for all purposes to include such territory. A map of such proposed annexation is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 2. The City Commission of the City of San Juan hereby calls two (2) public hearings at which time all interested persons shall have the right and opportunity to appear and be heard upon such proposal to annex the territories described above. The first public hearing shall be held in the City Commission Meeting at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on January 27, 2026. The second public hearing shall be held at the City Commission Meeting at San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 on February 10, 2026 at 6:00 p.m. The annexation proceeding, of which notice of intention to annex is given by this Resolution, shall be instituted not less than eleven (11) days nor more than twenty (20) days subsequent to such public hearings.

Section 3. The City Secretary of the City of San Juan is hereby directed to cause notices of such public hearings to be given by publication in a newspaper having general circulation within the City of San Juan and within the territory proposed to be annexed, the publication of notice of each public hearing to be made at least once in such newspaper not less than eleven (11) days nor more than twenty (20) days prior to the day of that public hearing.

Section 4. The Planning Department is hereby directed to cause to be prepared a service plan that provides for the extension of municipal services to the territories that are proposed to be annexed. The proposed service plan shall be made available for public inspection and shall be explained to the inhabitants of the territory at the public hearings called herein. Such service plan shall be prepared in accordance with the provisions of Chapter 43 of the Texas Local Government Code.

CONSIDERED, **PASSED** AND **APPROVED** on this **13th day of January, 2026** at a meeting of the City Commission of the City of San Juan, at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

_____

Mario Garza
Mayor

Attest:

_____

Brenda Escalante
City Secretary

City of San Juan
Planning Department
709 S. Nebraska Ave.
San Juan, Texas 78589
Phone: (956) 223-2220 | Fax: (956) 787-5978

Date: December 8, 2025

To the Honorable Mayor and Members of the Board of Commissioners, City of San Juan:

The undersigned, being an inhabitant and duly qualified voter of the property described below, which adjoins the corporate limits of the City of San Juan, respectfully petitions the Board of Commissioners to consider the annexation of the following tract of land into the City of San Juan:

Exhibit A: Metes and Bounds Description For Lot 4 (Texas RGV Investments)
Exhibit B: Survey
Exhibit C: Warranty Deed

The petitioner affirms that the information provided herein is true and correct to the best of their knowledge and requests that the City of San Juan proceed with the annexation in accordance with applicable laws and ordinances.

Respectfully submitted,

Hugo Martinez
1401 S. Jackson Rd. Ste. 1
Pharr TX 78577
956-239-0187

ACKNOWLEDGEMENT

State of Texas

County of Hidalgo

This instrument was acknowledged before me on this **8th day of December, 2025**, by **Hugo Martinez**, Member of **Texas RGV Investment, LLC**, a Texas limited partnership, on behalf of said partnership.

Signature of Notary Public

Adriana Cepeda Villar
Notary Public, State of Texas
My Commission Expires: 11-11-2027

(Seal)

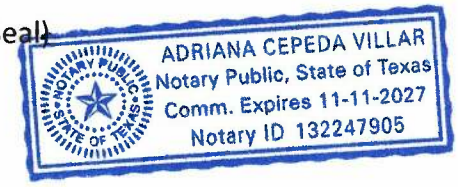


EXHIBIT A

R.O.W. Surveying Services, L.L.C.

900 South Stewart Rd., Suite 13
Mission, Texas 78572

Metes and Bounds Description For Lot 4

Being a 7.708 acre tract of land out of Lot 55 and Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as per map thereof recorded in Volume 0, Page 43, of the Map Records, Hidalgo County, Texas, conveyed to Texas RGV Investment, LLC, by "Special Warranty Deed", as described in Document Number 3570639, of the Official Records, Hidalgo County, Texas, said 7.708 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found for the Northwest corner of said Lot 55, Stewarts Addition to the Conway Gardens Subdivision, and also being on the centerline of E. Las Milpas Road (40.0 feet Right-of-Way), **Thence**, South 08°36'09" West, a distance of 1098.64 feet, with the West line of said Lot 55, to a point on the South line of an 80' claimed canal Right-of-Way (2.70 acres) owned by Hidalgo County Irrigation District No. 2, as per Volume 19, Page 17, Deed Records, Hidalgo County, Texas, **Thence**, South 66°33'58" East a distance of 196.35 feet, with the South line of an 80' claimed canal Right-of-Way, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set and being the **Point of Beginning** this herein described tract of land;

Thence, South 66°33'58" East, a distance of 651.91 feet, with the South line of an 80' claimed canal Right-of-Way (2.70 acres) owned by Hidalgo County Irrigation District No. 2, to the Northeast corner this herein described tract of land;

Thence, South 08°36'09" West, a distance of 449.52 feet, to the Southeast corner of this herein described tract of land;

Thence, North 81°23'51" West, a distance of 629.81 feet, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set on the Southwest corner this herein described tract of land;

Thence, North 08°34'02" East, a distance of 616.39 feet, to the **Point of Beginning**, containing a computed area of 7.708 acres.

Bearings and Distances referenced to the Texas Coordinate System, South Zone, North American Datum of 1983 (4205). A survey plat accompanies this herein metes and bounds description.

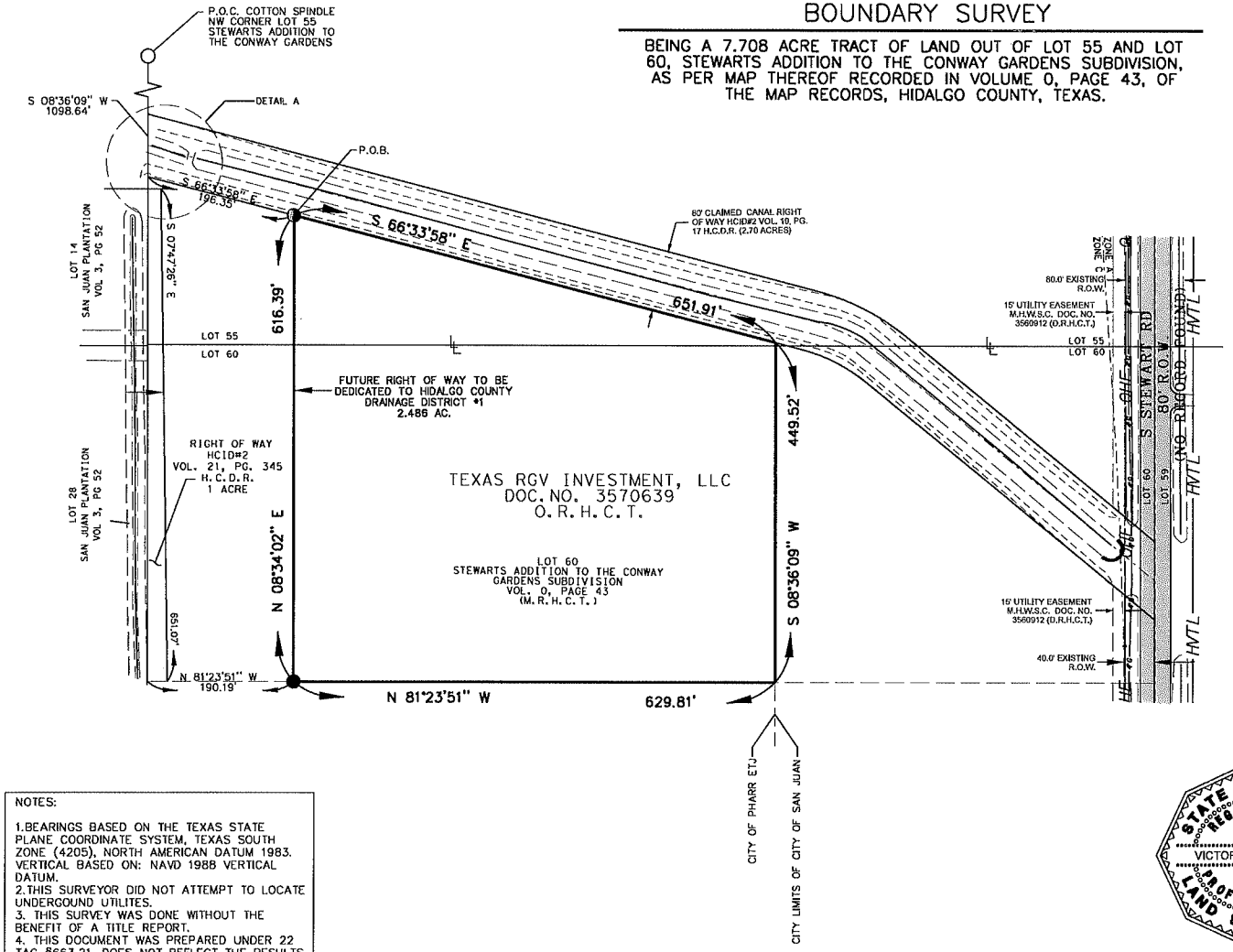
06/13/2025

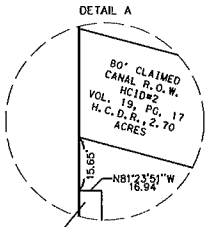
Victor H. Trevino — Date
Registered Professional Land Surveyor No. 6968

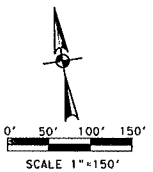
EXHIBIT B

BOUNDARY SURVEY

BEING A 7.708 ACRE TRACT OF LAND OUT OF LOT 55 AND LOT 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, AS PER MAP THEREOF RECORDED IN VOLUME 0, PAGE 43, OF THE MAP RECORDS, HIDALGO COUNTY, TEXAS.







LEGEND:

FOUND 5/8" IRON ROD UNLESS OTHERWISE NOTED	○
SET 5/8" IRON ROD WITH PLASTIC CAP STAMPED "ROWSS PROP. COR." UNLESS OTHERWISE NOTED	●
POWER POLE	
HIDALGO COUNTY DEED RECORDS	H.C.D.R.
POINT OF COMMENCEMENT	P.O.C.
POINT OF BEGRIMING	P.O.B.
RIGHT OF WAY	R.O.W.
HIGH VOLTAGE LINE	—HVTL—
OVERHEAD ELECTRIC	—OHE—
GAS LINE	—G—
ROAD (ASPHALT)	

NOTES:

1. BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH ZONE (4205), NORTH AMERICAN DATUM 1983. VERTICAL BASED ON: NAVD 1988 VERTICAL DATUM.
2. THIS SURVEYOR DID NOT ATTEMPT TO LOCATE UNDERGOUND UTILITES.
3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT.
4. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED

© COPYRIGHT 2025 ROW SURVEYING SERVICES LLC THIS SURVEY WAS PROVIDED IN MULTIPLE ORIGINALS SOLELY FOR THE USE OF THE BORROWER NAMES HEREON. NO LICENSE HAS BEEN CREATED, EXPRESSED OR IMPLIED TO COPY THIS SURVEY.

STATE OF TEXAS
REGISTERED
VICTOR H. TREVINO
6968
PROFESSIONAL
LAND SURVEYOR

STATE OF TEXAS
COUNTY OF HIDALGO

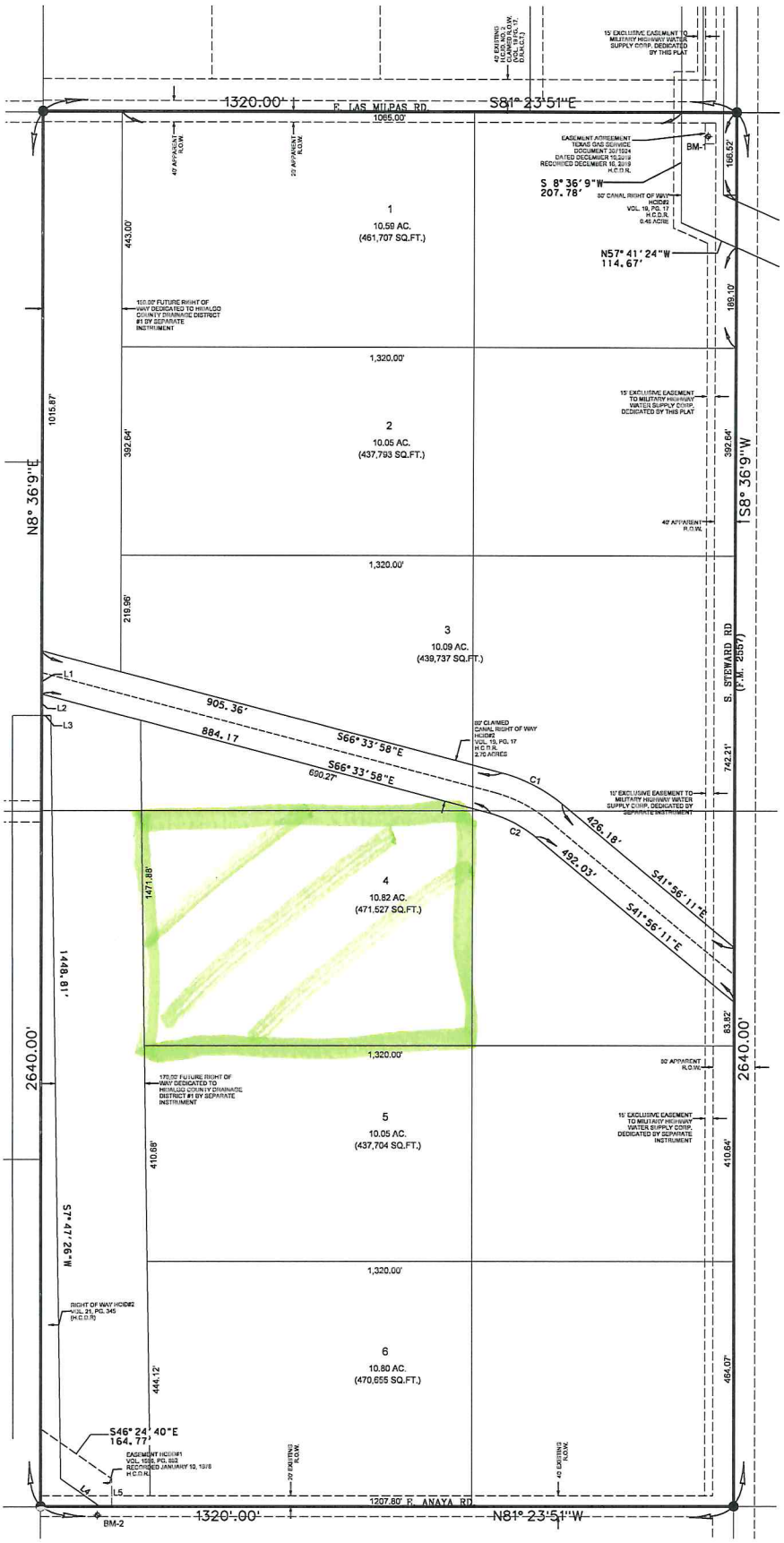
I, VICTOR H. TREVINO, CERTIFY THAT THE ABOVE PLAT IS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN AND THAT ALL CORNERS HAVE BEEN LOCATED AS INDICATED.

06/13/2025

VICTOR H. TREVINO
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6968

ROW SURVEYING SERVICES, LLC.
900 S. STEWART RD. SUITE 13
MISSION, TEXAS 78572
TEL.: (956) 424-3335
FAX.: (956) 583-7116
TBPLS REG. FIRM# 10193886

PROJECT NO. R23013



PRELIMINARY SURVEY PLAT
STEWART INDUSTRIAL PARK

BEING A 50.00 ACRE TRACT OF LAND, BEING ALL OF LOT 55 & 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, VOLUME 9, PAGE 42, HIDALGO COUNTY MAP RECORDS.

PRINCIPAL CONTACTS:

	NAME	ADRESS	CITY & ZIP	PHONE	FAX
OWNER:	M & S ESTATE, LTD	3104 SANTA LAURA	MISSION, TEXAS 78572	(210) 802-0012	
ENGINEER:	VICTOR H. TREVINO, P.E.	200 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(956) 424-3335	(956) 424-3132
SURVEYOR:	VICTOR H. TREVINO, R.P.L.S.	200 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(210) 424-3335	(956) 424-3132

SOUTH TEXAS INFRASTRUCTURE GROUP
200 S. STEWART, SUITE 13
MISSION, TEXAS 78572
PH. (956) 424-3335
FAX. (956) 424-3132
TBPE REG. # 15000

SOUTH TEXAS INFRASTRUCTURE GROUP

PAGE 1

EXHIBIT C

Doc-3570639

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg, Texas 78540

Document No: 3570639 **Billable Pages: 9**

Recorded On: August 06, 2024 03:10 PM **Number of Pages: 10**

SPECIAL W/D

*******Examined and Charged as Follows*******

Total Recording: $ 67.00

*******THIS PAGE IS PART OF THE DOCUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:		**Record and Return To:**
Document No:	3570639	Simplifile
Receipt No:	20240806000283	5072 North 300 West
Recorded On:	August 06, 2024 03:10 PM	
Deputy Clerk:	Rene Salinas	PROVO UT 84604
Station:	CH-1-CC-K17	

STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.
County Clerk
Hidalgo County, Texas

CHARGE San Jacinto Title Services-McAllen
GF# 2024-48885 Closer PMG

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Special Warranty Deed

Date: JULY 30, 2024

Grantor: M & S ESTATE, LTD

Grantor's Mailing Address: P. O. BOX 250
MCALLEN, TEXAS 78505
HIDALGO COUNTY

Grantee: TEXAS RGV INVESTMENT, LLC, a Texas limited liability company

Grantee's Mailing Address: 1401 S. JACKSON RD., STE. 1
MCALLEN, TEXAS 78501
HIDALGO COUNTY

Consideration: TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration.

Property (including any improvements):

Being a 10.985 acre tract of land out of Lot 55 and Lot 60, Stewarts Addition to the Conway Gardens Subdivision, as per map thereof recorded in Volume 0, Page 43, of the Map Records, Hidalgo County, Texas, Conveyed to M&S Estate, LTD, by "Warranty Deed with Vendor's Lien", as described in Document Number 3459093, dated June 20, 2023, recorded June 23, 2023, in the Official Records of Hidalgo County, Texas, said 10.985 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found for the Northwest corner of said Lot 55, Stewarts Addition to the Conway Gardens Subdivision, and also being on the centerline of E. Las Milpas Road (40.0 feet Right-of-Way), Thence, South 08°36'09" West, a distance of 1098.64 feet, with the West line of said Lot 55, to a point on the South line of an 80' claimed canal Right-of-Way (2.70 acres) owned by Hidalgo County Irrigation District No. 2, as per Volume 19, Page 17, Deed Records, Hidalgo County, Texas, Thence, South 66°33'58" East a distance of 196.35 feet, with the South line of an 80' claimed canal Right-of-Way, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set and being the Point of Beginning this herein described tract of land;

Thence, South 66°33'58" East, a distance of 687.82 feet, with the South line of an 80' claimed canal Right-of-Way (2.70 acres) owned by Hidalgo County Irrigation District No. 2, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for a point of curvature to the right and being a corner of this herein described tract of land;

Thence, along said curve to the right having radius 225.00 feet, a central angel 24° 37' 47", an arc length of 96.72 feet a chord bearing of South 54° 15' 05" East, and chord distance of 98.98 feet, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for a corner of this herein described tract of land;

Thence, South 41°56'11" East, a distance of 492.03 feet, with the South line of an 80' claimed canal Right-of-Way, to a magnail set on the East line of said Lot 60 for an exterior corner of this herein described tract of land;

Thence, South 08°36'09" West, a distance of 83.82 feet, with the East line of said Lot 60 to a magnail set for the Southeast corner of this herein described tract of land;

1E03AB4F-BBB1-4654-A2FC-48E15607E320 — 2024048885 14:06:10 -6:00 — Remote Notary

DocVerify ID: 1E03AB4F-BBB1-4654-A2FC-48E15607E320
www.docverify.com

Thence, North 81°23'51" West, a distance of 1129.81 feet, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set on the Southwest corner this herein described tract of land;

Thence, North 08°34'02" East, a distance of 616.39 feet, to the Point of Beginning, containing a computed area of 10.985 acres.

Reservations from Conveyance:

Grantor reserves and excepts from this conveyance (a) all minerals and other valuable mineral substances of every kind and character including, but not limited to, oil and gas and all related hydrocarbons, sulphur, coal, lignite, gold, copper, iron, zinc, lead, uranium, vanadium, plutonium, molybdenum, thorium and other fissionable minerals and materials that may be produced from the Property and (b) all of the underground water, percolating water, artesian water, and other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of the Property.

Exceptions to Conveyance and Warranty:

a. Standby fees, taxes and assessments by any taxing authority for the year 2024, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

b. Rights or claims by Hidalgo County Irrigation District No. 2 to any portion of property lying within canal and/or drain ditch easements and/or rights of way located on the property

c. Statutory rights, rules, regulations, easements and liens in favor of Hidalgo County Irrigation District No. 2, pursuant to applicable sections of the Texas Water Code.

d. Easements and reservations as shown according to the map or plat thereof recorded in Volume 0, Page 43, Map Records of Hidalgo County, Texas.

e. Right of Way dated January 28, 1947 from the County of Hidalgo to Reynosa Pipe Linie Company of Texas, filed for record in Volume 610, Page 213, Deed Records of Hidalgo County, Texas. both lots

f. Easement Agreement dated December 10, 2019, filed December 16, 2019, by and between FORTCO PROPERTIES, LTD. and TEXAS GAS SERVICE, A DIVISION OF ONE GAS, INC., recorded under Document No. 3071924, Official Records of Hidalgo County, Texas. Lot 55

g. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated December 20 ,1925, from C. J. Howerton to Charles Smith, filed for record in Volume 426, Page 44, Deed Records of Hidalgo County, Texas. both lots

h. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 426, Deed Records of Hidalgo County, Texas. covers Lot 55

i. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 427, Deed Records of Hidalgo County, Texas. covers Lot 60

j. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated June 25, 1946 by and between A. Van Dresar, as Lessor, and Carl T. Conrad, as Lessee, recorded in Volume 69, Page 247, Oil and Gas Records of Hidalgo County, Texas. both lots

1E03AB4F-BBB1-4654-A2FC-48E15607E320 --- 2024/08/05 14:35:10 -6:00 --- Remote Notary

k. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated January 5, 1948 by and between B. C. Young, as Lessor, and Siniclair Prairie Oil Company, as Lessee, recorded in Volume 77, Page 13, Oil and Gas Records of Hidalgo County, Texas. both lots

l. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated March 15, 1948 from B. C. Young to Fred Krenmueller, filed for record in Volume 636, Page 505, Deed Records of Hidalgo County, Texas. covers both lots

m. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated May 23, 1988 from Ilse Lydia Krenmueller to Marcus John Forthuber and Elizabeth Ann Forthuber Cofoid, filed for record under Clerk's File No. 81721, Volume 2648, Page 498 and corrected under Clerk's File No. 107479, Volume 2740, Page 283, Deed Records of Hidalgo County, Texas. covers both lots

n. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 400, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

o. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 398, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

p. Mineral and/or Royalty Deed dated September 30, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 601, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

q. Mineral and/or Royalty Deed dated May 8, 1957, from Mrs. Van Dresser to W. H. Wilson, recorded in Volume 200, Page 508, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

r. Mineral and/or Royalty Deed dated May 22, 1957, from W. H. Wilson to J. H. Beard, Trustee, recorded in Volume 201, Page 225, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

s. Mineral and/or Royalty Deed dated August 6, 1957, from Mrs. A. Van Dresser to Mrs. Noreen H. Holland, recorded in Volume 203, Page 294, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

t. Mineral and/or Royalty Deed dated September 23, 1957, from Mrs. Loreen H. Holland to Harold W. Balbirnie, recorded in Volume 205, Page 45, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

u. Mineral and/or Royalty Deed dated February 20, 1958, from J. R. Beard, Trustee to C. J. Griffin, recorded under Volume 210, Page 160, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

v. Right of Way Agreement dated March 1, 1958, from Mrs. Fred Krenmueller, individually and as guardian of the Estate of Margaret Louise Krenmueller, Bert Forthuber and Gertrude Ann Forthuber to Coastal States Gas Producing Company, recorded under Volume 910, Page 573, Deed Records of Hidalgo County, Texas. both lots

w. Mineral and/or Royalty Deed dated September 5, 1958 from W. H. Wilson to Valco Investments, Inc., recorded under Volume 219, Page 286, Oil & Gas Records of Hidalgo

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County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

x. Mineral and/or Royalty Deed dated February 26, 1959, from Mrs. Loreen H. Holland and W. H. Holland to William H. Wilson, Trustee for the William H. Wilson, Jr. Trust, recorded under Volume 225, Page 566, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

y. Mineral and/or Royalty Deed dated July 11, 1961, from C. J. Griffin to John R. Freeland, recorded under Volume 264, Page 138, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

z. Easement and Right of Way dated June 30, 1982 from Mrs. Fred Krenmueller etal to Central Power and Light Company, filed for record in Volume 1802, Page 668, Deed Records of Hidalgo County, Texas. Lot 60

aa. Easement South Lateral Drain dated January 9, 1978 from Ilse Lydia Kernmueller etal to Hidalgo County Drainage District Number One, filed for record under Clerk's File No. 826, Volume 1558, Page 852, Deed Records of Hidalgo County, Texas. Lot 60

bb. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Gertrude Ann Krenmueller Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225420, Volume 3121, Page 145, Oil and Gas Records of Hidalgo County, Texas. both lots

cc. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Ilse Lydia Krenmueller, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225421, Volume 3121, Page 150, Oil and Gas Records of Hidalgo County, Texas. both lots

dd. Ratification of Oil and Gas Lease under Clerk's File No. 262248, Volume 3254, Page 142,
Official Records of Hidalgo County, Texas.

ee. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Ruth E. Van Dresar, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228474, Volume 3131, Page 544, Oil and Gas Records of Hidalgo County, Texas. both lots

ff. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Dorothy Ethel Ferguson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228475, Volume 3131, Page 548, Oil and Gas Records of Hidalgo County, Texas. both lots

gg. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Bert Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded in Volume 3203, Page 591, Offical Records of Hidalgo County, Texas. both lots

hh. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.R. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254140 Volume 3224, Page 129, Offical Records of Hidalgo County, Texas. both lots

ii. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.H. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254141 Volume 3224, Page 133, Offical Records of Hidalgo County, Texas. both lots

jj. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between James Kialing and Marion Kialing, Trustees, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No.

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257869, Volume 3238, Page 165, Offical Records of Hidalgo County, Texas. both lots

kk. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between William Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 258968, Volume 3242, Page 197, Offical Records of Hidalgo County, Texas. both lots

ll. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Gertrude R. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299128, Volume 3392, Page 394, Official Records of Hidalgo County, Texas.

mm. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Bert. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299129, Volume 3392, Page 400, Official Records of Hidalgo County, Texas.

nn. Mineral and/or Royalty Deed dated April 5, 2010, from Mary Quaid Young to Samantha S. Young, recorded under Clerk's File No.2094568, Official Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

oo. All leases, grants, exceptions or reservations of coal, ignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records.

pp. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.

qq. Building, Zoning, Platting and/or Regulatory Laws and/or Ordinances of any Municipal and/or other Governmental Authority.

rr. Gas line and overhead electric as shown on survey dated July 10, 2024, under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

ss. Road right-of-way inside subject property along the Easterly boundary as shown on survey dated July 10, 2024, under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

tt. Military Highway Water Supply Corporation Exclusive Utility Easement dated June 27, 2024, executed by M&S Estate, Ltd., a Texas limited partnership, to Military Highway Water Supply Corporation, a Texas non-profit corporation, filed for record on July 2, 2024 under Document No. 3560912, Official Records of Hidalgo County, Texas.

Grantor, for the consideration indicated above, and subject to the reservations from, and exceptions to conveyance and warranty contained in this instrument, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold the Property to Grantee, Grantee's heirs, executors, administrators, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof forever, when the claim, is by, through, or under Grantor, but not otherwise, except as to the reservations from, and exceptions to conveyance and warranty herein contained.

GRANTEE, BY ACCEPTANCE OF THIS DEED, ACKNOWLEDGES THAT IT HAS INSPECTED AND ASSESSED THE PROPERTY AND HAS SATISFIED ITSELF AS TO THE CONDITION OF SAME AND THAT IT ACCEPTS THE PROPERTY "AS IS" AND "WHERE IS" AND WITH ALL FAULTS, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESSED, IMPLIED, BY OPERATION OF LAW OR

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OTHERWISE, INCLUDING, WITHOUT LIMITATION, WITHOUT IMPLIED WARRANTY AS TO HABITABILITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR ANY PURPOSE, SAVE AND EXCEPT THE WARRANTIES OF TITLE CONTAINED HEREIN. THE DISCLAIMERS, WAIVERS AND OTHER PROVISIONS OF THIS PARAGRAPH INURE TO THE BENEFIT OF GRANTOR AND GRANTOR'S PREDECESSORS IN INTEREST.

By acceptance of this Deed, Grantee assumes payment of all property taxes on the Property for the year 2024 and subsequent years and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

IN WITNESS WHEREOF, this Deed has been executed by Grantor on the date of the acknowledgement set forth below, to be effective for all purposes as of the day of August 5, 2024

Grantor:

M & S ESTATE, LTD

BY: _____
MONICA SALGADO, MEMBER

BY: _____
HUGO MARTINEZ, MEMBER

Agreed and Accepted by Grantee:

TEXAS RGV INVESTMENT, LLC, a Texas limited liability company

BY: M & S ESTATE, LTD.

ITS: MEMBER

BY: _____
HUGO MARTINEZ, MANAGER/MEMBER

BY: HAYWEY, LLC

ITS: MEMBER

BY: ELIAS JONATHAN ASKENAZI _____
ELIAS JONATHAN ASKENAZI,
MEMBER/MANAGER

DIAFI, LLC

ITS: MEMBER

BY: Alan Esses _____
ALAN ESSES GRITZEWSKY,
MEMBER/MANAGER

BY: ROVIMAX REAL ESTATE, LLC

ITS: MEMBER

BY: Jose I Villanueva _____
ISRAEL VILLANUEVA, MEMBER/MANAGER

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ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 5 day of August, 2024, by MONICA SALGADO, MEMBER of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 5 day of August, 2024, by HUGO MARTINEZ, MEMBER of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 5 day of August, 2024, by HUGO MARTINEZ, MANAGER/MEMBER of M & S ESTATE, LTD., Member of TEXAS RGV INVESTMENT, LLC, a Texas limited liability company on behalf of said company.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me by means of an interactive two-way audio and video communication on August 5, 2024, 2024, by ELIAS JONATHAN ASKENAZI, MEMBER/MANAGER of HAY WEY, LLC, Member of TEXAS RGV INVESTMENT, LLC, a Texas limited liability company on behalf of said company.

Rick Hinojosa
Commission # 124066795
Notary Public
STATE OF TEXAS
My Comm Exp. Sep 20, 2024

NOTARY PUBLIC, STATE OF TEXAS

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STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me by means of an interactive two-way audio and video communication on August 5, 2024, by ALAN ESSES GRITZEWSKY, MEMBER/MANAGER of DIAFI, LLC, Member of TEXAS RGV INVESTMENT, LLC, a Texas limited liability company on behalf of said company.

Rick Hinojosa
Commission # 124066795
Notary Public
STATE OF TEXAS
My Comm Exp. Sep 20, 2024

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me by means of an interactive two-way audio and video communication on August 5, 2024, by ISRAEL VILLANUEVA, MEMBER/MANAGER of ROVIMAX REAL ESTATE, LLC, Member of TEXAS RGV INVESTMENT, LLC, a Texas limited liability company on behalf of said company.

Rick Hinojosa
Commission # 124066795
Notary Public
STATE OF TEXAS
My Comm Exp. Sep 20, 2024

NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:
SLUSHER & ASSOCIATES, PLLC
4900 N. 10TH, STE, E-2
McALLEN, TEXAS 78504
GF# 242448885

AFTER RECORDING, RETURN TO:
TEXAS RGV INVESTMENT, LLC, a Texas limited liability company

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WD TX RGV Investment.pdf

DocVerify ID:	1E03AB4F-BBB1-4654-A2FC-48E15607E320
Created:	August 05, 2024 14:05:10 -6:00
Pages:	8
Remote Notary:	Yes / State: TX

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E-Signature Summary

E-Signature 1: ELIAS JONATHAN ASKENAZI (EJA)
August 05, 2024 14:28:48 -6:00 [3724FDD732A6] [159.250.99.173]
j.askenazi@hapd.mx (Principal) (Personally Known)

E-Signature 2: Alan Esses (AE)
August 05, 2024 14:28:48 -6:00 [6994E6DCCE8B] [45.168.232.2]
Alanesses@gmail.com (Principal) (Personally Known)

E-Signature 3: Jose I Villanueva (Jv)
August 05, 2024 14:28:48 -6:00 [C9E09BE4D704] [201.145.149.40]
villanueva@2day.com.mx (Principal) (Personally Known)

E-Signature Notary: Rick Hinojosa (RH)
August 05, 2024 14:28:48 -6:00 [AE30D54045BB] [24.153.131.238]
rick@alvaradolegal.com
I, Rick Hinojosa, did witness the participants named above electronically sign this document.

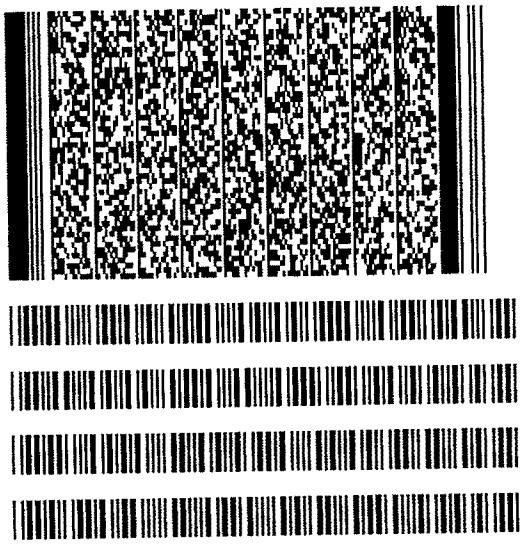

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EXHIBIT D

ArcGIS Web Map

8/2/2025, 4:26:29 PM

Streets

City of Pharr ETJ

1:9,028

0 0.07 0.15 0.3 mi

0 0.15 0.3 0.6 km

Web AppBuilder for ArcGIS

RESOLUTION NO.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ACCEPTING PETITION FOR A VOLUNTARY ANNEXATION OF THE 7.708 ACRE TRACT OF LAND OUT OF LOTS 55 AND 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, SETTING THE DATES AND TIMES FOR PUBLIC HEARINGS REGARDING THE PROPOSED ANNEXATION OF THE BELOW MENTIONED PROPERTIES; AND DIRECTING THE PLANNING DEPARTMENT TO PREPARE A PLAN OF SERVICES FOR SAID ANNEXATION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

Section 1. The City of San Juan has received a petition from the following property owners for voluntary annexation of properties described in Exhibit "A". The City Commission of the City of San Juan hereby declares its intention to institute proceedings to annex to the City the territory generally described in Exhibit "A" and being out of the and made a part hereof by the passage of an ordinance of annexation extending the general corporate limits of the City of San Juan for all purposes to include such territory. A map of such proposed annexation is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 2. The City Commission of the City of San Juan hereby calls two (2) public hearings at which time all interested persons shall have the right and opportunity to appear and be heard upon such proposal to annex the territories described above. The first public hearing shall be held in the City Commission Meeting at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on January 27, 2026. The second public hearing shall be held at the City Commission Meeting at San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 on February 10, 2026 at 6:00 p.m. The annexation proceeding, of which notice of intention to annex is given by this Resolution, shall be instituted not less than eleven (11) days nor more than twenty (20) days subsequent to such public hearings.

Section 3. The City Secretary of the City of San Juan is hereby directed to cause notices of such public hearings to be given by publication in a newspaper having general circulation within the City of San Juan and within the territory proposed to be annexed, the publication of notice of each public hearing to be made at least once in such newspaper not less than eleven (11) days nor more than twenty (20) days prior to the day of that public hearing.

Section 4. The Planning Department is hereby directed to cause to be prepared a service plan that provides for the extension of municipal services to the territories that are proposed to be annexed. The proposed service plan shall be made available for public inspection and shall be explained to the inhabitants of the territory at the public hearings called herein. Such service plan shall be prepared in accordance with the provisions of Chapter 43 of the Texas Local Government Code.

CONSIDERED, **PASSED** AND **APPROVED** on this **13th day of January, 2026** at a meeting of the City Commission of the City of San Juan, at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

_____

Mario Garza
Mayor

Attest:

_____

Brenda Escalante
City Secretary

City of San Juan
Planning Department
709 S. Nebraska Ave.
San Juan, Texas 78589
Phone: (956) 223-2220 | Fax: (956) 787-5978

Date: December 8, 2025

To the Honorable Mayor and Members of the Board of Commissioners, City of San Juan:

The undersigned, being an inhabitant and duly qualified voter of the property described below, which adjoins the corporate limits of the City of San Juan, respectfully petitions the Board of Commissioners to consider the annexation of the following tract of land into the City of San Juan:

Exhibit A: Metes and Bounds Description For Lot 5 (RGV International Logistics Services, LLC.)
Exhibit B: Survey
Exhibit C: Warranty Deed

The petitioner affirms that the information provided herein is true and correct to the best of their knowledge and requests that the City of San Juan proceed with the annexation in accordance with applicable laws and ordinances.

Respectfully submitted,

Hugo Martinez
1401 S. Jackson Rd. Ste. 1
Pharr TX 78577
956-239-0187

ACKNOWLEDGEMENT

State of Texas

County of Hidalgo

This instrument was acknowledged before me on this **8th day of December, 2025**, by **Hugo Martinez**, Member of **RGV International Logistics Services, LLC**, a Texas limited partnership, on behalf of said partnership.

Signature of Notary Public

Adriana Cepeda Villar
Notary Public, State of Texas
My Commission Expires: 11-11-2027

(Seal)

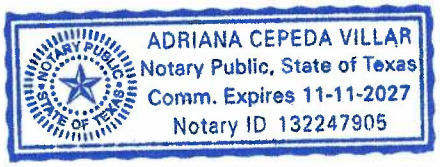


EXHIBIT A

R.O.W. Surveying Services, L.L.C.

900 South Stewart Rd., Suite 13
Mission, Texas 78572

Metes and Bounds Description For Lot 5

Being a 5.936 acre tract of land out of Lot 60, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, conveyed to RGV International Logistics, LLC, by a "Deed of Trust", as shown in Document Number 3634314, of the Official Records, Hidalgo County, Texas, said 5.936 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found on the Centerline of Las Milpas Rd, being on the Northwest corner of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, **Thence**, South 08°36'09" West, a distance of 1,765.29 feet, to a point on the West line of said Lot 60, **Thence**, South 81°23'51" East a distance of 190.19 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the **Point of Beginning** this herein described tract of land;

Thence, South 81°23'51" East, a distance of 629.81 feet, to the Northeast corner this herein described tract of land;

Thence, South 08°36'09" West, a distance of 410.64 feet, to the Southeast corner this herein described tract of land;

Thence, North 81°23'51" West, a distance of 629.56 feet, to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set on the Southwest corner this herein described tract of land;

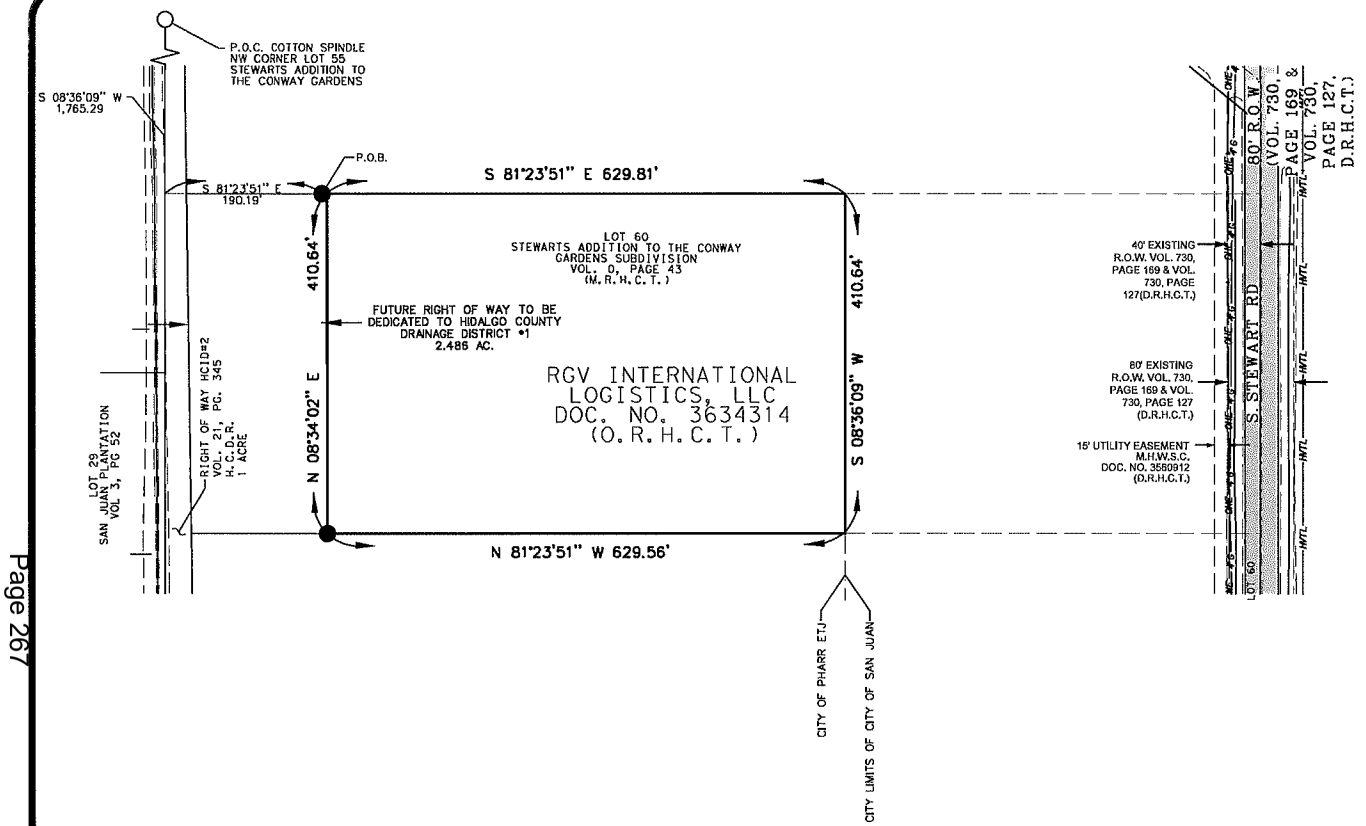
Thence, North 08°34'02" East, a distance of 410.64 feet to the **Point of Beginning**, containing a computed area of 5.936 acres.

Bearings and Distances referenced to the Texas Coordinate System, South Zone, North American Datum of 1983 (4205). A survey plat accompanies this herein metes and bounds description.

06/13/2025

Victor H. Trevino — Date
Registered Professional Land Surveyor No. 6968

EXHIBIT B



LEGEND:

FOUND 5/8" IRON ROD UNLESS OTHERWISE NOTED	○
SET 5/8" IRON ROD WITH PLASTIC CAP STAMPED "ROWSS PROP. COR." UNLESS OTHERWISE NOTED	●
POWER POLE	◎
HIDALGO COUNTY DEED RECORDS	H.C.D.R.
POINT OF COMMENCEMENT	P.O.C.
POINT OF BEGRIMING	P.O.B.
RIGHT OF WAY	R.O.W.
HIGH VOLTAGE LINE	—HVTL—
OVERHEAD ELECTRIC	—OHE—
GAS LINE	—G—
ROAD (ASPHALT)	

0' 50' 100' 150'

SCALE 1"=150'
11"X17"

BOUNDARY SURVEY

BEING A 5.936 ACRE TRACT OF LAND OUT OF LOT 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, VOLUME 0, PAGE, 43, HIDALGO COUNTY MAP RECORDS, TEXAS.

NOTES:

1. BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH ZONE (4205), NORTH AMERICAN DATUM 1983. VERTICAL BASED ON: NAVD 1988 VERTICAL DATUM.
2. THIS SURVEYOR DID NOT ATTEMPT TO LOCATE UNDERGOUND UTILITES.
3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT.
4. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED

STATE OF TEXAS
COUNTY OF HIDALGO

I, VICTOR H. TREVINO, CERTIFY THAT THE ABOVE PLAT IS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN AND THAT ALL CORNERS HAVE BEEN LOCATED AS INDICATED.

06/13/2025

VICTOR H. TREVINO
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6968

STATE OF TEXAS
REGISTERED
VICTOR H. TREVINO
6968
PROFESSIONAL
LAND SURVEYOR

ROW SURVEYING SERVICES, LLC.
900 S. STEWART RD. SUITE 13
MISSION, TEXAS 78572
TEL.: (956) 424-3335
FAX.: (956) 583-7116
TBPLS REG. FIRM# 10193886

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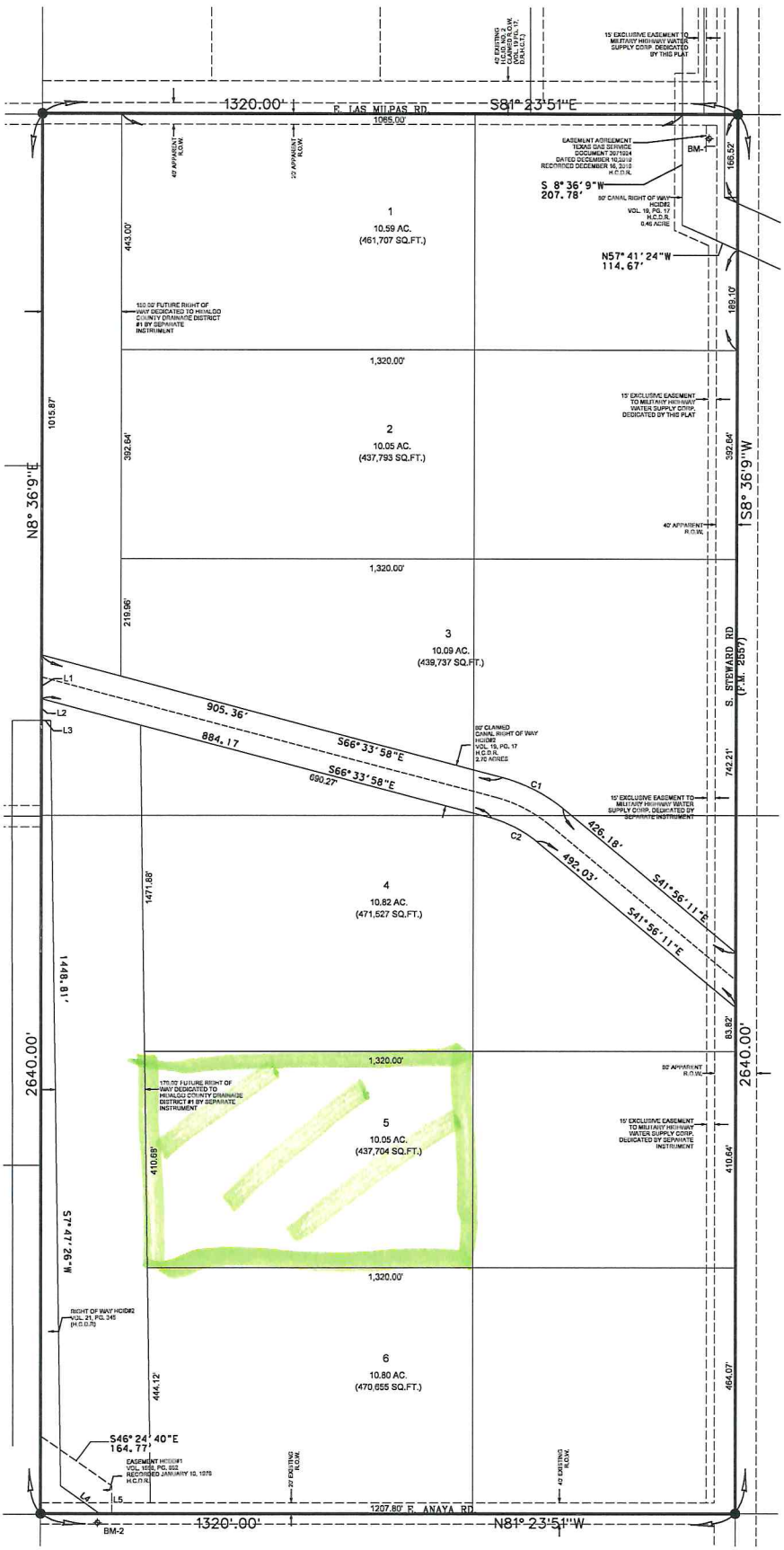
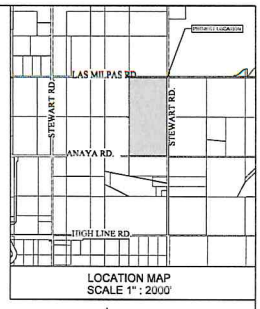
PROJECT NO. R2025





LOCATION MAP
SCALE 1" : 2000'

0' 100' 200' 300'
SCALE 1" = 100' (24" X 36")

LEGEND:

SET # 5/8" IRON ROD WITH PLASTIC CAP STAMPED "SOUTH TEXAS INFRA. GROUP"

FOUND IRON ROD WITH PLASTIC CAP STAMPED "HOWE-TROY-ROFF", UNLESS OTHERWISE NOTED

OFFICIAL RECORDS HIDALGO COUNTY TEXAS	O.R.H.C.T.
MAP RECORDS HIDALGO COUNTY TEXAS	M.R.H.C.T.
DEED RECORDS HIDALGO COUNTY TEXAS	D.R.H.C.T.
RIGHT-OF-WAY	R.O.W.
HIDALGO COUNTY DRAINAGE DISTRICT	H.C.D.D.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S 66° 33' 58" E	905.36'
L2	S 66° 33' 58" E	884.17'
L3	S 66° 33' 58" E	690.27'
L4	S 46° 24' 40" E	164.77'
L5	S 46° 24' 40" E	164.77'

CURVE TABLE					
CURVE	DELTA	RADIUS	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	24°07'22"	1010.00'	426.18'	S54° 30' 17"E	423.08'
C2	28°48'00"	1010.00'	507.63'	S27° 52' 11"E	502.27'

SM-1 IS A SET 5/8" IRON ROD WITH BLUE PLASTIC CAP "SURVEY CONTROL" LOCATED ON EAST RIGHT-OF-WAY OF STEWART RD. ROAD.
N= 16555775.6553
E= 1054127.3350
ELEV= 33.47'

SM-2 IS A SET 5/8" IRON ROD WITH BLUE PLASTIC CAP "SURVEY CONTROL"
N= 16552581.599
E= 1054127.330
ELEV= 33.80'

PRELIMINARY SURVEY PLAT
STEWART INDUSTRIAL PARK

BEING A 50.05 ACRE TRACT OF LAND, BEING ALL OF LOT 55 & 56, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, VOLUME 9, PAGE 43, HIDALGO COUNTY MAP RECORDS.

PRINCIPAL CONTACTS:

	NAME	ADRESS	CITY & ZIP	PHONE	FAX
OWNER:	M & S ESTATE LTD	3301 SANTA LAURA	MISSION, TEXAS 78572	(956) 584-9169	
ENGINEER:	VICTOR H. TREVINO, P.E.	900 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(956) 424-3305	(956) 424-3132
SURVEYOR:	VICTOR H. TREVINO, R.P.L.S.	900 S. STEWART RD., STE. 13	MISSION, TEXAS 78572	(956) 424-3305	(956) 424-3132

SOUTH TEXAS INFRASTRUCTURE GROUP
900 S. STEWART, SUITE 13
MISSION, TEXAS 78572
PH: (956) 424-3305
FAX: (956) 424-3132
TBPE REG. # 15000

SOUTH TEXAS INFRASTRUCTURE GROUP

PAGE 1

EXHIBIT C

Doc-3634313

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg, Texas 78540

Document No: 3634313 **Billable Pages: 44**

Recorded On: March 31, 2025 12:55 PM **Number of Pages: 45**

DEED OF TRUST

*******Examined and Charged as Follows*******

Total Recording: $ 207.00

*******THIS PAGE IS PART OF THE DOCUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document No:	3634313
Receipt No:	20250328000161
Recorded On:	March 31, 2025 12:55 PM
Deputy Clerk:	Imelda Leal
Station:	CH-1-CC-K27

Record and Return To:

Corporation Service Company
919 North 1000 West

Logan UT 84321

COUNTY COURT ★ COUNTY OF HIDALGO, TEXAS ★

STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.
County Clerk
Hidalgo County, Texas

EDWARDS ABSTRACT AND TITLE CO. GF# 958309

DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT

This Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement (herein referred to as the "Deed of Trust"), is entered into effective as of March 26, 2025 (the "Effective Date"), by M & S Estate, Ltd., a Texas limited partnership, as Grantor, whose mailing address for notice hereunder is at 3504 Santa Laura, Mission, Texas 78572, to Joe Quiroga, Trustee, whose address is 4126 Crosspoint Blvd., Edinburg, Hidalgo County, Texas 78539, for the benefit of the hereinafter described Beneficiary.

WITNESSETH:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used herein, the following terms shall have the following meanings:

Beneficiary: Texas National Bank or any subsequent owner and holder of the Note.

Charges: All fees, charges and/or other things of value, if any, contracted for, charged, received, taken or reserved by Beneficiary in connection with the transactions relating to the Note and the other Loan Documents, which are treated as interest under applicable law.

Code: The Texas Uniform Commercial Code, as amended from time to time.

Constituent Party: Any (i) general partner or managing member of Grantor, as applicable, or (ii) any signatory to this Deed of Trust that signs on Grantor's behalf that is a corporation, general partnership, limited partnership, limited liability company, joint venture, trust, or other type of business organization.

Contracts: All of the right, title, and interest of Grantor, including equitable rights, in, to, and under any and all (i) contracts and agreements for the purchase or sale of all or any portion of the Mortgaged Property, whether such contracts or agreements are now or at any time hereafter existing, including any and all earnest money or other deposits escrowed or to be escrowed or letters of credit provided or to be provided by the purchasers under the Contracts, including all amendments and supplements to and renewals and extensions of the Contracts at any time made; (ii) all contracts, licenses, permits, and rights or other entitlements for water, wastewater, and other utility services whether executed, granted, or issued by a private person or entity or a Governmental Authority or quasi-governmental agency, which are directly or indirectly related to, or connected with, the development, ownership, maintenance or operation of the Mortgaged Property, including all certificates, licenses, zoning variances, permits, and no-action letters from each Governmental Authority: (a) to evidence that all Improvements have been constructed in compliance with all Legal Requirements applicable to the Mortgaged Property, and (b) to develop and/or operate the

Mortgaged Property as a commercial and/or residential project, as the case may be; (iii) any and all right, title, and interest Grantor may have in all contracts and agreements pertaining to the construction of any Improvements on the Mortgaged Property; and (iv) all other contracts which in any way relate to the use, enjoyment, occupancy, operation, maintenance, repair, management or ownership of the Mortgaged Property.

Debtor Relief Laws: All state and federal laws, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement or composition, extension or adjustment of debts, or similar laws affecting the rights of creditors.

Default Rate: The rate of interest specified in the Note to be paid by the maker of the Note from and after the occurrence of a default in payment under the provisions of the Note and Loan Documents.

Disposition: Any sale, lease, exchange, assignment, conveyance, transfer, trade, or other disposition of all or any portion of the Mortgaged Property (or any interest therein) or the Disposition of a controlling interest in Grantor (if Grantor is a corporation, partnership, general partnership, limited partnership, joint venture, trust, or other type of business association or legal entity), except as may be expressly permitted under this Deed of Trust or the other Loan Documents.

Environmental Laws: All Federal, state, local, and foreign Governmental Requirements, judgments, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of health and the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

Environmental Liability: Any claim, demand, obligation, cause of action, accusation, allegation, order, violation, damage, injury, judgment, injunction, penalty or fine, cost of enforcement, cost of cleanup, removal, encapsulation or other remedial action, or any other cost or expense whatsoever, including, without limitation, reasonable attorneys' fees and reimbursements, resulting from the violation of any Environmental Law or the existence of any Hazardous Substance in violation of any Environmental Law.

Event of Default: Any happening or occurrence described in Article VI hereof.

Fixtures: All materials, supplies, equipment, systems, apparatus, and other items now owned or hereafter acquired by Grantor and now or hereafter attached to, installed in, or used in connection with (temporarily or permanently) any of the Improvements or the Land, which are now owned or hereafter acquired by Grantor and are now or hereafter attached to the Land or the Improvements, and including but not limited to any and all partitions, window screens and shades, draperies, rugs and other floor coverings, awnings, motors, engines, boilers, furnaces, pipes, cleaning, call and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, swimming pools, heating, ventilating, refrigeration, plumbing, laundry, lighting, generating, cleaning, waste disposal, transportation (of people or things, including but not limited to, stairways, elevators, escalators, and conveyors), incinerating, air conditioning and air cooling equipment and systems, gas and electric

machinery, appurtenances and equipment, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and lighting, traffic control, waste disposal, raw and potable water, gas, electrical, storm and sanitary sewer, telephone and cable television facilities, and all other utilities whether or not situated in easements, together with all accessions, appurtenances, replacements, betterments, and substitutions for any of the foregoing and the proceeds thereof.

Grantor: The individual or entity (or individuals or entities, if more than one) described as Grantor in the initial paragraph of this Deed of Trust and the successors, assigns, heirs and legal representatives thereof, and any and all subsequent owners of the Mortgaged Property or any part thereof (without hereby implying Beneficiary's consent to any Disposition of all or any part of the Mortgaged Property).

Governmental Authority: The United States, the state, the county, the city or any other political subdivision in which the Mortgaged Property is located, and any court or political subdivision, agency, or instrumentality having jurisdiction over Grantor or the Mortgaged Property.

Guarantor (individually and/or collectively, as the context may require): Those persons, firms, or entities, if any, individually and/or collectively, as the context may require, designated as Guarantor in the Guaranty.

Guaranty (individually and/or collectively, as the context may require): That instrument or those instruments of guaranty, if any, now or hereafter in effect, from Guarantor to Beneficiary guaranteeing the repayment of all or any part of the Indebtedness or the satisfaction of, or continued compliance with, the Obligations, or both.

Hazardous Substance: All explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

Impositions: (i) All real estate and personal property taxes, charges, assessments, standby fees, excises, and levies and any interest, costs, or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied, or imposed upon the Mortgaged Property or the ownership, use, occupancy, or enjoyment thereof, or any portion thereof, or the sidewalks, streets, or alleyways adjacent thereto; (ii) any charges, fees, license payments, or other sums payable for or under any easement, license, or agreement maintained for the benefit of the Mortgaged Property; (iii) water, gas, sewer, electricity, and other utility charges and fees relating to the Mortgaged Property; and (iv) all assessments and charges arising under any subdivision, condominium, planned unit development, or other declarations, restrictions, regimes, or agreements affecting the Mortgaged Property.

Improvements: Any and all buildings, covered garages, air conditioning towers, open parking areas, structures and other improvements of any kind or nature, and any and all

additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed, or constructed upon the Land or any part thereof.

Indebtedness: (i) The principal of, interest on, or other sums evidenced by the Note or the Loan Documents; (ii) any other amounts, payments, or premiums payable under the Loan Documents; (iii) such additional or future sums (whether or not obligatory), with interest thereon, as may hereafter be borrowed or advanced from Beneficiary, its successors or assigns, by the then record owner of the Mortgaged Property, when evidenced by a promissory note which, by its terms, is secured hereby (it being contemplated by Grantor and Beneficiary that such future indebtedness may be incurred); (iv) any and all other indebtedness, obligations, and liabilities of any kind or character of Grantor or RGV (as defined below) to Beneficiary, now or hereafter existing, absolute or contingent, due or not due, arising by operation of law or otherwise, or direct or indirect, primary or secondary, joint, several, joint and several, fixed or contingent, secured or unsecured by additional or different security or securities, voluntarily or involuntarily incurred, known or unknown, or originally payable to Beneficiary or to a third party and subsequently acquired by Beneficiary, including, without limitation, (A) late charges, loan fees or charges, and overdraft indebtedness, (B) costs incurred by Beneficiary in establishing, determining, continuing or defending the validity or priority of any lien securing the payment of any Indebtedness or in pursuing any of its rights or remedies under any Loan Document or in connection with any proceeding involving Beneficiary as a result of any financial accommodation to Grantor or RGV, (C) debts, obligations and liabilities for which Grantor or RGV, as applicable, would otherwise be liable to Beneficiary were it not for the invalidity or unenforceability of them by reason of any Debtor Relief Laws or for any other reason, and (D) reasonable costs and expenses of attorneys and paralegals, whether any suit or other action is instituted, and court costs if suit or action is instituted, (whether any such fees, costs or expenses are incurred at the trial court level or on appeal, in any Debtor Relief Laws proceeding, in administrative proceedings, in probate proceedings or otherwise); and (v) any and all renewals, modifications, amendments, restatements, rearrangements, consolidations, substitutions, replacements, enlargements, and extensions of any of the foregoing, it being contemplated by Grantor and Beneficiary that Grantor and/or RGV may hereafter become indebted to Beneficiary in further sum or sums.

Land: That certain real property described in Exhibit "A" attached hereto and incorporated herein by this reference, together with all right, title, interest, and privileges of Grantor in and to (i) all streets, ways, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, vehicle parking rights and public places, existing or proposed, abutting, adjacent, used in connection with or pertaining to such real property or the improvements thereon; (ii) any strips or gores of real property between such real property and abutting or adjacent properties; (iii) all water and water rights, timber and crops pertaining to such real estate; and (iv) all appurtenances and all reversions and remainders in or to such real property.

Leases: Any and all leases, master leases, subleases, licenses, concessions, or other agreements (whether written or oral, or now or hereafter in effect) which grant to third parties a possessory interest in and to, or the right to use or occupy, all or any part of the Mortgaged Property or the Improvements, together with all security and other deposits or payments made in connection therewith.

Legal Requirements: (i) Any and all present and future judicial decisions, statutes, orders, rulings, rules, regulations, permits, certificates, or ordinances of any Governmental Authority in any way applicable to Grantor, any Constituent Party, any Guarantor or the Mortgaged Property, including, without limiting the generality of the foregoing, the ownership, use, occupancy, possession, operation, maintenance, alteration, repair, or reconstruction thereof, (ii) any and all covenants, conditions, and restrictions contained in any deeds, other forms of conveyance, or in any other instruments of any nature that relate in any way or are applicable to the Mortgaged Property or the ownership, use, or occupancy thereof, (iii) Grantor's or any Guarantor's presently or subsequently effective bylaws and articles of incorporation, operating agreement and articles of organization or partnership, limited partnership, joint venture, trust, or other form of business association agreement, (iv) any and all Leases (v) any and all other Contracts (written or oral) of any nature that relate in any way to the Mortgaged Property and to which Grantor may be bound.

Lien: Any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing).

Loan Agreement. That certain Construction Loan Agreement dated of March 26, 2025 between Beneficiary, Grantor, RGV International Logistics Services, LLC, a Texas limited liability company ("RGV"), M & S Estate Management, LLC, a Texas limited liability company, Member Construction, LLC, a Texas limited liability company, Hugo Alberto Martinez Sanchez, and Monica H. Salgado Cepeda.

Loan Documents: The Loan Agreement, the Note, this Deed of Trust, the Guaranty, if any, and any and all other documents now or hereafter executed by Grantor, Guarantor, or any other person or party in connection with the loan evidenced by the Note or in connection with the payment of the Indebtedness or the performance and discharge of the Obligations.

Material Adverse Change: (a) a material adverse change in, or a Material Adverse Effect upon, the operations, business, prospects, properties, liabilities (actual or contingent), condition (financial or otherwise) of Grantor, a Guarantor and other Obligated Party taken as a whole; (b) a material impairment of the ability of any Obligated Party to perform its obligations under any Loan Document to which it is a party; or (c) a Material Adverse Effect upon the legality, validity, binding effect or enforceability against Grantor, the Guarantors or any other Obligated Party of any Loan Document to which it is a party or the rights of Beneficiary under any Loan Document.

Material Adverse Effect: Any material and adverse effect on (i) the business condition (financial or otherwise), operations, prospects, results of operations, capitalization, liquidity or any properties of Grantor, taken as a whole, (ii) the value of the Mortgaged Property, (iii) the ability of Grantor (or if Grantor is a partnership, joint venture, trust or other type of business association, of any of the parties comprising Grantor or of the ground lessor if the estate held by Grantor in the Land is a leasehold estate) to pay and perform the

Indebtedness and the Obligations, respectively, or (iv) the validity, enforceability or binding effect of any of the Loan Documents.

Maximum Lawful Rate: The maximum lawful and non-usurious rate of interest which may be contracted for, charged, taken, received or reserved by Beneficiary in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by the Note and the other Loan Documents.

Mortgaged Property: The Land, Fixtures, Improvements, Personalty, Contracts, Leases and Rents, and any interest of Grantor now owned or hereafter acquired in and to the Land, Fixtures, Improvements, Personalty, Contracts, Leases and Rents, together with any and all other security and collateral of any nature whatsoever, now or hereafter given for the repayment of the Indebtedness or the performance and discharge of the Obligations, and any and all of the proceeds of any of the foregoing.

Note: That certain Promissory Note of even date herewith, incorporated herein by this reference, executed by RGV and Grantor, as co-borrowers ("Co-Borrowers"), and payable to the order of Beneficiary in the principal amount of Ten Million Eight Hundred Ninety-Six Thousand Four Hundred Eighty-Four and 00/100 Dollars ($10,896,484.00), bearing interest as therein specified, containing an attorneys' fee clause, interest and principal being payable as therein specified, and finally maturing March 26, 2032, and secured by, among other things, this Deed of Trust; and any and all renewals, modifications, amendments, rearrangements, consolidations, reinstatements, enlargements, or extensions of such promissory note or of any promissory note or notes given in renewal, substitution or replacement therefor.

Obligations: Any and all of the covenants, conditions, warranties, representations, and other obligations (other than to repay the Indebtedness) made or undertaken by Grantor, RGV, Guarantor, or any other person or party to the Loan Documents to Beneficiary, Trustee, or others as set forth in the Loan Documents, the Leases, and in any deed, lease, sublease, or other form of conveyance, or any other agreement pursuant to which Grantor is granted a possessory interest in the Land.

Obligated Party: means any party other than Borrower who secures, guarantees and/or is otherwise obligated to pay all or any portion of the Indebtedness or the Obligations.

Operating Expenses: Operating Expenses means all costs and expenses related to the ownership, operation, management, repair and leasing of the Mortgaged Property, including, without limitation, ground lease payments, costs and expenses associated with the operation of any garage associated with and constituting a part of the Mortgaged Property, insurance charges and premiums for coverages related to the Mortgaged Property, Impositions, the costs of prevention of waste, ordinary repairs, maintenance, environmental audits, property management, security, normal fees paid to accountants, reasonable

marketing and promotional expenses, reasonable legal expenses, the cost and expense of all obligations under the Leases and all costs related to compliance with Legal Requirements.

Permitted Exceptions: The liens, easements, restrictions, security interests, and other matters (if any) affecting the Mortgaged Property as set forth in Schedule B to a loan title policy of insurance issued to Beneficiary by Stewart Title Guaranty Company referencing GF No. 958309 in connection with this Deed of Trust and the liens and security interests created by the Loan Documents.

Permitted Liens: means the following: (a) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate action; (b) Liens in favor of property owners' associations securing payment of assessments or other charges, provided such Liens are subordinate to this Deed of Trust; (c) the Permitted Exceptions and other easements, rights-of-way, restrictions, plats, declarations of covenants, conditions and restrictions, condominium declarations, or similar encumbrances on the use of real property which do not interfere with the ordinary conduct of business of the Grantor or materially detract from the value or use of the Mortgaged Property; and (d) any inchoate Liens of mechanics, materialmen or material suppliers incurred in the ordinary course of business securing debt not yet due and payable.

Personalty: All of the right, title, and interest of Grantor in and to (i) all furniture, furnishings, equipment, machinery, goods; (ii) all plans and specifications pertaining to the Improvements; (iii) all general intangibles, money, insurance proceeds, accounts, contract and subcontract rights, trademarks, trade names, copyrights, chattel paper, instruments, investment property, letters of credit, inventory; (iv) all cash funds, fees (whether refundable, returnable or reimbursable), deposits or other funds or evidences of cash, credit or indebtedness deposited by or on behalf of Grantor with any governmental agencies, boards, corporations, providers of utility services, public or private; and (v) all other personal property of any kind or character which are now owned or hereafter acquired by Grantor, and which are now or hereafter situated in, on, or about the Land or the Improvements, or used in or necessary to the complete and proper planning, development, construction, financing, use, occupancy, or operation thereof, or acquired for use in or on the Land or the Improvements, together with all accessions, replacements, and substitutions thereto or therefor and the proceeds thereof.

Remedial Work: Any investigation, site monitoring, containment, cleanup, removal, restoration, or other work of any kind or nature reasonably necessary in the sole opinion of Beneficiary under any applicable Environmental Law or desirable in connection with the current or future presence, suspected presence, release, or suspected release of a Hazardous Substance in or into the air, soil, ground water, surface water, or soil vapor at, on, about, under, or within the Mortgaged Property, or any part thereof. The parties contemplate that any Remedial Work will result in decontamination of the Mortgaged Property to permit any future use of the Property, including as residential property, and shall not comprise any restrictions or conditions in connection with future development of the Mortgaged Property.

Rents: All of the rents, royalties, income, issues, bonus monies, revenues, proceeds, profits, security and other benefits paid or payable by parties to the Leases for using, leasing,

licensing, possessing, operating from, residing in, selling, or otherwise enjoying all or any portion of the Mortgaged Property or the Improvements.

Subordinate Mortgage: Any mortgage, deed of trust, pledge, lien (statutory, constitutional, or contractual), security interest, encumbrance or charge, or conditional sale or other title retention agreement, covering all or any portion of the Mortgaged Property executed and delivered by Grantor, the lien of which is subordinate and inferior to the lien of this Deed of Trust.

Tax Code: The U.S. Internal Revenue Code of 1986, as amended, any and all regulations and rulings issued thereunder.

ARTICLE II

GRANT

2.1 Grant. To secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Grantor has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does GRANT, BARGAIN, SELL and CONVEY, unto Trustee, in trust, the Mortgaged Property, subject, however, to the Permitted Exceptions, TO HAVE AND TO HOLD the Mortgaged Property unto Trustee, forever, and Grantor does hereby bind itself, its successors, and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Trustee against every person whomsoever lawfully claiming or to claim the same or any part thereof; provided, however, that if Grantor shall pay (or cause to be paid) the Indebtedness as and when the same shall become due and payable and shall fully perform and discharge (or cause to be fully performed and discharged) the Obligations on or before the date same are to be performed and discharged, then the liens, security interests, estates, and rights granted by the Loan Documents shall terminate, in accordance with the provisions hereof, otherwise same shall remain in full force and effect. A certificate or other written statement executed on behalf of Trustee or Beneficiary confirming that the Indebtedness has not been fully paid or the Obligations have not been fully performed or discharged shall be sufficient evidence thereof for the purpose of reliance by third parties on such fact.

ARTICLE III

WARRANTIES AND REPRESENTATIONS

Grantor hereby unconditionally warrants and represents to Beneficiary, as of the date hereof and at all times during the term of this Deed of Trust, as follows:

3.1 Organization and Power. If Grantor, any Constituent Party or other Obligated Party is a corporation, limited liability company, general partnership, limited partnership, joint venture, trust, or other type of business association, as the case may be, Grantor, any Constituent Party, and other Obligated Party, if any, (a) is either a corporation duly incorporated or limited liability company duly organized with a legal status separate from its affiliates, or a partnership or trust, joint venture or other type of business association duly organized, validly existing, and in good standing under the laws of the state of its formation or existence, and has complied with all conditions prerequisite to its doing business in the state in which the Mortgaged Property is located, and (b) has all requisite

power and all governmental certificates of authority, licenses, permits, qualifications, and documentation to own, lease, and operate its properties and to carry on its business as now being, and as proposed to be, conducted.

3.2 Validity of Loan Documents. The execution, delivery, and performance by Grantor of and under the Loan Documents (other than the Guaranty), (a) if Grantor, or any signatory who signs on its behalf, is a corporation, general partnership, limited partnership, limited liability company, joint venture, trust, or other type of business association, as the case may be, are within Grantor's and each Constituent Party's powers and have been duly authorized by Grantor's and each Constituent Party's board of directors, shareholders, partners, members, managers, venturers, Trustees, or other necessary parties, and all other requisite action for such authorization has been taken, (b) have received any and all requisite prior governmental approvals in order to be legally binding and enforceable in accordance with the terms thereof, and (c) will not violate, be in conflict with, result in a breach of, or constitute (with due notice or lapse of time, or both) a default under or violation of any Legal Requirement or result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of Grantor's and any Constituent Party's or Guarantor's property or assets, except as contemplated by the provisions of the Loan Documents. The Loan Documents constitute the legal, valid, and binding obligations of Grantor, Guarantor, and others obligated under the terms of the Loan Documents, enforceable in accordance with their respective terms.

3.3 Information. All information, financial statements, reports, papers, and data given or to be given to Beneficiary with respect to Grantor, each Constituent Party, Guarantor or other Obligated Party under the terms of the Loan Documents, or the Mortgaged Property are, or at the time of delivery will be, accurate, complete, and correct in all material respects and do not, or will not, omit any fact, the inclusion of which is necessary to prevent the facts contained therein from being materially misleading. Since the date of the financial statements of Grantor, any Constituent Party, any Guarantor or other party liable for payment of the Indebtedness or performance of the Obligations or any part thereof heretofore furnished to Beneficiary, no Material Adverse Effect has occurred.

3.4 Title and Lien. Grantor has good and indefeasible title to the Land (in fee simple, if the lien created hereunder be on the fee, or a first and prior leasehold estate, if it be created on the leasehold estate) and Improvements, and good and marketable title to the Fixtures and Personalty, free and clear of any liens, charges, rights of first refusal or first offer, encumbrances, security interests, claims, easements, restrictions, options, leases (other than the Leases), covenants, and other rights, titles, interests, or estates of any nature whatsoever, except the Permitted Exceptions. This Deed of Trust constitutes a valid, subsisting first lien on the Land, the Improvements, the Leases and the Fixtures; a valid, subsisting first priority security interest in and to the Personalty, Contracts, and to the extent that the term Leases include items covered by the Code, in and to the Leases; and a valid, absolute assignment of the Rents; all in accordance with the terms hereof, and all subject to the Permitted Exceptions.

3.5 Business Purposes. The loan evidenced by the Note is solely for the purpose of carrying on or acquiring a business of Grantor, and is not for personal, family, household, or agricultural purposes. The Mortgaged Property forms no part of any property owned, used or claimed by Grantor as a residence or business homestead and is not exempt from forced sale under the laws of the State in which the Mortgaged Property is located. Grantor hereby disclaims and renounces each and every claim to all or any portion of the Mortgaged Property as a homestead.

3.6 Taxes. Grantor, each Constituent Party, Guarantor and other Obligated Party have filed all federal and state income and other tax returns required to have been filed by them (including, without limitation, those required under the Tax Code) and have paid all taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by them. Neither Grantor, any Constituent Party, Guarantor, or other Obligated Party knows of any basis for any additional assessment in respect of any such taxes and related liabilities. Grantor, each Constituent Party, Guarantor, and other Obligated Party believe that their respective tax returns properly reflect the income and taxes of Grantor, each Constituent Party, Guarantor or any other Obligated Party for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

3.7 Mailing Address. Grantor's mailing address, as set forth in the opening paragraph hereof or as changed pursuant to the provisions hereof, is true and correct.

3.8 Environmental and Hazardous Substances. The following representations and warranties of Grantor are made without regard to whether Beneficiary has, or hereafter obtains, any knowledge or report of the environmental condition of the Mortgaged Property:

(a) The Mortgaged Property and the operations conducted thereon do not violate any applicable law, statute, ordinance, rule, regulation, order, or determination of any Governmental Authority or any restrictive covenant or deed restriction (recorded or otherwise), including without limitation all applicable zoning ordinances and building codes, flood disaster laws and Environmental Laws.

(b) Without limitation of Section 3.8(a) immediately preceding, the Mortgaged Property and operations conducted thereon by the current owner or operator of such Mortgaged Property, are not in violation of or subject to any existing, pending, or threatened action, suit, investigation, inquiry, or proceeding by any governmental or nongovernmental entity or person or to any remedial obligations under any Environmental Law.

(c) All notices, permits, licenses, or similar authorizations, if any, required to be obtained or filed in connection with the ownership, operation, or use of the Mortgaged Property, including, without limitation, the past or present generation, treatment, storage, disposal, or release of a Hazardous Substance into the environment, have been duly obtained or filed.

(d) The Mortgaged Property does not contain any Hazardous Substance.

(e) Grantor has taken all steps necessary to determine and has determined that no Hazardous Substances have been generated, treated, placed, held, located, or otherwise released on, under, from, or about the Mortgaged Property.

(f) Grantor has not undertaken, permitted, authorized, or suffered and will not undertake, permit, authorize, or suffer the presence, use, manufacture, handling, generation, transportation, storage, treatment, discharge, release, burial, or disposal on, in, under, from or about the Mortgaged Property of any Hazardous Substance or the transportation to or from the Mortgaged Property of any Hazardous Substance.

(g) There is no pending or threatened litigation, proceedings, or investigations before or by any administrative agency in which any person or entity alleges or is investigating any alleged presence, release, threat of release, placement on, in, under, from or about the Mortgaged Property, or the manufacture, handling, generation, transportation, storage, treatment, discharge, burial, or disposal on, under, from or about the Mortgaged Property, or the transportation to or from the Mortgaged Property, of any Hazardous Substance.

(h) Grantor has not received any notice, and has no actual or constructive knowledge, that any Governmental Authority or any employee or agent thereof has determined, or threatens to determine, or is investigating any allegation that there is a presence, release, threat of release, placement on, in, under, from or about the Mortgaged Property, or the use, manufacture, handling, generation, transportation, storage, treatment, discharge, burial, or disposal on, in, under, from or about the Mortgaged Property, or the transportation to or from the Mortgaged Property, of any Hazardous Substance.

(i) There have been no communications or agreements with any Governmental Authority or any private entity, including, but not limited to, any prior owners or operators of the Mortgaged Property, relating in any way to the presence, release, threat of release, placement on, under or about the Mortgaged Property, or the use, manufacture, handling, generation, transportation, storage, treatment, discharge, burial, or disposal on, in, under or about the Mortgaged Property, or the transportation to or from the Mortgaged Property, of any Hazardous Substance.

(j) Neither Grantor nor, to the best knowledge, information and belief of Grantor, any other person, including, but not limited to, any predecessor owner, tenant, licensee, occupant, user, or operator of all or any portion of the Mortgaged Property, has ever caused, permitted, authorized or suffered, and Grantor will not cause, permit, authorize, or suffer, any Hazardous Substance to be placed, held, located, or disposed of, on, in, under or about any other real property, all or any portion of which is legally or beneficially owned (or any interest or estate therein which is owned) by Grantor in any jurisdiction now or hereafter having in effect a so-called "superlien" law or ordinance or any part thereof, the effect of which law or ordinance would be to create a lien on the Mortgaged Property to secure any obligation in connection with the "superlien" law of such other jurisdiction.

(k) Grantor has been issued all required federal, state, and local licenses, certificates, or permits relating to, and Grantor and its facilities, business assets, property, leaseholds, and equipment are in compliance in all respects with all applicable federal, state, and local laws, rules, and regulations relating to, air emissions, water discharge, noise emissions, solid or liquid waste disposal, hazardous waste or materials, or other environmental, health, or safety matters.

3.9 No Litigation. Except as disclosed in writing to Beneficiary, there are no (i) judicial, administrative, mediation or arbitration actions, suits, or proceedings, at law or in equity, before any Governmental Authority or arbitrator pending or threatened against or affecting Grantor, Guarantor, or any Constituent Party or involving the Mortgaged Property, (ii) outstanding or unpaid judgments against Grantor, any Guarantor, any Constituent Party, or the Mortgaged Property, or (iii) defaults by

Grantor with respect to any order, writ, injunction, decree, or demand of any Governmental Authority or arbitrator.

3.10 No Bankruptcy. No bankruptcy or insolvency proceedings are pending or contemplated by Grantor or, to the best knowledge, information and belief of Grantor, threatened against Grantor or by or against any endorser, cosigner or guarantor of the Note.

3.11 Compliance with Legal Requirements. The Land and the Improvements and the intended use thereof by Grantor comply with all Legal Requirements, including, without limitation, all applicable restrictive covenants, zoning ordinances, subdivision and building codes, flood disaster laws, applicable health and environmental laws and regulations and all other ordinances, orders or requirements issued by any state, federal or municipal authorities having or claiming jurisdiction over the Mortgaged Property.

3.12 Separate Tax Parcel; Legal Lot. The Mortgaged Property is taxed separately without regard to any other real estate and the Land constitutes a legally subdivided lot under all applicable Legal Requirements (or, if not subdivided, no subdivision or platting of the Land is required under applicable Legal Requirements), and for all purposes may be mortgaged, conveyed or otherwise dealt with as an independent parcel.

3.13 Utilities; Access. All utility services necessary and sufficient for the full use, occupancy, operation and disposition of the Land and the Improvements for their intended purposes are available to the Mortgaged Property, including water, storm sewer, sanitary sewer, gas, electric, cable and telephone facilities, through public rights-of-way or duly recorded perpetual private easements; all streets, roads, highways, bridges and waterways necessary for access to and full use, occupancy, operation and disposition of the Land and the Improvements have been completed, have been dedicated to and accepted by the appropriate municipal authority and are open and available to the Land and the Improvements without further condition or cost to Grantor and all curb cuts, driveways and traffic signals shown on the survey delivered to Beneficiary prior to the execution and delivery of this Deed of Trust are existing and have been fully approved by the appropriate governmental authority.

3.14 No Foreign Person. Grantor is not a "foreign person" within the meaning of 1445(f)(3) of the Tax Code.

ARTICLE IV

AFFIRMATIVE COVENANTS

Grantor hereby unconditionally covenants and agrees with Beneficiary, until the entire Indebtedness shall have been paid in full and all of the Obligations shall have been fully performed and discharged as follows:

4.1 Payment and Performance. Grantor will pay the Indebtedness as and when specified in the Loan Documents, and will perform and discharge all of the Obligations, in full and on or before the dates same are to be performed.

4.2 Existence. Grantor will and will cause each Constituent Party to preserve and keep in full force and effect its existence (separate and apart from its affiliates), good standing, rights, franchises, trade names, trademarks and other associated goodwill whether existing at common law or as a federal or state registration.

4.3 Compliance with Legal Requirements. Grantor will promptly and faithfully comply with, conform to, and obey all Legal Requirements, whether the same shall necessitate structural changes in, improvements to, or interfere with the use or enjoyment of, the Mortgaged Property. If at any time a Co-Borrower obtains knowledge that a Co-Borrower, any Constituent Party or a Guarantor is, or becomes, a Sanctioned Person, such Co-Borrower shall immediately notify Lender in writing of same.

4.4 First Lien Status. Grantor will protect and preserve the first lien and security interest status of this Deed of Trust and the other Loan Documents and will not permit to be created or to exist in respect of the Mortgaged Property or any part thereof any lien or security interest on a parity with, superior to, or inferior to any of the liens or security interests hereof, except for the Permitted Exceptions.

4.5 Payment of Impositions. Grantor will duly pay and discharge, or cause to be paid and discharged, the Impositions not later than the earlier to occur of (i) the due date thereof, (ii) the date any fine, penalty, interest, or cost may be added thereto or imposed, or (iii) the date prior to any date any lien may be filed for the nonpayment thereof (if such date is used to determine the due date of the respective item), and Grantor shall deliver to Beneficiary a written receipt evidencing the payment of the respective Imposition.

4.6 Repair. Grantor will keep the Mortgaged Property in first-class order and condition and will make all repairs, replacements, renewals, additions, betterments, improvements, and alterations thereof and thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, which are necessary or reasonably appropriate to keep same in such order and condition. Grantor will prevent any act, occurrence, or neglect which might impair the value or usefulness of the Mortgaged Property for its intended usage.

4.7 Insurance. Grantor will, at Grantor's own expense, obtain and maintain and keep in full force and effect insurance upon and relating to the Mortgaged Property with such insurers, in such amounts and covering such risks as shall be requested by and satisfactory to Beneficiary, from time to time, including but not limited to: (i) commercial general liability insurance providing coverage against personal injury and property damage, written on an "occurrence" basis with respect to the business and any other activities carried on, in or from the Mortgaged Property and with respect to Grantor's use and occupancy thereof (including a provision for contractual liability coverage insuring Grantor for the performance of its indemnity obligations set forth in this Deed of Trust) with deductibles acceptable to Beneficiary; (ii) the broadest available form of "all risks" or "special form" property insurance, covering the Mortgaged Property, the Improvements, Fixtures and Personalty contained therein, said policy to provide coverage for flood and windstorm damage, the amount of said insurance to equal one hundred percent (100%) of the full replacement cost of the covered items, with any deductible or self insured retention to be acceptable to Beneficiary; (iii) business income and extra expense coverage for no less than six (6) months of income and expenses; (iv) workers' compensation insurance to the statutory limit and employer's liability (and/or commercial umbrella) insurance; and (v) such other insurance with other coverages, if any, as

Beneficiary may require from time to time. Each insurance policy issued pursuant to this Section 4.7 shall be issued by good and solvent insurance companies satisfactory to Beneficiary. The coverage of Beneficiary under such insurance policies shall not be terminated, reduced, or affected in any manner and no such insurance policies shall be canceled, endorsed, altered or reissued to effect a change in coverage for any reason, unless the insurer with respect to such policy shall have first given Beneficiary no less than thirty (30) days' prior written notice thereof. Beneficiary shall be permitted, but shall not be obligated, to make premium payments to prevent any cancellation, endorsement, alteration or reissuance of any such insurance policies, and such payments shall be accepted by the applicable insurer to prevent same. Beneficiary shall be furnished with the original of each such initial policy coincident with the execution of this Deed of Trust and the original of each renewal policy not less than fifteen (15) days prior to the expiration of the initial, or each immediately preceding renewal, policy, and Beneficiary shall additionally be thereupon concurrently furnished with receipts or other evidence that the premiums on each and all such insurance policies have been paid for at least one (1) year.

In case of Grantor's failure to keep the Mortgaged Property properly insured as required herein, Beneficiary, after notice to Grantor, at its option may (but shall not be required to) acquire such insurance as required herein at Co-Borrower's sole expense. **TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE: (A) GRANTOR IS REQUIRED TO (i) KEEP THE MORTGAGED PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT SPECIFIED HEREIN; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER OR OTHERWISE AS PROVIDED HEREIN; AND (iii) NAME BENEFICIARY AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS AS PROVIDED HEREIN; (B) SUBJECT TO THE PROVISIONS HEREOF, GRANTOR MUST, IF REQUIRED BY BENEFICIARY, DELIVER TO BENEFICIARY A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) SUBJECT TO THE PROVISIONS HEREOF, IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED IN THE FOREGOING SUBPARTS (A) OR (B), BENEFICIARY MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT GRANTOR'S EXPENSE.**

4.8 Inspection. Grantor will permit Trustee and Beneficiary, and their respective agents, representatives, and employees, to inspect the Mortgaged Property at all reasonable times, with or without prior notice to Grantor.

4.9 Property Reports. Grantor will maintain full and accurate books of account and other records reflecting the results of the operations of the Mortgaged Property and will furnish, or cause to be furnished, to Beneficiary: (i) within thirty (30) days after the end of each calendar quarter, or more often upon request of Beneficiary, a written statement (rent roll) certified as true, correct and complete by Grantor, containing the information specified below as to each of the Leases, if applicable, (ii) immediate notice of any Material Adverse Change in the Mortgaged Property's financial condition or business prospects, (iii) on or before sixty (60) days prior to the start of each fiscal year an annual budget for the Mortgaged Property for the next fiscal year, in form and substance acceptable to Beneficiary, and (iv) upon request of Beneficiary, and at Grantor's expense, such other operating, financial and credit information as Beneficiary may reasonably request with respect to the Mortgaged Property. The rent roll specified in clause (i) above shall contain the following: tenant name, suite or unit number, commencement and expiration date, lease renewal options, the base rent due, the amount of any security deposit and the present status of the rent payments due under each Lease. Beneficiary shall have the right, at reasonable times and upon

reasonable notice, to audit, examine, and make copies or extracts of Grantor's books of account and records relating to the Mortgaged Property, all of which shall be maintained and made available to Beneficiary and Beneficiary's representatives for such purpose at the address specified herein for Grantor or at such other location as Beneficiary may approve.

4.10 Subsequent Appraisals. Upon written request of Beneficiary, Grantor agrees to reimburse Beneficiary for the full cost of narrative appraisals of the Mortgaged Property, such appraisals being required from time-to-time in Beneficiary's sole discretion to re-evaluate the current value of the Mortgaged Property due to (a) a deterioration of Grantor's revenue from the Mortgaged Property, (b) an increase in Grantor's Operating Expenses for the Mortgaged Property, or (c) other events which would suggest a deterioration in the value of the Mortgaged Property. Each appraisal shall be ordered directly by Beneficiary from an appraiser satisfactory to Beneficiary and shall be in form and substance necessary to comply with all laws and regulations affecting Beneficiary. Grantor shall reimburse Beneficiary for any requested appraisal expense within thirty (30) days from the date of the written request by Beneficiary. Appraisals may be ordered by Beneficiary at any time in its sole discretion, but Grantor is required to reimburse Beneficiary for only one appraisal in any calendar year. Failure of Grantor to reimburse Beneficiary for any requested appraisal (not to exceed one appraisal in any twelve month period) shall constitute a Default under this Deed of Trust.

4.11 Financial Statements. Grantor shall, from time to time, upon the request of Beneficiary, promptly furnish to Beneficiary current financial statements for Grantor, Guarantor and any other Obligated Party, said financial statements to be in a form and substance acceptable to Beneficiary in all respects. Grantor shall allow Beneficiary from time to time to inspect all books and records pertaining to any financial statements and to make and take away copies of such books and records. If Grantor or Guarantor is a corporation, limited liability company, partnership, joint venture, trust or other type of business association, Grantor or Guarantor shall provide Beneficiary with any and all financial statements and other documents and make any and all disclosures to Beneficiary with respect to any of the Constituent Party, as Grantor is required to provide and make, and in the manner required to be provided and made, with respect to Grantor or Guarantor pursuant to this section.

4.12 Enforcement of Leases. Grantor shall (i) submit any and all proposed Leases to Beneficiary for approval prior to the execution thereof, (ii) duly and punctually perform and comply with any and all representations, warranties, covenants, and agreements expressed as binding upon the lessor under any Lease, (iii) maintain each of the Leases in full force and effect during the term thereof, (iv) appear in and defend any action or proceeding in any manner connected with any of the Leases, (v) deliver to Beneficiary true, correct and complete copies of all Leases, and (vi) deliver to Beneficiary such further information, and execute and deliver to Beneficiary such further assurances and assignments, with respect to the Leases as Beneficiary may from time to time request. Except as expressly authorized by the Loan Documents, or with Beneficiary's prior written consent, Grantor shall not (i) do or knowingly permit to be done anything to impair the value of any of the Leases, (ii) except for security or similar deposits, collect any of the Rent more than one (1) month in advance of the time when the same becomes due under the terms of any Lease, (iii) discount any future accruing Rents, or (iv) amend, modify, rescind, conceal, surrender or terminate any of the Leases.

4.13 Payment for Labor and Materials. Grantor will promptly pay all bills for labor, materials, and specifically fabricated materials incurred in connection with the Mortgaged Property

and never permit to exist in respect of the Mortgaged Property or any part thereof any lien or security interest, even though inferior to the liens and security interests hereof, for any such bill, and in any event never permit to be created or exist in respect of the Mortgaged Property or any part thereof any other or additional lien or security interest on a parity with, superior, or inferior to any of the liens or security interests hereof, except for the Permitted Exceptions.

4.14 Further Assurances and Corrections. From time to time, at the request of Beneficiary, Grantor will (i) promptly correct any defect, error, or omission which may be discovered in the contents of this Deed of Trust or in any other Loan Document or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver, record and/or file such further instruments (including, without limitation, further deeds of trust, security agreements, financing statements, continuation statements and assignments of rents) and perform such further acts and provide such further assurances as may be necessary, desirable, or proper, in Beneficiary's opinion, to carry out more effectively the purposes of this Deed of Trust and the Loan Documents and to subject to the absolute assignments, liens and security interests hereof and thereof any property intended by the terms hereof or thereof to be covered hereby or thereby, including without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Mortgaged Property; and (iii) execute, acknowledge, deliver, procure, file, and/or record any document or instrument (including without limitation, any financing statement) deemed advisable by Beneficiary in Beneficiary's sole discretion to protect the liens and the security interests herein granted against the rights or interests of third persons.

4.15 Statement of Unpaid Balance. At any time and from time to time, Grantor will furnish promptly, upon the request of Beneficiary, a written statement or affidavit, in form satisfactory to Beneficiary, stating the unpaid balance of the Indebtedness and that there are no offsets or defenses against full payment of the Indebtedness and the terms hereof, or if there are any such offsets or defenses, specifying them.

4.16 Address. Grantor shall give written notice to Beneficiary and Trustee of any change of address of Grantor at least five (5) business days prior to the effective date of such change of address. Absent such official written notice of a change in address for Grantor, Beneficiary and Trustee shall be entitled for all purposes under the Loan Documents to rely upon Grantor's address as set forth in the initial paragraph of this Deed of Trust, as same may have been theretofore changed in accordance with the provisions hereof.

4.17 Disclosures. If at any time Grantor shall become aware of the existence or occurrence of any financial or economic conditions or natural disasters which might have a Material Adverse Effect, Grantor shall promptly notify Beneficiary of the existence or occurrence thereof and of Grantor's opinion as to what effect such may have on the Mortgaged Property or Grantor. Grantor shall also give prompt notice to Beneficiary of (i) the serious illness or death of any principal or key employee of Grantor, (ii) any litigation or dispute, threatened or pending against or affecting Grantor, the Mortgaged Property or any Guarantor which could have a Material Adverse Effect, (iii) any Event of Default, (iv) any default by Grantor or any acceleration of any indebtedness owed by Grantor under any contract to which Grantor is a party, (v) any default by Guarantor or any acceleration of any indebtedness owed by any Guarantor under any contract to which Guarantor is a party, and (vi) any change in the character of Grantor's business as it existed on the date hereof.

4.18 Delivery of Contracts. Grantor will deliver to Beneficiary a true, correct and complete copy of each Contract promptly after the execution of same by all parties thereto. Within twenty (20) days after a request by Beneficiary, Grantor shall prepare and deliver to Beneficiary a complete listing of all Contracts, showing date, term, parties, subject matter, concessions, whether any defaults exist, and other information specified by Beneficiary, of or with respect to each of such Contracts, together with a true, correct and complete copy thereof (if so requested by Beneficiary).

4.19 Environmental and Hazardous Substances. Grantor will:

(a) not use, generate, manufacture, produce, store, release, discharge, treat, or dispose of on, in, under, from or about the Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Substance or allow any other person or entity to do so;

(b) keep and maintain the Mortgaged Property in compliance with, and shall not cause or permit the Mortgaged Property to be in violation of, any Environmental Law;

(c) establish and maintain, at Grantor's sole expense, a system to assure and monitor continued compliance with Environmental Laws and the exclusion of Hazardous Substances from the Mortgaged Property, by any and all owners or operators of the Mortgaged Property, which system shall include annual reviews of such compliance by employees or agents of Grantor who are familiar with the requirements of the Environmental Laws and, at the request of Beneficiary no more than once each year, a detailed review of such compliance of the environmental condition of the Mortgaged Property (the "Environmental Report") in scope satisfactory to Beneficiary by an environmental consulting firm approved in advance by Beneficiary; provided, however, that if any Environmental Report indicates any violation of any Environmental Law or a need for Remedial Work, such system shall include at the request of Beneficiary a detailed review of the status of such violation (a "Supplemental Report") by such environmental consultant. Grantor shall furnish an Environmental Report or such Supplemental Report to Beneficiary within sixty (60) days after Beneficiary so requests, together with such additional information as Beneficiary may reasonably request;

(d) give prompt written notices to Beneficiary of: (i) any proceeding or inquiry by any governmental or nongovernmental entity or person with respect to the presence of any Hazardous Substance on, in, under, from or about the Mortgaged Property, the migration thereof from or to other property, the disposal, storage, or treatment of any Hazardous Substance generated or used on, under or about the Mortgaged Property, (ii) all claims made or threatened by any third party against Grantor or the Mortgaged Property or any other owner or operator of the Mortgaged Property relating to any loss or injury resulting from any Hazardous Substance, and (iii) Grantor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any investigation or cleanup of the Mortgaged Property pursuant to any Environmental Law

(e) permit Beneficiary to join and participate in, as a party if it so elects, any legal proceedings or actions initiated with respect to the Mortgaged Property in connection with any Environmental Law or Hazardous Substance, and Grantor shall pay all attorneys' fees incurred by Beneficiary in connection therewith;

(f) if any Remedial Work is reasonably necessary or desirable in the opinion of Beneficiary, Grantor shall commence and thereafter diligently prosecute to completion all such Remedial Work within thirty (30) days after written demand by Beneficiary for performance thereof (or such shorter period of time as may be required under any Legal Requirement). All Remedial Work shall be performed by contractors approved in advance by Beneficiary, and under the supervision of a consulting engineer approved by Beneficiary. All costs and expenses of such Remedial Work shall be paid by Grantor including, without limitation, Beneficiary's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work. If Grantor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Beneficiary may, but shall not be required to, cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall become part of the Indebtedness. **THE COVENANT CONTAINED IN THIS SECTION SHALL SURVIVE THE RELEASE OF THE LIEN OF THIS DEED OF TRUST, OR THE EXTINGUISHMENT OF THE LIEN BY FORECLOSURE OR ACTION IN LIEU THEREOF.**

ARTICLE V

NEGATIVE COVENANTS

Grantor hereby unconditionally covenants and agrees with Beneficiary until the entire Indebtedness shall have been paid in full and all of the Obligations shall have been fully performed and discharged as follows:

5.1 Use Violations. Grantor will not use, maintain, operate, or occupy, or allow the use, maintenance, operation, or occupancy of, the Mortgaged Property in any manner which (i) violates any Legal Requirement, (ii) may be dangerous, unless safeguarded as required by law and/or appropriate insurance, (iii) constitutes a public or private nuisance, or (iv) makes void, voidable, or cancelable, or increases the premium of, any insurance then in force with respect.

5.2 Waste; Alterations. Grantor will not commit or permit any waste or impairment of the Mortgaged Property and will not (subject to the provisions of Sections 4.3 and 4.6 hereof), without the prior written consent of Beneficiary, make or permit to be made any alterations or additions to the Mortgaged Property of a material nature.

5.3 Replacement of Fixtures and Personalty. Grantor will not, without the prior written consent of Beneficiary, permit any of the Fixtures or Personalty to be removed at any time from the Land or Improvements unless the removed item is removed temporarily for purposes of maintenance and repair or, if removed permanently, is replaced by an article of equal suitability and value, owned by Grantor, free and clear of any lien or security interest except as may be approved in writing by Beneficiary.

5.4 Change in Zoning. Grantor will not (i) seek or acquiesce in a zoning reclassification, zoning variance or special exception to zoning of all or any portion of the Mortgaged Property, (ii) grant or consent to any easement, dedication, plat, or restriction (or allow any easement to become enforceable by prescription), (iii) seek or acquiesce to any imposition of any addition of a Legal

Requirement or any amendment or modification thereof, covering all or any portion of the Mortgaged Property, without Beneficiary's prior written consent.

5.5 No Drilling. Grantor will not, without the prior written consent of Beneficiary, permit any drilling or exploration for or extraction, removal, or production of, any Minerals from the surface or subsurface of the Land regardless of the depth thereof or the method of mining or extraction thereof.

5.6 No Disposition. Grantor will not make a Disposition without obtaining Beneficiary's prior written consent to the Disposition.

5.7 No Subordinate Mortgages. Grantor will not create, place, or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain any Subordinate Mortgage regardless of whether such Subordinate Mortgage is expressly subordinate to the liens or security interests of the Loan Documents with respect to the Mortgaged Property, other than the Permitted Exceptions.

5.8 Additional Obligations. Grantor shall not guarantee, endorse or otherwise become contingently liable in connection with any obligations of any other person or entity, and shall not create or incur any additional liability, whether contingent or non-contingent, with respect to either Grantor or the Mortgaged Property, except as specifically allowed or contemplated pursuant to the Loan Documents.

5.9 Business Change. Grantor shall not make or permit to occur or exist a material change in the character of its business activities as such existed on the date hereof, without Beneficiary's prior written consent.

5.10 Tax Loan. Grantor shall not enter into any agreement with any third party for the payment of ad valorem taxes that would grant that third party a lien on the Mortgaged Property.

ARTICLE VI

DEFAULTS AND REMEDIES OF BENEFICIARY

6.1 Default. The term "Default," as used herein, shall mean the occurrence of any one or more of the following events:

(a) the failure, refusal or neglect of Grantor to pay when due any part of the Indebtedness or to comply with and discharge any of the Obligations; or

(b) the failure of Grantor to timely and properly, observe, keep or perform any covenant, agreement, warranty or condition required herein, or in the Note, or any renewal, modification, rearrangement, amendment or extension thereof, or in any Loan Document; or

(c) any representation, covenant or warranty contained herein, in any of the other Loan Documents or in any other document ever delivered by Grantor to Beneficiary in connection with the Loan Document, is false, misleading, erroneous or breached in any material respect; or

(d) if Grantor: (i) becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or admits in writing its inability to or is unable to pay its debts as they become due; (ii) generally is not paying its debts as such debts become due; (iii) has a receiver, trustee or custodian appointed for, or take possession of, all or substantially all of the assets of Grantor, either in a proceeding brought by Grantor or in a proceeding brought against Grantor and such appointment is not discharged or such possession is not terminated within 60 days after the effective date thereof or Grantor consents to or acquiesces in such appointment or possession; (iv) files a petition for relief under any Debtor Relief Law or any involuntary petition for relief is filed against Grantor; (v) fails to have discharged within a period of (thirty) 30 days any attachment, sequestration or similar writ levied upon any Mortgaged Property of Grantor; or (vi) fails to pay within thirty (30) days any final money judgment against Grantor; or

(e) a levy against the Mortgaged Property or any part thereof or against any material portion of Grantor's other property or any execution, garnishment, attachment, sequestration or other writ or similar proceeding which is not permanently dismissed or discharged within thirty (30) days after such levy; or

(f) Grantor creates, places, or permits to be created or placed, or through any act or failure to act, acquiesces in the placing of, or allows to remain, any Subordinate Mortgage, regardless of whether such Subordinate Mortgage is expressly subordinate to the liens or security interests of the Loan Documents, with respect to the Mortgaged Property, other than the Permitted Exceptions; or

(g) Grantor makes a Disposition, without the prior written consent of Beneficiary; or

(h) the Mortgaged Property is demolished, destroyed, or substantially damaged so that, in Beneficiary's sole judgment, it cannot be restored or rebuilt with available funds to the condition existing immediately prior to such demolition, destruction, or damage within a reasonable period of time; or

(i) Beneficiary reasonably determines that any event shall have occurred that could be expected to have a Material Adverse Effect to Grantor or the Mortgaged Property; or

(j) any portion of the Mortgaged Property is abandoned by Grantor; or

(k) the dissolution, liquidation, termination or forfeiture of Grantor's right to do business, or, if Grantor is an individual, the death or disability of Grantor; or

(l) the occurrence of any event referred to in Subsections (d), (e), or (i) and (k) above with respect to any Guarantor or other Obligated Party (as if such guarantor or other person or entity were "Grantor" in such Subsections); or

(m) a Default occurs under any other Loan Document.

6.2 Beneficiary's Remedies Upon Default. Upon a Default and after the passage of any applicable cure period provided in the Loan Agreement, Beneficiary may, at Beneficiary's option, do any one or more of the following:

(a) If Grantor has failed to keep or perform any covenant whatsoever contained in this Deed of Trust, Beneficiary may, but shall not be obligated to any person to do so, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be and become a part of the Obligation, and Grantor promises, upon demand, to pay to Beneficiary, at the place where the Note is payable, all sums so advanced or paid by Beneficiary, with interest from the date when paid or incurred by Beneficiary at the rate provided in the Note for past due payment. No such payment by Beneficiary shall constitute a waiver of any Default. In addition to the liens and security interests hereof, Beneficiary shall be subrogated to all rights, titles, liens and security interests securing the payment of any debt, claim, tax or assessment for the payment of which Beneficiary may make an advance, or which Beneficiary may pay.

(b) Beneficiary may, without notice, demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration or any other notice or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner whatsoever on the Indebtedness, declare the entire unpaid balance of the Indebtedness immediately due and payable, and upon such declaration, the entire, unpaid balance of the Indebtedness shall be immediately due and payable.

(c) Beneficiary may request Trustee to proceed with foreclosure under the power of sale which is hereby conferred, such foreclosure to be accomplished in accordance with the following provisions:

(i) Trustee is hereby authorized and empowered and it shall be Trustee's special duty, upon such request of Beneficiary, to sell the Mortgaged Property or any part thereof, with or without having taken possession of same. Any such sale (including notice thereof) shall comply with the applicable requirements, at the time of the sale, of Section 51.002 of the Texas Property Code or, if and to the extent such statute is not then in force, with the applicable requirements, at the time of the sale, of the successor statute or statutes, if any, governing sales of Texas real property under powers of sale conferred by deeds of trust.

(ii) Sale of a part of the Mortgaged Property shall not exhaust the power of sale, but sales may be made from time to time until the Obligation is paid and performed in full. It is intended by each of the foregoing provisions of this Subsection that Trustee may, after any request or direction by Beneficiary, sell not only the Land and the Improvements, but also the Fixtures, the Personalty and other interests constituting a part of the Mortgaged Property or any part thereof, along with the Land and the Improvements or any part thereof, as a unit and as a part of a single sale, or may sell any part of the Mortgaged Property separately from the

remainder of the Mortgaged Property. It shall not be necessary to have present or to exhibit at any sale any of the Mortgaged Property.

(iii) After any sale under this Subsection, Trustee shall make good and sufficient deeds, assignments and other conveyances to the purchaser or purchasers thereunder in the name of Grantor, conveying the Mortgaged Property or any part thereof so sold to the purchaser or purchasers with general warranty of title by Grantor. It is agreed that, in any deeds, assignments or other conveyances given by Trustee, any and all statements of fact or other recitals therein made as to the identity of Beneficiary, or as to the occurrence or existence of any Default, or as to the acceleration of the maturity of the Indebtedness, or as to the request to sell, notice of sale, time, place, terms and manner of sale, and receipt, distribution and application of the money realized therefrom, or as to the due and proper appointment of a substitute trustee, and, without being limited by the foregoing, as to any other act or thing having been duly done by or on behalf of Beneficiary or by or on behalf of Trustee, shall be taken by all courts of law and equity as prima facie evidence that the said statements or recitals state facts and are without further question to be so accepted, and Grantor does hereby ratify and confirm any and all acts that Trustee may lawfully do in the premises by virtue hereof.

(d) Beneficiary may, or Trustee may upon written request of Beneficiary, proceed by suit or suits, at law or in equity, to enforce the payment and performance of the Indebtedness in accordance with the terms hereof and of the Note or the Loan Documents, to foreclose the liens and security interests of this Deed of Trust as against all or any part of the Mortgaged Property, and to have all or any part of the Mortgaged Property sold under the judgment or decree of a court of competent jurisdiction.

(e) Beneficiary, as a matter of right and without regard to the sufficiency of the security, and without any showing of insolvency, fraud or mismanagement on the part of Grantor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver or receivers of the Mortgaged Property or any part thereof, and of the income, rents, issues and profits thereof.

(f) Beneficiary may enter upon the Land, take possession of the Mortgaged Property and remove the Fixtures and Personalty or any part thereof, with or without judicial process, and, in connection therewith, without any responsibility or liability on the part of Beneficiary, take possession of any property located on or in the Mortgaged Property which is not a part of the Mortgaged Property and hold or store such property at Grantor's expense.

(g) Beneficiary may exercise its rights of enforcement with respect to Fixtures and Personalty under the Code, and in conjunction with, in addition to or in substitution for the rights and remedies under the Code Beneficiary may and Grantor agrees as follows:

(i) without demand or notice to Grantor, enter upon the Mortgaged Property to take possession of, assemble, receive, and collect the Personalty, or any part thereof, or to render it unusable; and

(ii) Beneficiary may require Grantor to assemble the Personalty and make it available at a place Beneficiary designates which is mutually convenient to allow Beneficiary to take possession or dispose of the Personalty; and

(iii) written notice mailed to Grantor as provided herein at least ten (10) days prior to the date of public sale of the Personalty or prior to the date after which private sale of the Personalty will be made shall constitute reasonable notice; and

(iv) any sale made pursuant to the provisions of this subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of the other Mortgaged Property under power of sale as provided herein upon giving the same notice with respect to the sale of the Personalty hereunder as is required for such sale of the other Mortgaged Property under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under Section 9.604(a) of the Code; and

(v) in the event of a foreclosure sale, whether made by the Trustee under the terms hereof, or under judgment of a court, the Personalty and the other Mortgaged Property may, at the option of Beneficiary, be sold as a whole; and

(vi) it shall not be necessary that Beneficiary take possession of the Personalty, or any part thereof, prior to the time that any sale pursuant to the provisions of this subsection is conducted, and it shall not be necessary that the Personalty or any part thereof be present at the location of such sale; and

(vii) prior to application of proceeds of disposition of the Personalty to the Indebtedness, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like, and the reasonable attorneys' fees and legal expenses incurred by Beneficiary; and

(viii) after notification, Beneficiary may sell, lease, or otherwise dispose of the Personalty, or any part thereof, in one or more parcels at public or private sale or sales, at Beneficiary's offices or elsewhere, for cash, on credit, or for future delivery. Grantor shall be liable for all expenses of retaking, holding, preparing for sale, or the like, and all attorneys' fees, legal expenses, and all other costs and expenses incurred by Beneficiary in connection with the collection of the Indebtedness and the enforcement of Beneficiary's rights under the Loan Documents. Beneficiary shall apply the proceeds of the sale of the Personalty against the Indebtedness in accordance with the provisions of Section 6.6 of this Deed of Trust. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Personalty are insufficient to pay the Indebtedness in full. Grantor waives all rights of marshalling in respect of the Personalty; and

(ix) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder, the nonpayment of the Indebtedness, the occurrence of any Event of Default, Beneficiary

having declared all or a portion of such Indebtedness to be due and payable, the notice of time, place, and terms of sale and of the properties to be sold having been duly given, or any other act or thing having been duly done by Beneficiary, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and

(x) Beneficiary may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Beneficiary, including the sending of notices and the conduct of the sale, but in the name and on behalf of Beneficiary.

6.3 Beneficiary as Purchaser. If Beneficiary is the purchaser of the Mortgaged Property or any part thereof, at any sale thereof, whether such sale be under the power of sale hereinabove vested in Trustee or upon any other foreclosure of the liens and security interests hereof, or otherwise, Beneficiary shall, upon any such purchase, acquire good title to the Mortgaged Property so purchased, free of the liens and security interests hereof.

6.4 Other Rights of Beneficiary. Should any part of the Mortgaged Property come into the possession of Beneficiary, whether before or after Default, Beneficiary may use or operate the Mortgaged Property for the purpose of preserving it or its value, pursuant to the order of a court of appropriate jurisdiction or in accordance with any other rights held by Beneficiary in respect of the Mortgaged Property. Grantor covenants promptly to reimburse and pay to Beneficiary on demand, at the place where the Note is payable, the amount of all reasonable expenses (including the cost of any insurance, taxes or other charges) incurred by Beneficiary in connection with Beneficiary's custody, preservation, use or operation of the Mortgaged Property, together with interest thereon from the date incurred by Beneficiary at the rate provided in the Note for past due principal, and all such expenses, costs, taxes, interest and other charges shall be and become a part of the Indebtedness. It is agreed, however, that the risk of loss or damage to the Mortgaged Property is on Grantor, and Beneficiary shall have no liability whatsoever for decline in value of the Mortgaged Property, for failure to obtain or maintain insurance, or for failure to determine whether insurance in force is adequate as to amount or as to the risks insured.

6.5 Possession After Foreclosure. If the liens or security interests hereof shall be foreclosed by power of Trustee's sale, by judicial action or otherwise, the purchaser at any such sale shall receive, as an incident to Trustee's ownership, immediate possession of the property purchased, and if Grantor or Grantor's successors shall hold possession of said property or any part thereof, subsequent to foreclosure, Grantor and Grantor's successors shall be considered as tenants at sufferance of the purchaser at foreclosure sale (without limitation of other rights or remedies, at a reasonable rental per day, due and payable daily, based upon the value of the portion of the Mortgaged Property so occupied), and anyone occupying such portion of the Mortgaged Property after demand is made for possession thereof shall be guilty of forcible detainer and shall be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages by reason thereof are hereby expressly waived.

6.6 Application of Proceeds. The proceeds from (i) any sale, lease or other disposition made pursuant to this Article, (ii) any rental income collected by Beneficiary from the Mortgaged Property, and (iii) the proceeds from insurance which Beneficiary elects to apply to the Indebtedness, shall be applied by Trustee, or by Beneficiary, as the case may be, as follows: first, to the payment of all expenses of advertising, selling and conveying the Mortgaged Property or part thereof, including reasonable attorneys' fees; second, to accrued interest on the Indebtedness;

third, to principal of the Indebtedness; and fourth, the balance, if any, remaining after the full and final payment of the Indebtedness, to the person or persons legally entitled thereto.

6.7 Abandonment of Sale. In the event a foreclosure hereunder is commenced by Trustee in accordance provision hereof, Beneficiary may, at any time before the sale, direct Trustee to abandon the sale, and may then institute suit for the collection of the Note and for the foreclosure of the liens and security interests hereof. If Beneficiary should institute a suit for the collection of the Note and for a foreclosure of the liens and security interests hereof, Beneficiary may, at any time before the entry of a final judgment in said suit, dismiss the same and require Trustee to sell the Mortgaged Property or any part thereof in accordance with the provisions of this Deed of Trust.

6.8 Payment of Fees. If the Note or any other part of the Indebtedness shall be collected or enforced by legal proceedings, whether through a probate or bankruptcy court or otherwise, or shall be placed in the hands of an attorney for collection after maturity, whether matured by the expiration of time or by an option given to the beneficiary to mature same, or if Beneficiary becomes a party to any suit where this Deed of Trust or the Mortgaged Property or any part thereof is involved, Grantor agrees to pay Beneficiary's attorneys' and collection fees, and such fees shall be and become a part of the Indebtedness.

6.9 Indemnification of Trustee. Except for gross negligence or willful misconduct, Trustee shall not be liable for any act or omission or error of judgment. Trustee may rely on any document believed by Trustee in good faith to be genuine. All money received by Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and Trustee shall not be liable for interest thereon. GRANTOR SHALL INDEMNIFY TRUSTEE AGAINST ALL LIABILITY AND EXPENSES WHICH TRUSTEE MAY INCUR IN THE PERFORMANCE OF TRUSTEE'S DUTIES HEREUNDER.

6.10 Substitute Trustee. Beneficiary may appoint a substitute Trustee (a) if Trustee herein named or any substitute Trustee shall die, resign, or fail, refuse or be unable, for any reason, to make any such sale or to perform any of the trusts herein declared; or (b) at the option of Beneficiary from time to time as often and whenever Beneficiary prefers and with or without any reason or cause. Each appointment shall be in writing, but without the necessity of recordation, notice to Grantor, or any other action or formality. Each substitute trustee so appointed shall thereupon by such appointment become Trustee and succeed to all the estates, titles, rights, powers, trusts and duties of predecessor Trustee. Any such appointment may be executed by Beneficiary or any authorized representative of Beneficiary, and such appointment shall be presumed conclusively to have been executed with due and proper authority. Without limiting the generality of the foregoing, if Beneficiary is a corporation, bank or association, of any type or character, such appointment may be executed in its behalf by any officer of Beneficiary and shall be presumed conclusively to have been executed with due and proper authority without necessity of proof of any action by the board of directors or any superior officer. Wherever herein the word "Trustee" is used, the same shall mean the duly appointed trustee or substitute trustee hereunder at the time in question. Trustee may resign by written notice to Beneficiary.

6.11 Waiver of Deficiency Statute.

(a) In the event an interest in any of the Mortgaged Property is foreclosed upon pursuant to a judicial or nonjudicial foreclosure sale, Grantor agrees as follows:

notwithstanding the provisions of Sections 51.003, 51.004, and 51.005 of the Property Code (as the same may be amended from time to time), and to the extent permitted by law, Grantor agrees that Beneficiary shall be entitled to seek a deficiency judgment from Grantor and any other party obligated on the Note equal to the difference between the amount owing on the Note and the amount for which the Mortgaged Property was sold pursuant to judicial or nonjudicial foreclosure sale. Grantor expressly recognizes that this section constitutes a waiver of the above-cited provisions of the Property Code which would otherwise permit Grantor and other persons against whom recovery of deficiencies is sought or Guarantor independently (even absent the initiation of deficiency proceedings against them) to present competent evidence of the fair market value of the Mortgaged Property as of the date of the foreclosure sale and offset against any deficiency the amount by which the foreclosure sale price is determined to be less than such fair market value. Grantor further recognizes and agrees that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Mortgaged Property for purposes of calculating deficiencies owed by Grantor, Guarantor, and others against whom recovery of a deficiency is sought.

(b) Alternatively, in the event the waiver provided for in subsection (a) above is determined by a court of competent jurisdiction to be unenforceable, the following shall be the basis for the finder of fact's determination of the fair market value of the Mortgaged Property as of the date of the foreclosure sale in proceedings governed by Sections 51.003, 51.004 and 51.005 of the Property Code (as amended from time to time): (i) the Mortgaged Property shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Mortgaged Property will be repaired or improved in any manner before a resale of the Mortgaged Property after foreclosure; (ii) the valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Mortgaged Property for cash promptly (but no later than twelve [12] months) following the foreclosure sale; (iii) all reasonable closing costs customarily borne by the seller in commercial real estate transactions should be deducted from the gross fair market value of the Mortgaged Property, including, without limitation, brokerage commissions, title insurance, a survey of the Mortgaged Property, tax prorations, attorneys' fees, and marketing costs; (iv) the gross fair market value of the Mortgaged Property shall be further discounted to account for any estimated holding costs associated with maintaining the Mortgaged Property pending sale, including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for in (iii) above), and other maintenance, operational and ownership expenses; and (v) any expert opinion testimony given or considered in connection with a determination of the fair market value of the Mortgaged Property must be given by persons having at least five (5) years experience in appraising property similar to the Mortgaged Property and who have conducted and prepared a complete written appraisal of the Mortgaged Property taking into consideration the factors set forth above.

ARTICLE VII

SPECIAL PROVISIONS

7.1 Condemnation Proceeds. Beneficiary shall be entitled to receive any and all sums which may be awarded and become payable to Grantor for condemnation of the Mortgaged

Property or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Grantor for damages caused by public works or construction on or near the Mortgaged Property. All such sums are hereby assigned to Beneficiary, and Grantor shall, upon request of Beneficiary, make, execute, acknowledge, and deliver any and all additional assignments and documents as may be necessary from time to time to enable Beneficiary to collect and receipt for any such sums. Beneficiary shall not be, under any circumstances, liable or responsible for failure to collect, or exercise diligence in the collection of, any of such sums. Any sums received by Beneficiary as a result of condemnation shall be applied to the Indebtedness in accordance with the provisions of Section 7.4 hereof.

7.2 Insurance Proceeds. The proceeds of any and all insurance upon the Mortgaged Property shall be collected by Beneficiary, and Beneficiary shall have the option, in Beneficiary's sole discretion, to apply any proceeds so collected either to the restoration of the Mortgaged Property, in the amounts, manner, method and pursuant to such requirements and documents as Beneficiary may require, or to the liquidation of the Indebtedness in accordance with the provisions of Section 6.6 hereof.

7.3 Reserve for Impositions and Insurance Premiums. At Beneficiary's request, Grantor shall create a fund or reserve for the payment of all insurance premiums and Impositions against or affecting the Mortgaged Property by paying to Beneficiary, on the first day of each calendar month prior to the maturity of the Note, a sum equal to the premiums that will next become due and payable on the insurance policies covering Grantor, the Mortgaged Property or any part thereof or such other insurance policies required hereby or by the Loan Documents, plus Impositions next due on the Mortgaged Property or any part thereof as estimated by Beneficiary, less all sums paid previously to Beneficiary therefor, divided by the number of months to elapse before one month prior to the date when each of such premiums and Impositions will become due, such sums to be held by Beneficiary without interest to Grantor, unless interest is required by applicable law, for the purposes of paying such premiums and Impositions. Any excess reserve shall, at the discretion of Beneficiary, be credited by Beneficiary on subsequent reserve payments or subsequent payments to be made on the Note by the maker thereof, and any deficiency shall be paid by Grantor to Beneficiary on or before the date when Beneficiary demands such payment to be made, but in no event after the date when such premiums and Impositions shall become delinquent. If there exists a deficiency in such fund or reserve at any time when Impositions or insurance premiums are due and payable, Beneficiary may, but shall not be obligated to, advance the amount of such deficiency on behalf of Grantor and such amounts so advanced shall become a part of the Indebtedness, shall be immediately due and payable, and shall bear interest at the Default Rate from the date of such advance through and including the date of repayment. Without implying Beneficiary's consent to same, transfer of legal title to the Mortgaged Property shall automatically transfer to the holder of legal title to the Mortgaged Property the interest of Grantor in all sums deposited with Beneficiary under the provisions hereof or otherwise.

7.4 **INDEMNITY. GRANTOR SHALL INDEMNIFY, DEFEND, PROTECT AND HOLD HARMLESS BENEFICIARY AND TRUSTEE, THEIR RESPECTIVE PARENTS, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, AND ASSIGNS FROM AND AGAINST ANY AND ALL LIABILITY, DAMAGE, LOSS, COST, OR EXPENSE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND EXPENSES), ACTION, PROCEEDING, CLAIM OR DISPUTE INCURRED OR SUFFERED BY THE FOREGOING PARTIES SO INDEMNIFIED *WHETHER OR NOT AS THE***

RESULT OF THE NEGLIGENCE OF ANY PARTY SO INDEMNIFIED, WHETHER VOLUNTARILY OR INVOLUNTARILY INCURRED OR SUFFERED, IN RESPECT OF THE FOLLOWING:

(i) ANY LITIGATION CONCERNING THIS DEED OF TRUST, THE OTHER LOAN DOCUMENTS OR THE MORTGAGED PROPERTY, OR ANY INTEREST OF GRANTOR OR BENEFICIARY THEREIN, OR THE RIGHT OF OCCUPANCY THEREOF BY GRANTOR OR BENEFICIARY, WHETHER OR NOT ANY SUCH LITIGATION IS PROSECUTED TO A FINAL, NON-APPEALABLE JUDGMENT;

(ii) ANY DISPUTE, INCLUDING DISPUTES AS TO THE DISBURSEMENT OF PROCEEDS OF THE NOTE NOT YET DISBURSED, AMONG OR BETWEEN ANY OF THE CONSTITUENT PARTIES OR OTHER PARTNERS OR VENTURERS OF GRANTOR IF GRANTOR IS A GENERAL OR LIMITED PARTNERSHIP, OR AMONG OR BETWEEN ANY EMPLOYEES, OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS OR MANAGERS OF GRANTOR IF GRANTOR IS A CORPORATION OR LIMITED LIABILITY COMPANY, OR AMONG OR BETWEEN ANY MEMBERS, TRUSTEES OR OTHER RESPONSIBLE PARTIES IF GRANTOR IS AN ASSOCIATION, TRUST OR OTHER ENTITY;

(iii) ANY ACTION TAKEN OR NOT TAKEN BY BENEFICIARY OR TRUSTEE WHICH IS ALLOWED OR PERMITTED UNDER THIS DEED OF TRUST OR ANY OF THE OTHER LOAN DOCUMENTS RELATING TO GRANTOR, THE MORTGAGED PROPERTY, ANY CONSTITUENT PARTIES OR OTHERWISE IN CONNECTION WITH THE LOAN DOCUMENTS, INCLUDING WITHOUT LIMITATION, THE PROTECTION OR ENFORCEMENT OF ANY LIEN, SECURITY INTEREST OR OTHER RIGHT, REMEDY OR RECOURSE CREATED OR AFFORDED BY THIS DEED OF TRUST OR THE OTHER LOAN DOCUMENTS;

(iv) ANY ACTION BROUGHT BY BENEFICIARY OR TRUSTEE AGAINST GRANTOR UNDER THIS DEED OF TRUST OR THE OTHER LOAN DOCUMENTS, WHETHER OR NOT SUCH ACTION IS PROSECUTED TO A FINAL, NON-APPEALABLE JUDGMENT; AND

(v) ANY AND ALL LOSS, DAMAGE, COSTS, EXPENSE, ACTION, CAUSES OF ACTION, OR LIABILITY (INCLUDING ATTORNEYS' FEES AND COSTS) DIRECTLY OR INDIRECTLY ARISING FROM OR ATTRIBUTABLE TO THE USE, GENERATION, MANUFACTURE, PRODUCTION, STORAGE, RELEASE, THREATENED RELEASE, DISCHARGE, DISPOSAL, OR PRESENCE OF A HAZARDOUS SUBSTANCE ON, IN, UNDER OR ABOUT THE MORTGAGED PROPERTY, WHETHER KNOWN OR UNKNOWN AT THE TIME OF THE EXECUTION HEREOF, INCLUDING WITHOUT LIMITATION (A) ALL FORESEEABLE CONSEQUENTIAL DAMAGES OF ANY SUCH USE, GENERATION, MANUFACTURE, PRODUCTION, STORAGE, RELEASE, THREATENED RELEASE, DISCHARGE, DISPOSAL, OR PRESENCE, AND (B) THE COSTS OF ANY REQUIRED OR NECESSARY ENVIRONMENTAL INVESTIGATION OR MONITORING, ANY REPAIR, CLEANUP, OR DETOXIFICATION OF THE MORTGAGED PROPERTY, AND THE PREPARATION AND IMPLEMENTATION OF ANY CLOSURE, REMEDIAL, OR OTHER REQUIRED PLANS.

BENEFICIARY AND/OR TRUSTEE MAY EMPLOY AN ATTORNEY OR ATTORNEYS TO PROTEST OR ENFORCE ITS RIGHTS, REMEDIES AND RECOURSES UNDER THIS DEED OF TRUST AND THE OTHER LOAN DOCUMENTS, AND TO ADVISE AND DEFEND BENEFICIARY AND/OR TRUSTEE WITH RESPECT TO ANY SUCH ACTIONS AND OTHER MATTERS. GRANTOR SHALL REIMBURSE BENEFICIARY

AND/OR TRUSTEE FOR THEIR RESPECTIVE ATTORNEYS' FEES AND EXPENSES (INCLUDING EXPENSES AND COSTS FOR EXPERTS) IMMEDIATELY UPON RECEIPT OF A WRITTEN DEMAND THEREFOR, WHETHER ON A MONTHLY OR OTHER TIME INTERVAL, AND WHETHER OR NOT AN ACTION IS ACTUALLY COMMENCED OR CONCLUDED. ALL OTHER REIMBURSEMENT AND INDEMNITY OBLIGATIONS HEREUNDER SHALL BECOME DUE AND PAYABLE WHEN ACTUALLY INCURRED BY BENEFICIARY AND/OR TRUSTEE. ANY PAYMENTS NOT MADE WITHIN FIVE (5) DAYS AFTER WRITTEN DEMAND THEREFOR SHALL BEAR INTEREST AT THE DEFAULT RATE FROM THE DATE OF SUCH DEMAND UNTIL FULLY PAID. THE PROVISIONS OF THIS SECTION SHALL SURVIVE REPAYMENT OF THE INDEBTEDNESS AND PERFORMANCE OF THE OBLIGATIONS, THE RELEASE OF THE LIEN OF THIS DEED OF TRUST, ANY FORECLOSURE (OR ACTION IN LIEU OF FORECLOSURE), THE TRANSFER BY GRANTOR OF ANY OR ALL OF ITS RIGHT, TITLE AND INTEREST IN OR TO THE PROPERTY AND THE EXERCISE BY BENEFICIARY OF ANY AND ALL REMEDIES SET FORTH HEREIN OR IN THE LOAN DOCUMENTS.

7.5 Waiver of Subrogation. Grantor hereby waives any and all right to claim, recover, or subrogation that arises or may arise in its favor and against Beneficiary or its officers, directors, employees, agents, attorneys, or representatives hereto for any and all loss of, or damage to, Grantor, the Mortgaged Property, Grantor's property, or the property of others under Grantor's control from any cause insured against or required to be insured against by the provisions of the Loan Documents. Said waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Deed of Trust with respect to any loss or damage to property of the parties hereto.

7.6 Waiver of Setoff. The Indebtedness, or any part thereof, shall be paid by Grantor without notice, demand, counterclaim, setoff, deduction, or defense and without abatement, suspension, deferment, diminution, or reduction by reason of: (i) any damage to, destruction of, or any condemnation or similar taking of the Mortgaged Property; (ii) any restriction or prevention of or interference with any use of the Mortgaged Property; (iii) any title defect or encumbrance or any eviction from the Mortgaged Property by superior title or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to Trustee, Beneficiary, or Grantor, or any action taken with respect to this Deed of Trust by any Trustee or receiver of Beneficiary or Grantor, or by any court, in any such proceeding; (v) any claim which Grantor has or might have against Trustee or Beneficiary; (vi) any default or failure on the part of Beneficiary to perform or comply with any of the terms hereof or of any other agreement with Grantor; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Grantor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Grantor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution, or reduction of the Indebtedness.

7.7 Setoff. Beneficiary shall be entitled to exercise both the rights of setoff and banker's lien, if applicable, against the interest of Grantor in and to each and every account and other property of Grantor which are in the possession of Beneficiary to the full extent of the outstanding balance of the Indebtedness.

7.8 Payment After Acceleration. If, following the occurrence of an Event of Default, and an acceleration of the Indebtedness or any part thereof but prior to a foreclosure sale of the Mortgaged Property, Grantor shall tender to Beneficiary the payment of an amount sufficient to satisfy the entire Indebtedness or the part thereof which has been accelerated, such tender shall be

deemed a voluntary prepayment pursuant to the Indebtedness and, accordingly, Grantor, to the extent permitted by applicable law, shall also pay to Beneficiary the premium, if any, then required under the Indebtedness or the Loan Documents in order to exercise the prepayment privilege contained therein.

7.9 Contest of Certain Claims. Grantor shall not be in default for failure to pay or discharge any Imposition or mechanic's or materialman's lien asserted against the Mortgaged Property if, and so long as, (a) Grantor shall have notified Beneficiary of same within five (5) days of obtaining knowledge thereof; (b) Grantor shall diligently and in good faith contest the same by appropriate legal proceedings which shall operate to prevent the enforcement or collection of the same and the sale of the Mortgaged Property or any part thereof, to satisfy the same; and (c) Grantor shall have furnished to Beneficiary a cash deposit, or an indemnity bond satisfactory to Beneficiary with a surety satisfactory to Beneficiary, in the amount of the Imposition or mechanic's or materialman's lien claim, plus a reasonable additional sum to pay all costs, interest and penalties that may be imposed or incurred in connection therewith, to assure payment of the matters under contest and to prevent any sale or forfeiture of the Mortgaged Property or any part thereof. Notwithstanding the foregoing, Grantor shall immediately upon request of Beneficiary pay (and if Grantor shall fail so to do, Beneficiary may, but shall not be required to, pay or cause to be discharged or bonded against) any such Imposition or claim notwithstanding such contest, if in the reasonable opinion of Beneficiary the Mortgaged Property shall be in jeopardy or in danger of being forfeited or foreclosed. Beneficiary may pay over any such cash deposit or part thereof to the claimant entitled thereto at any time when, in the judgment of Beneficiary, the entitlement of such claimant is established.

7.10 Maximum Interest. It is expressly stipulated and agreed to be the intent of Grantor and Beneficiary at all times to comply strictly with the applicable Texas law governing the maximum non-usurious rate or non-usurious amount of interest payable on the Indebtedness (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to the Note, any of the other Loan Documents or any other communication or writing by or between Grantor and Beneficiary related to the Indebtedness or to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged, taken, reserved or received by reason of Beneficiary's exercise of the option to accelerate the maturity of the Note and/or any other portion of the Indebtedness, or (iii) Grantor will have paid or Beneficiary will have received by reason of any voluntary prepayment by Grantor of the Note and/or any other portion of the Indebtedness, then it is Grantor's and Beneficiary's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically canceled, *ab initio*, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Beneficiary shall be credited on the principal balance of the Note and/or any of the other Indebtedness (or, if the Note and all other Indebtedness have been or would thereby be paid in full, refunded to Grantor), and the provisions of the Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if the Note has been paid in full before the end of the stated term of the Note, then Grantor and Beneficiary agree that Beneficiary shall, with reasonable promptness after Beneficiary discovers or is advised by Grantor that interest was received in an amount in excess

of the Maximum Lawful Rate, either refund such excess interest to Grantor and/or credit such excess interest against any other Indebtedness then owing by Grantor to Beneficiary. Grantor hereby agrees that as a condition precedent to any claim seeking usury penalties or claims against Beneficiary, Grantor will provide written notice to Beneficiary, advising Beneficiary in reasonable detail of the nature and amount of the violation, and Beneficiary shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Grantor or crediting such excess interest against the Note and/or the other Indebtedness then owing by Grantor to Beneficiary. All sums contracted for, charged, taken, reserved or received by Beneficiary for the use, forbearance or detention of any of the Indebtedness, including any portion of the Indebtedness evidenced by the Note shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of the Note and/or the other Indebtedness (including any and all renewal and extension periods) until payment in full. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Beneficiary to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

ARTICLE VIII

ASSIGNMENT OF RENTS

Section 8.1 Assignment. As additional security for the Indebtedness, Grantor hereby assigns to Beneficiary all Rents and all of Grantor's rights in and under all Leases. Upon the occurrence of a Default hereunder and after the passage of any applicable cure period provided in the Loan Agreement, Beneficiary shall have the right, power and privilege (but shall be under no duty) to demand possession of the Rents. Pursuant to the provisions of the Texas Assignment of Rents Act in Chapter 64 of the Texas Property Code ("TARA"), Grantor shall, upon receipt of such demand, pay all Rents to Beneficiary (including delivering the Rents collected for the period in which the demand occurs and for any subsequent period), said delivery of the Rents to Beneficiary to be made without the necessity of any further action by Beneficiary, including, without limitation, any action to obtain possession of the Land, Improvements or any other portion of the Mortgaged Property or any action for the appointment of a receiver. Grantor agrees to turn over all Rents to Beneficiary within ten (10) days after Grantor's receipt of same. Grantor also hereby authorizes and directs the tenants under the Leases to pay the Rents to Beneficiary directly, upon the tenant's receipt of written demand by Beneficiary, without further consent of Grantor, without any obligation of such tenants to determine whether a Default has in fact occurred and regardless of whether Beneficiary has taken possession of any portion of the Mortgaged Property, and the tenants may rely upon any written statement delivered by Beneficiary to the tenants. Any such payments to Beneficiary shall constitute payments to Grantor under the Leases, and Grantor hereby irrevocably appoints Beneficiary as its attorney-in-fact to do all things, after a Default, which Grantor might otherwise do with respect to the Mortgaged Property and the Leases thereon, including, without limitation, (i) collecting Rents with or without suit and applying the same, less expenses of collection, to the Indebtedness or to expenses of operating and maintaining the Mortgaged Property (including reasonable reserves for anticipated expenses), at the option of the Beneficiary, all in such manner as may be determined by Beneficiary, (ii) leasing, in the name of Grantor, the whole or any part of the Mortgaged Property which may become vacant, and (iii) employing agents therefor and paying such agents reasonable compensation for their services. Nothing in the foregoing shall be construed to impose any obligation upon Beneficiary to exercise any power or right granted in this paragraph or to assume any liability under any Lease of any part of the Mortgaged Property and no liability shall

attach to Beneficiary for failure or inability to collect any Rents under any such Lease. The assignment contained in this Section shall become null and void upon the release of this Deed of Trust.

Section 8.2 Covenants, Representations and Warranties Concerning Leases and Rents. Grantor covenants, represents and warrants that: (a) Grantor has good title to, and is the owner of the entire landlord's interest in, the Leases and Rents hereby assigned and authority to assign them; (b) all Leases are valid and enforceable, and in full force and effect, and are unmodified except as stated therein; (c) neither Grantor nor any tenant in the Mortgaged Property is in default under its Lease (and no event has occurred which with the passage of time or notice or both would result in a default under its Lease) or is the subject of any bankruptcy, insolvency or similar proceeding; (d) unless otherwise stated in a Permitted Encumbrance, no Rents or Leases have been or will be assigned, mortgaged, pledged or otherwise encumbered and no other person has or will acquire any right, title or interest in such Rents or Leases; (e) no Rents have been waived, released, discounted, set off or compromised; (f) except as stated in the Leases, Grantor has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Rents; (g) Grantor shall perform all of its obligations under the Leases and enforce the tenants' obligations under the Leases to the extent enforcement is prudent under the circumstances; (h) Grantor will not without the prior written consent of Beneficiary, enter into any Lease after the date hereof, or waive, release, discount, set off, compromise, reduce or defer any Rent, receive or collect Rents more than one (1) month in advance, grant any rent-free period to any tenant, reduce any Lease term or waive, release or otherwise modify any other material obligation under any Lease, renew or extend any Lease except in accordance with a right of the tenant thereto in such Lease, approve or consent to an assignment of a Lease or a subletting of any part of the premises covered by a Lease, or settle or compromise any claim against a tenant under a Lease in bankruptcy or otherwise; (i) Grantor will not, without the prior written consent of Beneficiary, terminate or consent to the cancellation or surrender of any Lease having an unexpired term of one (1) year or more; (j) Grantor will not execute any Lease except in accordance with the Loan Documents and for actual occupancy by the tenant thereunder; (k) Grantor shall give prompt notice to Beneficiary, as soon as Grantor first obtains notice, of any claim, or the commencement of any action, by any tenant or subtenant under or with respect to a Lease regarding any claimed damage, default, diminution of or offset against Rent, cancellation of the Lease, or constructive eviction, and Grantor shall defend, at Grantor's expense, any proceeding pertaining to any Lease, including, if Beneficiary so requests, any such proceeding to which Beneficiary is a party; (l) Grantor shall as often as requested by Beneficiary, within ten (10) days of each request, deliver to Beneficiary a complete rent roll of the Mortgaged Property in such detail as Beneficiary may require and financial statements of the tenants, subtenants and guarantors under the Leases to the extent available to Grantor, and deliver to such of the tenants and others obligated under the Leases specified by Beneficiary written notice of the assignment in Section 8.1 hereof in form and content satisfactory to Beneficiary; (m) promptly upon request by Beneficiary, Grantor shall deliver to Beneficiary executed originals of all Leases and copies of all records relating thereto; (n) there shall be no merger of the leasehold estates created by the Leases, with the fee estate of the Land without the prior written consent of Beneficiary; and (o) Beneficiary may at any time and from time to time by specific written instrument intended for the purpose, unilaterally subordinate the lien of this Deed of Trust to any Lease, without joinder or consent of, or notice to, Grantor, any tenant or any other person, and notice is hereby given to each tenant under a Lease of such right to subordinate. No such subordination shall constitute a subordination to any lien or other encumbrance, whenever arising, or improve the right of any junior

lien Beneficiary; and nothing herein shall be construed as subordinating this Deed of Trust to any Lease.

Section 8.3 Estoppel Certificates. All Leases shall require the tenant to execute and deliver to Beneficiary an estoppel certificate in form and substance acceptable to Beneficiary within ten (10) days after notice from the Beneficiary.

Section 8.4 No Liability of Beneficiary. Pursuant to the provisions of TARA, Beneficiary's acceptance of this assignment shall not be deemed to constitute Beneficiary a "mortgagee in possession," nor obligate Beneficiary to appear in or defend any proceeding relating to any Lease or to the Mortgaged Property, or to take any action hereunder, expend any money, incur any expenses, or perform any obligation or liability under any Lease, or assume any obligation for any deposit delivered to Grantor by any tenant and not as such delivered to and accepted by Beneficiary. Beneficiary shall not be liable for any injury or damage to person or property in or about the Mortgaged Property, or for Beneficiary's failure to collect or to exercise diligence in collecting Rents, but shall be accountable only for Rents that it shall actually receive. Neither the assignment of Leases and Rents nor enforcement of Beneficiary's rights regarding Leases and Rents (including collection of Rents) nor possession of the Mortgaged Property by Beneficiary nor Beneficiary's consent to or approval of any Lease (nor all of the same), shall render Beneficiary liable on any obligation under or with respect to any Lease or constitute affirmation of or any subordination to, any Lease, occupancy, use or option. If Beneficiary seeks or obtains any judicial relief regarding Rents or Leases, the same shall in no way prevent the concurrent or subsequent employment of any other appropriate rights or remedies nor shall same constitute an election of judicial relief for any foreclosure or any other purpose. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect to any Lease. The rights of Beneficiary under this Article 8 shall be cumulative of all other rights of Beneficiary under the Loan Documents or otherwise.

Section 8.5 Security Interest. This assignment shall be construed for all purposes as creating a security interest in the Rents and Leases. Except as otherwise expressly provided herein, this assignment shall be governed by the provisions of TARA and Chapter 9 of the Texas Business and Commerce Code.

ARTICLE IX

SECURITY AGREEMENT

9.1 Security Interest. This Deed of Trust (a) shall be construed as a Deed of Trust on real property, and (b) shall also constitute and serve as a "Security Agreement" on personal property within the meaning of, and shall constitute until the grant of this Deed of Trust shall terminate as provided in Article II hereof, a first and prior security interest under the Code with respect to the Personalty, Fixtures, Contracts, Leases and Rents. To this end, Grantor GRANTS to, has GRANTED, BARGAINED, CONVEYED, ASSIGNED, TRANSFERRED, and SET OVER, and by these presents does GRANT, BARGAIN, CONVEY, ASSIGN, TRANSFER and SET OVER, unto Trustee and Beneficiary, a security interest in all of Grantor's right, title and interest in, to, under and with respect to the Personalty, Fixtures, Contracts, Leases and Rents to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations.

9.2 Financing Statements. Grantor hereby agrees with Beneficiary to execute and deliver to Beneficiary, in form and substance satisfactory to Beneficiary, such "Financing Statements" and such further assurances as Beneficiary may, from time to time, reasonably consider necessary to create, perfect, and preserve Beneficiary's security interest herein granted, and Beneficiary may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect, and preserve such security interest. Without limiting the foregoing, Grantor hereby specifically authorizes Beneficiary to prepare, file of record or otherwise effectuate new financing statements, financing statement amendments, and financing statement continuations which describe all or any portion of the Mortgaged Property as collateral thereunder and Grantor specifically agrees that Beneficiary may cause same to be filed without any signature of a representative of the Grantor appearing thereon, where such filings are permitted by applicable law.

9.3 Fixture Filing. This Deed of Trust shall also constitute a "fixture filing" for the purposes of the Code. All or part of the Mortgaged Property are or are to become fixtures; information concerning the security interest herein granted may be obtained from either party at the address of such party set forth herein. For purposes of the security interest herein granted, the address of debtor (Grantor) is set forth in the first paragraph of this Deed of Trust and the address of the secured party (Beneficiary) is set forth in Article I hereof.

ARTICLE X

MISCELLANEOUS

10.1 Release. If the Indebtedness is paid in full in accordance with the terms of this Deed of Trust, the Note, and the other Loan Documents, and if Grantor shall well and truly perform each and every of the Obligations to be performed and discharged in accordance with the terms of this Deed of Trust, the Note and the other Loan Documents, then this conveyance shall become null and void and be released at Grantor's request and expense, and Beneficiary shall have no further obligation to make advances under and pursuant to the provisions hereof or in the other Loan Documents.

10.2 Payment of Expenses. Grantor shall (i) pay all legal fees incurred by Beneficiary in connection with the preparation of the Loan Documents (including any amendments thereto or consents, releases, or waivers granted thereunder); (ii) reimburse Beneficiary, promptly upon demand, for all amounts expended, advanced, or incurred by Beneficiary to satisfy any obligation of Grantor under the Loan Documents, which amounts shall include (without limitation) all court costs, attorneys' fees (including, without limitation, for trial, appeal, or other proceedings), fees of auditors and accountants and other investigation expenses reasonably incurred by Beneficiary in connection with any such matters; and (iii) any and all other costs and expenses of performing or complying with any and all of the Obligations.

10.3 Survival of Obligations. Each and all of the Obligations shall survive the execution and delivery of the Loan Documents and the consummation of the loan called for therein and shall continue in full force and effect until the Indebtedness shall have been paid in full.

10.4 Recording and Filing. Grantor will cause the Loan Documents requested by Beneficiary and all amendments and supplements thereto and substitutions therefor to be recorded,

filed, re-recorded, and refiled in such manner and in such places as Trustee or Beneficiary shall reasonably request, and will pay all such recording, filing, re-recording and refiling taxes, documentary stamp taxes, fees, and other charges.

10.5 Notices. All notices or other communications required or permitted to be given pursuant to this Deed of Trust shall be in writing and shall be considered as properly given if (i) mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, (ii) by delivering same in person to the intended addressee, (iii) by delivery to an independent third party commercial delivery service for same day or next day delivery and providing for evidence of receipt at the office of the intended addressee, or (iv) by prepaid telegram, telex, or telefacsimile to the addressee. Notice so mailed shall be effective upon its deposit with the United States Postal Service or any successor thereto; notice sent by such a commercial delivery service shall be effective upon delivery to such commercial delivery service; notice given by personal delivery shall be effective only if and when received by the addressee; and notice given by other means shall be effective only if and when received at the office or designated place or machine of the intended addressee.

10.6 Covenants Running with the Land. All Obligations contained in this Deed of Trust and the other Loan Documents are intended by Grantor, Beneficiary, and Trustee to be, and shall be construed as, covenants running with the Mortgaged Property until the lien of this Deed of Trust has been fully released by Beneficiary.

10.7 Successors and Assigns. All of the terms of the Loan Documents shall apply to, be binding upon, and inure to the benefit of the parties thereto, their successors, assigns, heirs, and legal representatives, and all other persons claiming by, through, or under them.

10.8 No Waiver; Severability. Any failure by Trustee or Beneficiary to insist, or any election by Trustee or Beneficiary not to insist, upon strict performance by Grantor or others of any of the terms, provisions, or conditions of the Loan Documents shall not be deemed to be a waiver of same or of any other terms, provisions, or conditions thereof, and Trustee or Beneficiary shall have the right at any time or times thereafter to insist upon strict performance by Grantor or others of any and all of such terms, provisions, and conditions. The Loan Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of the Loan Documents or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, then neither the remainder of the instrument in which such provision is contained nor the application of such provision to other persons or circumstances nor the other instruments referred to herein shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

10.9 Counterparts. To facilitate execution, this Deed of Trust may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Deed of Trust to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect

of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages.

10.10 Governing Law. This Deed of Trust is executed and delivered as an incident to a lending transaction negotiated and consummated in Hidalgo County, Texas, and shall be governed by and construed in accordance with the laws of the State of Texas. Grantor, for itself and its successors and assigns, hereby irrevocably (i) submits to the nonexclusive jurisdiction of the state and federal courts in Texas, (ii) waives, to the fullest extent permitted by law, and objection that it may now or in the future have to the laying of venue of any litigation arising out of or in connection with any Loan Document brought in the District Court of Hidalgo County, Texas, or in the United States District Court for the Southern District of Texas, (iii) waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in such court or that such court is an inconvenient forum, and (iv) agrees that any legal proceeding against any party to any Loan Document arising out of or in connection with any of the Loan Documents may be brought in one of the foregoing courts. The scope of each of the foregoing waivers is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. Grantor acknowledges that these waivers are a material inducement to Beneficiary's agreement to enter into agreements and obligations evidenced by the Loan Documents that Beneficiary has already relied on these waivers and will continue to rely on each of these waivers in related future dealings. The waivers in this section are irrevocable, meaning that they may not be modified either orally or in writing, and these waivers apply to any future renewals, extensions, amendments, modifications, or replacements in respect of the applicable Loan Document. In connection with any litigation, this Deed of Trust may be filed as a written consent to a trial by the court.

10.11 **Waiver of Consequential, Punitive and Speculative Damages. Grantor and Beneficiary agree that, in connection with any action, suit or proceeding relating to or arising out of this Deed of Trust or any of the other Loan Documents, each mutually waives to the fullest extent permitted by applicable law any claim for consequential, punitive or speculative damages.**

10.12 Controlling Agreement. In the event of any conflict between the provisions of this Deed of Trust and any of the other Loan Documents, it is the intent of the parties hereto that the provisions of this Deed of Trust shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same.

10.13 Subrogation. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Mortgaged Property, then, to the extent of such funds so used, Beneficiary shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Mortgaged Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, an interests, if any, are not waived but rather are continued in full force and effect in favor of Beneficiary and are merged with the lien and security interest created herein as cumulative security for the repayment of the Indebtedness and the performance and discharge of the Obligations.

10.14 Rights Cumulative. Beneficiary shall have all rights, remedies, and recourses granted in the Loan Documents and available at law or in equity (including, without limitation, those granted by the Code and applicable to the Mortgaged Property or any portion thereof), and the same (i) shall be cumulative and concurrent, (ii) may be pursued separately, successively, or concurrently against Grantor or others obligated for the Indebtedness or any part thereof, or against any one or more of them, or against the Mortgaged Property, at the sole discretion of Beneficiary, (iii) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise, discontinuance of the exercise of or failure to exercise any of the same shall in no event be construed as a waiver or release thereof or of any other right, remedy, or recourse, and (iv) are intended to be, and shall be, nonexclusive. All rights and remedies of Beneficiary hereunder and under the other Loan Documents shall extend to any period after the initiation of foreclosure proceedings, judicial or otherwise, with respect to the Mortgaged Property.

10.15 Reliance. Grantor recognizes and acknowledges that in entering into the loan transaction evidenced by the Loan Documents and accepting this Deed of Trust, Beneficiary is expressly and primarily relying on the truth and accuracy of the foregoing warranties and representations set forth in Article III hereof without any obligation to investigate the Mortgaged Property and notwithstanding any investigation of the Mortgaged Property by Beneficiary; that such reliance exists on the part of Beneficiary prior hereto; that such warranties and representations are a material inducement to Beneficiary in making the loan evidenced by the Loan Documents and the acceptance of this Deed of Trust; and that Beneficiary would not be willing to make the loan evidenced by the Loan Documents and accept this Deed of Trust in the absence of any of such warranties and representations.

10.16 Change of Security. Any part of the Mortgaged Property may be released, regardless of consideration, by Beneficiary from time to time without impairing, subordinating, or affecting in any way the lien, security interest, and other rights hereof against the remainder. The lien, security interest, and other rights granted hereby shall not be affected by any other security taken for the Indebtedness or Obligations, or any part thereof. The taking of additional collateral, or the amendment, extension, renewal, or rearrangement of the Indebtedness or Obligations, or any part thereof, shall not release or impair the lien, security interest, and other rights granted hereby, or affect the liability of any endorser or guarantor or improve the right of any junior lienholder; and this Deed of Trust, as well as any instrument given to secure any amendment, extension, renewal, or rearrangement of the Indebtedness or Obligations, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Mortgaged Property not expressly released until the Indebtedness is fully paid and the Obligations are fully performed and discharged.

10.17 Headings. The Article, Section, and Subsection entitlements hereof are inserted for convenience of reference only and shall in no way alter, modify, or define, or be used in construing the text of such Articles, Sections, or Subsections.

10.18 Entire Agreement; Amendment. THIS DEED OF TRUST AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions hereof

and the other Loan Documents may be amended or waived only by an instrument in writing signed by Grantor and Beneficiary.

10.19 Waiver of Right to Trial by Jury. GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM THAT RELATES TO OR ARISES OUT OF ANY OF THE LOAN DOCUMENTS OR THE ACTS OR FAILURE TO ACT OF OR BY BENEFICIARY IN THE ENFORCEMENT OF ANY OF THE TERMS OR PROVISIONS OF THIS DEED OF TRUST OR THE OTHER LOAN DOCUMENTS.

10.20 No Merger of Estates. So long as any part of the Indebtedness and the Obligations secured hereby remain unpaid and unperformed or undischarged, the fee and leasehold estates to the Mortgaged Property shall not merge but rather shall remain separate and distinct, notwithstanding the union of such estates either in Grantor, Beneficiary, any lessee, or any third party purchaser or otherwise.

10.21 Purpose. The indebtedness represented by the Note represents funds to be advanced by Lender for Grantor, or for the benefit of Grantor, to construct improvements to the Land.

10.22 Construction Mortgage. This Deed of Trust is a "construction mortgage" in that it secures an obligation incurred for the construction of improvements on the Mortgaged Property and this Section 10.22 in this agreement is expressly contained herein to satisfy the requirements of Section 9.334, Subchapter C, Chapter 9, Title 1, Uniform Commercial Code of the State of Texas.

10.23 Right of First Refusal. Without the express written consent of Beneficiary, Grantor shall not enter into any arrangements with any third party for the payment of ad valorem taxes that would grant that third party a lien on the property herein described. Grantor's violation of this paragraph shall constitute an Event of Default. Grantor hereby grants Beneficiary a right of first refusal with respect to Grantor's power to authorize any third party (other than Beneficiary pursuant to its rights as set forth in this instrument) to pay ad valorem taxes on the Mortgaged Property and authorize a taxing entity to transfer its tax lien on the Mortgaged Property to that third party. Grantor's authorization to any third party (other than Noteholder) to pay the ad valorem taxes and receive transfer of a taxing entity's lien for ad valorem taxes shall be null and void and of no force and effect unless Beneficiary, within ten days after receiving written notice from Grantor, fails to pay ad valorem taxes pursuant to Beneficiary's rights as set forth in this instrument. However, Beneficiary's failure to pay ad valorem taxes shall not be considered a waiver of the Grantor's default, and Beneficiary shall remain entitled to enforce any and all remedies for such default.

10.24 The Note, this Deed of Trust, and all other documents executed in connection herewith are referred to in this paragraph as the "Loan".

(a) Subject to subparagraph 10.24(b), if the Loan finances a commercial real estate project, as such term is used in the definition of "high volatility commercial real estate (HVCRE) exposure" set out in 12 C.F.R. 3.2 and similar federal regulations (the "HVCRE Definition"), the following provisions shall apply:

1. The ratio of the balance owed under the Loan to the value of the Mortgaged Property ("LTV") shall not exceed the maximum LTV ratio allowed under the HVCRE Definition. In the event

the LTV is ever determined to be in excess of the maximum LTV ratio allowed, Grantor agrees to make a principal reduction payment or provide additional collateral to bring the Loan into compliance with the HVCRE Definition.

2. Grantor shall not withdraw any of the capital contributed by Grantor to the commercial real estate project on the Mortgaged Property, or any capital subsequently generated by the commercial real estate project on the Mortgaged Property, prior to the occurrence of any of the following events:

(i) The Loan is converted to permanent financing satisfactory to Beneficiary in Beneficiary's sole discretion;

(ii) The Mortgaged Property is sold and the Loan is paid in full; or

(iii) The Loan is otherwise paid in full.

Any such withdrawal of capital shall be a default under the Loan.

(b) Subparagraph 10.24(a) shall not apply if the Loan is not a "high volatility commercial real estate (HVCRE) exposure" pursuant to paragraphs (1), (2) or (3) of the HVCRE Definition.

(c) The provisions of this paragraph 10.25 are required to exempt the Loan from the statutory and regulatory consequences of being given HVCRE status. If Grantor or any Obligated Party takes any action that would cause the Loan to fail to meet the HVCRE statutory and regulatory criteria, Grantor will reimburse Beneficiary for the increased costs resulting from the HVCRE classification.

10.25 Grantor expressly represents that the Land hereinabove mentioned and conveyed to the Trustee forms no part of any property owned, used or claimed by Grantor as exempted from forced sale under the laws of the State of Texas and Grantor renounces all and every claim thereto under any such law or laws.

10.26 This conveyance is also made in trust to secure and enforce the payment of all other indebtedness or liability of Grantor and each Obligated Party, or any of them, owed to Beneficiary presently existing or which may in any manner or means hereafter be incurred by the Grantor and each Obligated Party, or any of them, and evidenced in any manner whatsoever either by notes, advances, overdrafts, bookkeeping entries, guaranties or any other method or means, it being expressly agreed and understood that any and all sums now owned to or hereafter advanced by said Beneficiary to or on behalf of Grantor and each Obligated Party, or any of them, shall be payable to Texas National Bank in Hidalgo County, Texas, and shall bear interest as may be provided in such notes or other evidences of indebtedness or liability given by Grantor and each Obligated Party, or any of them, to said Beneficiary. The payment of said note shall not terminate this mortgage unless the same be so released by the Beneficiary, it shall remain in full force and effect to secure all future advances and indebtedness, regardless of any additional security that may be taken as to any past or future indebtedness, and shall be unaffected by any renewals or extensions.

10.27 ARBITRATION. THE PARTIES FURTHER AGREE AS FOLLOWS:

(a) UPON WRITTEN NOTICE BY LENDER, NOTEHOLDER OR GRANTORS TO THE OTHER, ANY AND ALL CONTROVERSIES BETWEEN THE PARTIES SHALL BE RESOLVED BY ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ASSOCIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN EFFECT AT THE TIME OF FILING, UNLESS THE COMMERCIAL ARBITRATION RULES CONFLICT WITH THIS PROVISION, AND IN SUCH EVENT THE TERMS OF THIS PROVISION SHALL CONTROL. ANY ARBITRATION HEREUNDER SHALL BE BEFORE AT LEAST THREE ARBITRATORS ASSOCIATED WITH THE AMERICAN ARBITRATION ASSOCIATION AND SELECTED IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. THE

AWARD OF THE ARBITRATORS, OR A MAJORITY OF THEM, SHALL BE FINAL, AND JUDGEMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION. ERRORS OF LAW SHALL BE AN ADDITIONAL GROUND FOR VACATUR OF AN AWARD RENDERE D PURSUANT TO THIS PROVISION.

(b) ARBITRABLE DISPUTES INCLUDE ANY AND ALL CONTROVERSIES OR CLAIMS BETWEEN THE PARTIES OF WHATEVER TYPE OR MANNER, INCLUDING WITHOUT LIMITATION, ANY CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY PROPOSED OR ACTUAL LOAN OR EXTENSION OF CREDIT, ALL PAST, PRESENT AND/OR FUTURE AGREEMENTS INVOLVING THE PARTIES, ANY TRANSACTIONS BETWEEN OR INVOLVING THE PARTIES, AND/OR ANY ASPECT OF ANY PAST OR PRESENT RELATIONSHIP OF THE PARTIES, WHETHER BANKING OR OTHERWISE, SPECIFICALLY INCLUDING ANY ALLEGED TORT COMMITTED BY ANY PARTY.

(c) DEPOSITIONS MAY BE TAKEN AND OTHER DISCOVERY OBTAINED IN ANY ARBITRATION UNDER THIS PROVISION. WITHIN THIRTY (30) DAYS OF THE DATE A RESPONSIVE PLEADING IS FILED IN AN ARBITRATION PROCEEDING HEREUNDER, ALL PARTIES SHALL SERVE ON ALL OTHER PARTIES AN INITIAL DISCLOSURE AS WOULD BE REQUIRED BY RULE 26, FEDERAL RULES OF CIVIL PROCEDU RE.

(d) FOR THE PURPOSES OF THIS PROVISION, "THE PARTIES" MEANS BORROWER, GRANTORS, BENEFICIARY, TRUSTEE, NOTEHOLDER, LENDER AND EACH OF THEM, AND ALL PERSONS AND ENTITIES SIGNING THIS AGREEMENT OR ANY OTHER AGREEMENTS, SECURITY INSTRUMENTS, AND/OR GUARANTEES EXECUTED HERETOFORE OR CONTEMPORANEOUSLY WITH AND AS PART OF THE SAME TRANSACTION WITH THIS AGREEMENT. "THE PARTIES" SHALL ALSO INCLUDE INDIVIDUAL PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND/OR REPRESENTATIVES OF ANY PARTY TO THOSE DOCUMENTS, AND SHALL INCLUDE ANY OTHER OWNER AND HOLDER OF THE LOAN DOCUMENTS.

(e) THE PARTIES SHALL HAVE THE RIGHT TO INVOKE SELF-HELP REMEDIES (SUCH AS SET-OFF, NOTIFICATION OF ACCOUNT DEBTORS, SEIZURE AND/OR FORECLOSURE OF COLLATERAL, AND NON-JUDICIAL SALE OF PERSONAL PROPERTY AND REAL PROPERTY COLLATERAL) BEFORE, DURING OR AFTER ANY ARBITRATION AND/OR PERFORMANCE, RECEIVER, INJUNCTION OR RESTRAINING ORDER, AND SEQUESTRATION) BEFORE OR AFTER ANY ARBITRATION. THE PARTIES NEED NOT AWAIT THE OUTCOME OF THE ARBITRATION BEFORE USING SELF-HELP REMEDIES. USE OF SELF-HELP OR ANCILLARY AND/OR PROVISIONAL JUDICIAL REMEDIES SHALL NOT OPERATE AS A WAIVER OF EITHER PARTY'S RIGHT TO COMPEL ARBITRATION.

(f) THE PARTIES AGREE THAT ANY ACTION REGARDING ANY CONTROVERSY BETWEEN THE PARTIES SHALL EITHER BE BROUGHT BY ARBITRATION, AS DESCRIBED HEREIN, OR BY JUDICIAL PROCEEDINGS, BUT SHALL NOT BE PURSUED SIMULTANEOUSLY IN DIFFERENT OR ALTERNATIVE FORUMS. A TIMELY WRITTEN NOTICE OF INTENT TO ARBITRATE PURSUANT TO THIS AGREEMENT STAYS AND/OR ABATES ANY AND ALL ACTION IN A TRIAL COURT, SAVE AND EXCEPT A HEARING ON A MOTION TO COMPEL ARBITRATION AND/OR THE ENTRY OF AN ORDER COMPELLING ARBITRATION AND STAYING AND/OR ABATING THE LITIGATION PENDING THE FILING OF THE FINAL AWARD OF THE ARBITRATORS.

(g) ANY AGGRIEVED PARTY SHALL SERVE A WRITTEN NOTICE OF INTENT TO ARBITRATE TO ANY AND ALL OPPOSING PARTIES WITHIN 360 DAYS AFTER DISPUTE HAS ARISEN. A DISPUTE IS DEFINED TO HAVE ARISEN ONLY UPON RECEIPT OF SERVICE OF JUDICIAL PROCESS OR OF A COMPLAINT IN ARBITRATION. FAILURE TO SERVE A WRITTEN NOTICE OF INTENT TO ARBITRATE WITHIN THE TIME SPECIFIED ABOVE SHALL BE DEEMED A WAIVER OF THE AGGRIEVED PARTY'S RIGHT TO COMPEL ARBITRATION OF SUCH CLAIM. THE ISSUE OF WAIVER PURSUANT TO THIS AGREEMENT IS AN ARBITRABLE DISPUTE.

(h) ACTIVE PARTICIPATION IN PENDING LITIGATION DURING THE 360 DAY NOTICE

PERIOD, WHETHER AS PLAINTIFF OR DEFENDANT, IS NOT A WAIVER OF THE RIGHT TO COMPEL ARBITRATION. ALL DISCOVERY OBTAINED IN THE PENDING LITIGATION MAY BE USED IN ANY SUBSEQUENT ARBITRATION PROCEEDING.

(i) THE PARTIES FURTHER AGREE THAT (i) NO ARBITRATION PROCEEDING SHALL BE CERTIFIED AS A CLASS ACTION OR PROCEED AS A CLASS ACTION, AND (ii) NO ARBITRATION PROCEEDING HEREUNDER SHALL BE CONSOLIDATED WITH, OR JOINED IN ANY WAY WITH, ANY OTHER ARBITRATION PROCEEDING.

(j) ANY ARBITRATOR SELECTED SHALL BE KNOWLEDGEABLE IN THE SUBJECT MATTER OF THE DISPUTE. EACH OF THE PARTIES SHALL PAY AN EQUAL SHARE OF THE ARBITRATION COSTS, FEES, EXPENSES, AND OF THE ARBITRATORS FEES, COSTS, AND EXPENSES.

(k) ALL STATUTES OF LIMITATIONS WHICH WOULD OTHERWISE BE APPLICABLE SHALL APPLY TO ANY ARBITRATION PROCEEDING HEREUNDER AND THE COMMENCEMENT OF ANY ARBITRATION PROCEEDING TOLLS SUCH LIMITATIONS.

(l) IN ANY ARBITRATION PROCEEDING SUBJECT TO THIS PROVISION, THE ARBITRATORS, OR MAJORITY OF THEM, ARE SPECIFICALLY EMPOWERED TO DECIDE (BY DOCUMENTS ONLY, OR WITH A HEARING, AT THE ARBITRATOR'S SOLE DISCRETION) PRE-HEARING MOTIONS WHICH ARE SUBSTANTIALLY SIMILAR TO PRE-HEARING MOTIONS TO DISMISS AND MOTIONS FOR SUMMARY ADJUDICATION.

(m) THIS ARBITRATION PROVISION SHALL SURVIVE ANY TERMINATION, AMENDMENT, OR EXPIRATION OF THE AGREEMENT IN WHICH THIS PROVISION IS CONTAINED, UNLESS ALL OF THE PARTIES OTHERWISE EXPRESSLY AGREE IN WRITING.

(n) THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT EVIDENCES A TRANSACTION INVOLVING INTERSTATE COMMERCE IN THAT THE FUNDS WHICH MAY BE ADVANCED OR COMMITTED UNDER THIS AGREEMENT ARE DERIVED FROM INTERSTATE AND/OR INTERNATIONAL FINANCIAL MARKETS. THE FEDERAL ARBITRATION ACT SHALL GOVERN THE INTERPRETATION, ENFORCEMENT, AND PROCEEDINGS PURSUANT TO THE ARBITRATION CLAUSE OF THIS AGREEMENT.

(o) THE ARBITRATORS, OR A MAJORITY OF THEM, SHALL AWARD ATTORNEY'S FEES AND COSTS TO THE PREVAILING PARTY PURSUANT TO THE TERMS OF THIS AGREEMENT.

(p) VENUE OF ANY ARBITRATION PROCEEDING HEREUNDER SHALL BE IN HIDALGO COUNTY, TEXAS.

(Signature Page Follows)

EXECUTED as of the date below to be effective as of the Effective Date.

GRANTOR:

M & S Estate, Ltd.,
a Texas limited partnership

By: M & S Estate Management, LLC,
a Texas limited liability company,
its general partner

By: _____
Monica H. Salgado Cepeda
Manager

By: _____
Hugo Alberto Martinez Sanchez
Manager

ACKNOWLEDGEMENTS

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

Before me, Robert Cramer Miller, a notary public in and for the State of Texas, on this day personally appeared Monica H. Salgado Cepeda, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same as a Manager of M & S Estate Management, LLC, a Texas limited liability company, as general partner of M & S Estate, Ltd., a Texas limited partnership

Given under my hand and seal of office this 26th day of March, 2025.

ROBERT CRAMER MILLER
Notary Public, State of Texas
Comm. Expires 06-22-2028
Notary ID 132531777

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

Before me, Robert Cramer Miller, a notary public in and for the State of Texas, on this day personally appeared Hugo Alberto Martinez Sanchez, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as a Manager of M & S Estate Management, LLC, a Texas limited liability company, as general partner of M & S Estate, Ltd., a Texas limited partnership

Given under my hand and seal of office this 26th day of March, 2025.

ROBERT CRAMER MILLER
Notary Public, State of Texas
Comm. Expires 06-22-2028
Notary ID 132531777

Notary Public, State of Texas

Mailing address of trustee:
Mr. Joe Quiroga
4126 Crosspoint Blvd.
Edinburg, Texas 78539

Mailing address of each beneficiary:
TEXAS NATIONAL BANK
4126 Crosspoint Blvd.
Edinburg, Texas 78539

AFTER RECORDING RETURN TO:
TEXAS NATIONAL BANK
4126 Crosspoint Blvd.
Edinburg, Texas 78539

EXHIBIT "A"

Being a 10.650 acre tract of land out of Lot 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 0, Page 43, Map Records, Hidalgo County, Texas, conveyed to M&S Estate, LTD, by a Warranty Deed with Vendor's Lien, as shown in Document 3459093, dated June 20, 2023, recorded June 23, 2023, in the Official Records of Hidalgo County, Texas, said 10.650 acre tract of land being more particularly described as follows:

COMMENCING at a cotton spindle found on the Centerline of Las Milpas Rd, being on the Northwest corner of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, THENCE, South 08 degrees 36 minutes 09 seconds West, a distance of 1,765.29 feet, to a point on the West line of said Lot 60, THENCE, South 81 degrees 23 minutes 51 seconds East, a distance of 190.19 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the Point of Beginning this herein described tract of land;

THENCE, South 81 degrees 23 minutes 51 seconds East, a distance of 1,129.81 feet over and across said Lot 60 to Magnail set on the East line of Said Lot 60 for the Northeast corner this herein described tract of land;

THENCE, South 08 degrees 36 minutes 09 seconds West, a distance of 410.64 feet with the East line of said Lot 60 to a Magnail Set for the Southeast this Corner this herein described tract of land;

THENCE, North 81 degrees 23 minutes 51 seconds West, a distance of 1,129.56 feet to a 5/8-inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Southwest corner this herein described tract of land;

THENCE, North 08 degrees 34 minutes 02 seconds East, a distance of 410.64 feet to the POINT OF BEGINNING, containing a computed area of 10.650 acres.

RESOLUTION NO.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ACCEPTING PETITION FOR A VOLUNTARY ANNEXATION OF THE 5.936 ACRE TRACT OF LAND OUT OF LOT 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, SETTING THE DATES AND TIMES FOR PUBLIC HEARINGS REGARDING THE PROPOSED ANNEXATION OF THE BELOW MENTIONED PROPERTIES; AND DIRECTING THE PLANNING DEPARTMENT TO PREPARE A PLAN OF SERVICES FOR SAID ANNEXATION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

Section 1. The City of San Juan has received a petition from the following property owners for voluntary annexation of properties described in Exhibit "A". The City Commission of the City of San Juan hereby declares its intention to institute proceedings to annex to the City the territory generally described in Exhibit "A" and being out of the and made a part hereof by the passage of an ordinance of annexation extending the general corporate limits of the City of San Juan for all purposes to include such territory. A map of such proposed annexation is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 2. The City Commission of the City of San Juan hereby calls two (2) public hearings at which time all interested persons shall have the right and opportunity to appear and be heard upon such proposal to annex the territories described above. The first public hearing shall be held in the City Commission Meeting at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on January 27, 2026. The second public hearing shall be held at the City Commission Meeting at San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 on February 10, 2026 at 6:00 p.m. The annexation proceeding, of which notice of intention to annex is given by this Resolution, shall be instituted not less than eleven (11) days nor more than twenty (20) days subsequent to such public hearings.

Section 3. The City Secretary of the City of San Juan is hereby directed to cause notices of such public hearings to be given by publication in a newspaper having general circulation within the City of San Juan and within the territory proposed to be annexed, the publication of notice of each public hearing to be made at least once in such newspaper not less than eleven (11) days nor more than twenty (20) days prior to the day of that public hearing.

Section 4. The Planning Department is hereby directed to cause to be prepared a service plan that provides for the extension of municipal services to the territories that are proposed to be annexed. The proposed service plan shall be made available for public inspection and shall be explained to the inhabitants of the territory at the public hearings called herein. Such service plan shall be prepared in accordance with the provisions of Chapter 43 of the Texas Local Government Code.

CONSIDERED, **PASSED** AND **APPROVED** on this **13th day of January, 2026** at a meeting of the City Commission of the City of San Juan, at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

_____

Mario Garza
Mayor

Attest:

_____

Brenda Escalante
City Secretary

City of San Juan
Planning Department
709 S. Nebraska Ave.
San Juan, Texas 78589
Phone: (956) 223-2220 | Fax: (956) 787-5978

Date: December 8, 2025

To the Honorable Mayor and Members of the Board of Commissioners, City of San Juan:

The undersigned, being an inhabitant and duly qualified voter of the property described below, which adjoins the corporate limits of the City of San Juan, respectfully petitions the Board of Commissioners to consider the annexation of the following tract of land into the City of San Juan:

Exhibit A: Metes and Bounds Description for Lot 6 (Nacional Proveedora de Hortalizas S.A. De C.V)
Exhibit B: Survey
Exhibit C: Warranty Deed

The petitioner affirms that the information provided herein is true and correct to the best of their knowledge and requests that the City of San Juan proceed with the annexation in accordance with applicable laws and ordinances.

Respectfully submitted,

Jorge Fernando De Doig Alvear
Colinas del Parque Culiacan
Rosales Sinaloa 80227 Mexico
956-933-2950

ACKNOWLEDGEMENT

State of Texas

County of Hidalgo

This instrument was acknowledged before me on this **8th day of December, 2025**, by **Jorge Fernando De Doig Alvear Salinas**, Member of **Nacional Proveedora de Hortalizas, S.A. de C.V., LLC**, a Texas limited partnership, on behalf of said partnership.

Signature of Notary Public

Adriana Cepeda Villar
Notary Public, State of Texas
My Commission Expires: 11-11-2027

(Seal) NOTARY PUBLIC STATE OF TEXAS
ADRIANA CEPEDA VILLAR
Notary Public, State of Texas
Comm. Expires 11-11-2027
Notary ID 132247905

EXHIBIT A

R.O.W. Surveying Services, L.L.C.

900 South Stewart Rd., Suite 13
Mission, Texas 78572

Metes and Bounds Description For Lot 6

Being a 6.706 acre tract of land out of Lot 60, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, conveyed to Nacional Proveedora de Hortalizas S.A. de C.V., by a "Special Warranty Deed", as shown in Document Number 3564469, of the Official Records, Hidalgo County, Texas, said 6.706 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found on the Centerline of Las Milpas Rd, being on the Northwest corner of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, **Thence**, South 08°36'09" West, a distance of 2175.93 feet, to a point on said West line, **Thence**, South 81°23'51" East a distance of 190.44 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the **Point of Beginning** this herein described tract of land;

Thence, South 81°23'51" East, a distance of 629.56 feet, to the Northeast corner of this herein described tract of land;

Thence, South 08°36'09" West, a distance of 464.07 feet to the Southeast this corner this herein described tract of land;

Thence, North 81°23'51" West, a distance of 629.27 feet to a Magnail set for the Southwest corner this herein described tract of land;

Thence, North 08°34'02" East, a distance of 464.07 feet to the **Point of Beginning**, containing a computed area of 6.706 acres.

Bearings and Distances referenced to the Texas Coordinate System, South Zone, North American Datum of 1983 (4205). A survey plat accompanies this herein metes and bounds description.

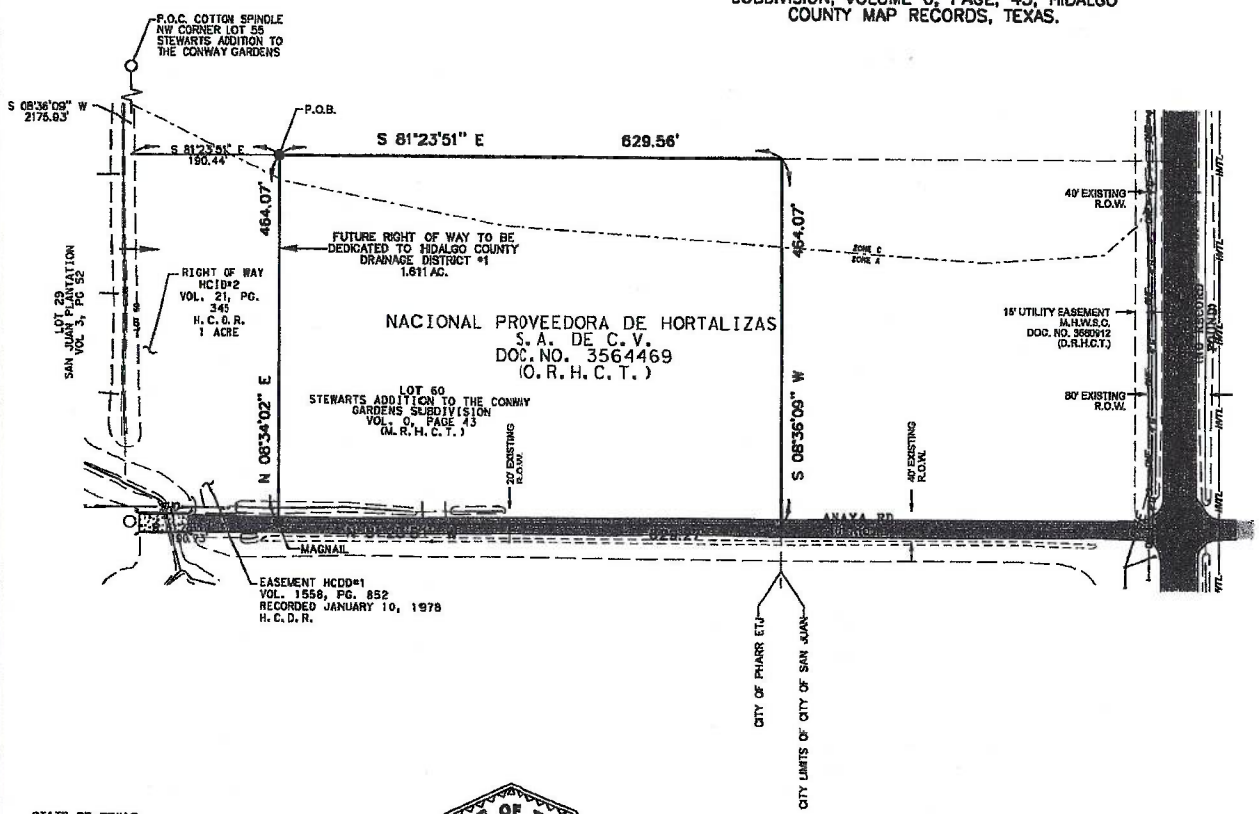
06/13/2025

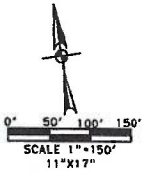
Victor H. Trevino — Date
Registered Professional Land Surveyor No. 6968

EXHIBIT B

BOUNDARY SURVEY

BEING A 6.706 ACRE TRACT OF LAND OUT OF LOT 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, VOLUME 0, PAGE, 43, HIDALGO COUNTY MAP RECORDS, TEXAS.





LEGEND:

FOUND 5/8" IRON ROD UNLESS OTHERWISE NOTED	○
SET 5/8" IRON ROD WITH PLASTIC CAP STAMPED "ROWSS PROP. COR." UNLESS OTHERWISE NOTED	●
POWER POLE	
HIDALGO COUNTY DEED RECORDS	H.C.D.R.
POINT OF COMMENCEMENT	P.O.C.
POINT OF BEGRIMING	P.O.B.
RIGHT OF WAY	R.O.W.
HIGH VOLTAGE LINE	—HVTL—
OVERHEAD ELECTRIC	—OHE—
GAS LINE	—G—
ROAD (ASPHALT)	

NOTES:

1. BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH ZONE (4205), NORTH AMERICAN DATUM 1983. VERTICAL BASED ON: NAVD 1988 VERTICAL DATUM.
2. THIS SURVEYOR DID NOT ATTEMPT TO LOCATE UNDERGOUND UTILITES.
3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT.
4. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTAGLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED

STATE OF TEXAS
COUNTY OF HIDALGO

I, VICTOR H. TREVINO, CERTIFY THAT THE ABOVE PLAT IS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN AND THAT ALL CORNERS HAVE BEEN LOCATED AS INDICATED.

06/13/2025

VICTOR H. TREVINO
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6968

STATE OF TEXAS REGISTERED VICTOR H. TREVINO 6968 PROFESSIONAL LAND SURVEYOR

ROW SURVEYING SERVICES, L.L.C.
900 S. STEWART RD. SUITE 13
MISSION, TEXAS 78572
TEL.: (956) 424-3338
FAX.: (956) 583-7116
TBPLS REG. FIRM# 10193886

© COPYRIGHT 2025 ROW SURVEYING SERVICES LLC THIS SURVEY WAS PROVIDED IN MULTIPLE ORIGINALS SOLELY FOR THE USE OF THE BORROWER NAMES HEREON. NO LICENSE HAS BEEN CREATED, EXPRESSED OR IMPLIED TO COPY THIS SURVEY.

PROJECT NO. R23015

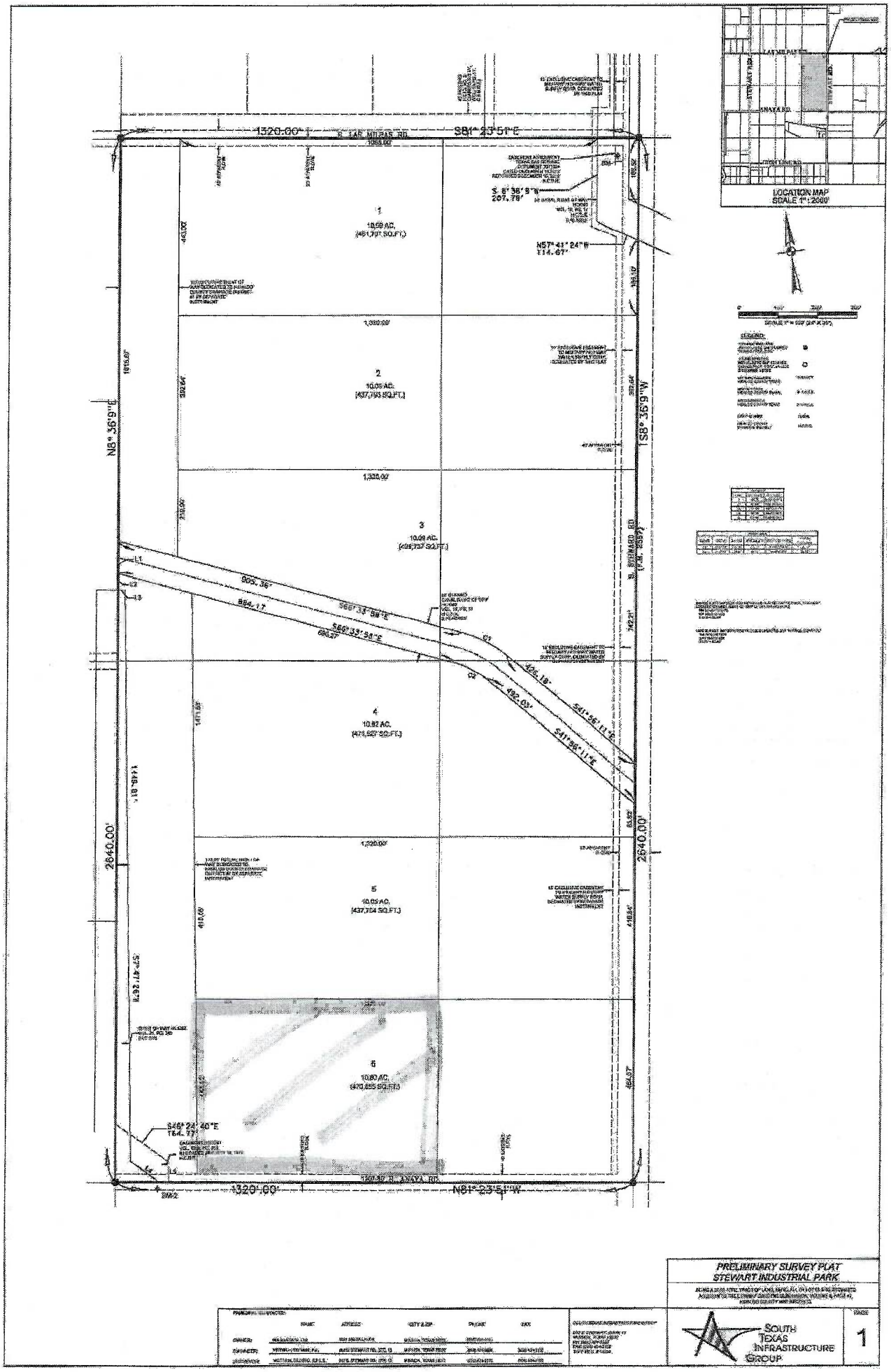

LOCATION MAP
SCALE 1" = 2000'
1320.00'
S81° 23' 51"E
N81° 23' 51"W
S8° 36' 9"W
207.78'
N57° 41' 24"W
114.67'
N8° 36' 9"E
2640.00'
1,320.00'
1,300.00'
1 18.58 AC. (461,797 SQ.FT.)
2 10.05 AC. (437,793 SQ.FT.)
3 10.08 AC. (439,737 SQ.FT.)
4 10.82 AC. (471,527 SQ.FT.)
5 10.03 AC. (437,304 SQ.FT.)
6 10.80 AC. (470,855 SQ.FT.)
S. BYRNARD RD. (F.M. 855)
E. ANAYA RD.
E. LAS MILPAS RD.
S46° 24' 40"E
164.77'
BM2
PRELIMINARY SURVEY PLAT
STEWART INDUSTRIAL PARK
SOUTH TEXAS INFRASTRUCTURE GROUP
1

EXHIBIT C

Doc-3564469

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg, Texas 78540

Document No: 3564469 **Billable Pages: 7**

Recorded On: July 16, 2024 11:59 AM **Number of Pages: 8**

SPECIAL W/D

*******Examined and Charged as Follows*******

Total Recording: $ 59.00

*******THIS PAGE IS PART OF THE DOCUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document No:	3564469
Receipt No:	20240716000146
Recorded On:	July 16, 2024 11:59 AM
Deputy Clerk:	Elisa Castillo
Station:	CH-1-CC-K32

Record and Return To:

Simplifile
5072 North 300 West

PROVO UT 84604

COUNTY COURT * COUNTY OF HIDALGO, TEXAS *

STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.
County Clerk
Hidalgo County, Texas

CHARGE San Jacinto Title Services-McAllen
GF# 24244 8610 Closer RMS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Special Warranty Deed

Date: JUNE 21, 2024

Grantor: M & S ESTATE, LTD

Grantor's Mailing Address: P. O. BOX 250
MCALLEN, TEXAS 78505
HIDALGO COUNTY

Grantee: NACIONAL PROVEEDORA DE HORTALIZAS S.A. DE C.V.

Grantee's Mailing Address: MONTE PIRINEOS 2951
COLINAS DEL PARQUE, CULIACAN
ROSALES SINALOA 80227
MEXICO

Consideration: TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration.

Property (including any improvements):

Being a 12.032 acre tract of land out of Lot 60, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, Conveyed to M&S Estate, LTD, By a Warranty Deed with Vendor's Lien, as shown in Document 3459093, Dated June 20, 2023, Recorded June 23, 2023, in the Official Records of Hidalgo County, Texas, said 12.032 acre tract of land being more particularly described as follows:

Commencing at a cotton spindle found on the Centerline of Las Milpas Rd, being on the Northwest corner of Lot 55, Stewarts Addition to the Conway Gardens Subdivision, Volume 0, Page 43, Hidalgo County Map Records, Thence, South 08°36'09" West, a distance of 2175.93 feet, to a point on said West line, Thence, South 81°23'51" East a distance of 190.44 feet, to a 5/8 inch iron rod with yellow plastic cap stamped "ROWSS PROP COR" set for the Northwest corner and the Point of Beginning this herein described tract of land;

Thence, South 81°23'51" East, a distance of 1129.56 feet over and across said Lot 60 to Magnail set on the East line of Said Lot 60 for the Northeast corner this herein described tract of land;

Thence, South 08°36'09" West, a distance of 464.07 feet with the East line of said Lot 60 to a Magnail Set for the Southeast this Corner this herein described tract of land;

Thence, North 81°23'51" West, a distance of 1129.27 feet with the South line of Lot 60 to a Magnial set for the Southwest corner this herein described tract of land;

Thence, North 08°34'02" East, a distance of 464.07 feet to the Point of Beginning, containing a computed area of 12.032 acres.

Reservations from Conveyance:

Grantor reserves and excepts from this conveyance (a) all minerals and other valuable mineral substances of every kind and character including, but not limited to, oil and gas and all related hydrocarbons, sulphur, coal, lignite, gold, copper, iron, zinc, lead, uranium, vanadium, plutonium, molybdenum, thorium and other fissionable minerals and materials that may be produced from the Property and (b) all of the underground water, percolating water, artesian water, and other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of the Property.

Exceptions to Conveyance and Warranty:

a. Standby fees, taxes and assessments by any taxing authority for the year 2024, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

b. Rights or claims by Hidalgo County Irrigation District No. 2 to any portion of property lying within canal and/or drain ditch easements and/or rights of way located on the property

c. Statutory rights, rules, regulations, easements and liens in favor of Hidalgo County Irrigation District No. 2, pursuant to applicable sections of the Texas Water Code.

d. Easements and reservations as shown according to the map or plat thereof recorded in Volume 0, Page 43, Map Records of Hidalgo County, Texas.

e. Right of Way dated January 28, 1947 from the County of Hidalgo to Reynosa Pipe Linie Company of Texas, filed for record in Volume 610, Page 213, Deed Records of Hidalgo County, Texas. both lots

f. Easement Agreement dated December 10, 2019, filed December 16, 2019, by and between FORTCO PROPERTIES, LTD. and TEXAS GAS SERVICE, A DIVISION OF ONE GAS, INC., recorded under Document No. 3071924, Official Records of Hidalgo County, Texas. Lot 55

g. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated December 20 ,1925, from C. J. Howerton to Charles Smith, filed for record in Volume 426, Page 44, Deed Records of Hidalgo County, Texas. both lots

h. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 426, Deed Records of Hidalgo County, Texas. covers Lot 55

i. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated January 24, 1935 from A. Van Dreser to C. J. Howerton, filed for record in Volume 397, Page 427, Deed Records of Hidalgo County, Texas. covers Lot 60

j. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated June 25, 1946 by and between A. Van Dresar, as Lessor, and Carl T. Conrad, as Lessee, recorded in Volume 69, Page 247, Oil and Gas Records of Hidalgo County, Texas. both lots

k. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated January 5, 1948 by and between B. C. Young, as Lessor, and Siniclair Prairie Oil Company, as Lessee, recorded in Volume 77, Page 13, Oil and Gas Records of Hidalgo County, Texas. both lots

l. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated March 15, 1948 from B. C. Young to Fred Krenmueller, filed for record in Volume 636, Page 505, Deed Records of Hidalgo County, Texas. covers both lots

m. All Oil, Gas and other minerals of every character in and under the herein described property, reserved by instrument dated May 23, 1988 from Ilse Lydia Krenmueller to Marcus John Forthuber and Elizabeth Ann Forthuber Cofoid, filed for record under Clerk's File No. 81721, Volume 2648, Page 498 and corrected under Clerk's File No. 107479, Volume 2740, Page 283, Deed Records of Hidalgo County, Texas. covers both lots

n. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 400, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

o. Mineral and/or Royalty Deed dated May 10, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 398, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

p. Mineral and/or Royalty Deed dated September 30, 1948, from B. C. Young to Carl T. Conrad, recorded in Volume 81, Page 601, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

q. Mineral and/or Royalty Deed dated May 8, 1957, from Mrs. Van Dresser to W. H. Wilson, recorded in Volume 200, Page 508, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

r. Mineral and/or Royalty Deed dated May 22, 1957, from W. H. Wilson to J. H. Beard, Trustee, recorded in Volume 201, Page 225, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

s. Mineral and/or Royalty Deed dated August 6, 1957, from Mrs. A. Van Dresser to Mrs. Noreen H. Holland, recorded in Volume 203, Page 294, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

t. Mineral and/or Royalty Deed dated September 23, 1957, from Mrs. Loreen H. Holland to Harold W. Balbirnie, recorded in Volume 205, Page 45, Oil and Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

u. Mineral and/or Royalty Deed dated February 20, 1958, from J. R. Beard, Trustee to C. J. Griffin, recorded under Volume 210, Page 160, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

v. Right of Way Agreement dated March 1, 1958, from Mrs. Fred Krenmueller, individually and as guardian of the Estate of Margaret Louise Krenmueller, Bert Forthuber and Gertrude Ann Forthuber to Coastal States Gas Producing Company, recorded under Volume 910, Page 573, Deed Records of Hidalgo County, Texas. both lots

w. Mineral and/or Royalty Deed dated September 5, 1958 from W. H. Wilson to Valco Investments, Inc., recorded under Volume 219, Page 286, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

x. Mineral and/or Royalty Deed dated February 26, 1959, from Mrs. Loreen H. Holland and W. H. Holland to William H. Wilson, Trustee for the William H. Wilson, Jr. Trust, recorded under Volume 225, Page 566, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

y. Mineral and/or Royalty Deed dated July 11, 1961, from C. J. Griffin to John R. Freeland, recorded under Volume 264, Page 138, Oil & Gas Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals. both lots

z. Easement and Right of Way dated June 30, 1982 from Mrs. Fred Krenmueller etal to Central Power and Light Company, filed for record in Volume 1802, Page 668, Deed Records of Hidalgo County, Texas. Lot 60

aa. Easement South Lateral Drain dated January 9, 1978 from Ilse Lydia Kemmueller etal to Hidalgo County Drainage District Number One, filed for record under Clerk's File No. 826, Volume 1558, Page 852, Deed Records of Hidalgo County, Texas. Lot 60

bb. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Gertrude Ann Krenmueller Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225420, Volume 3121, Page 145, Oil and Gas Records of Hidalgo County, Texas. both lots

cc. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Ilse Lydia Krenmueller, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 225421, Volume 3121, Page 150, Oil and Gas Records of Hidalgo County, Texas. both lots

dd. Ratification of Oil and Gas Lease under Clerk's File No. 262248, Volume 3254, Page 142,

Official Records of Hidalgo County, Texas.

ee. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Ruth E. Van Dresar, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228474, Volume 3131, Page 544, Oil and Gas Records of Hidalgo County, Texas. both lots

ff. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated August 25, 1991 by and between Dorothy Ethel Ferguson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 228475, Volume 3131, Page 548, Oil and Gas Records of Hidalgo County, Texas. both lots

gg. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated July 23, 1991 by and between Bert Forthuber, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded in Volume 3203, Page 591, Offical Records of Hidalgo County, Texas. both lots

hh. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.R. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254140 Volume 3224, Page 129, Offical Records of Hidalgo County, Texas. both lots

ii. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between W.H. Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 254141 Volume 3224, Page 133, Offical Records of Hidalgo County, Texas. both lots

jj. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between James Kialing and Marion Kialing, Trustees, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 257869, Volume 3238, Page 165, Offical Records of Hidalgo County, Texas. both lots

kk. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, dated February 26, 1992 by and between William Wilson, as Lessor, and Enron Oil & Gas Company, as Lessee, recorded under Clerk's File No. 258968, Volume 3242, Page 197, Offical Records of Hidalgo County, Texas. both lots

ll. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Gertrude R. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299128, Volume 3392, Page 394, Official Records of Hidalgo County, Texas.

mm. All Oil, Gas and other minerals of every character in and under the herein described property, reserved in Warranty Deed dated November 16, 1992 from Bert. Forthuber to Marcus Forthuber and Elizabeth Ann Forthuber Cofoid, recorded under Clerk's File No. 299129, Volume 3392, Page 400, Official Records of Hidalgo County, Texas.

nn. Mineral and/or Royalty Deed dated April 5, 2010, from Mary Quaid Young to Samantha S. Young, recorded under Clerk's File No.2094568, Official Records of Hidalgo County, Texas; together with all rights incident to the owners and lessees of the minerals.

oo. All leases, grants, exceptions or reservations of coal, ignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records.

pp. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.

qq. Building, Zoning, Platting and/or Regulatory Laws and/or Ordinances of any Municipal and/or other Governmental Authority.

rr. Overhead electric and gas line as shown on pre-existing survey dated October 12, 2023 under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

Military Highway Water Supply Corporation Exclusive Utility Easement as shown on survey dated June 27, 2024, executed by M&S Estate, Ltd., a Texas Limited partnership to Military Highway Water Supply Corporation, a Texas non-profit corporation, recorded in Document No. 3560912, Official Records of Hidalgo County, Texas.

DocVerify ID: C58C3973-3E7F-40AF-856A-9E60DCE2D04F
www.docverify.com

ss. Road right-of-ways inside of subject property along the Southerly and Easterly boundaries as shown on pre-existing survey dated October 12, 2023 under Job No. R23015, prepared by Victor H. Trevino, RPLS No. 6968.

Grantor, for the consideration indicated above, and subject to the reservations from, and exceptions to conveyance and warranty contained in this instrument, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold the Property to Grantee, Grantee's heirs, executors, administrators, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof forever, when the claim, is by, through, or under Grantor, but not otherwise, except as to the reservations from, and exceptions to conveyance and warranty herein contained.

GRANTEE, BY ACCEPTANCE OF THIS DEED, ACKNOWLEDGES THAT IT HAS INSPECTED AND ASSESSED THE PROPERTY AND HAS SATISFIED ITSELF AS TO THE CONDITION OF SAME AND THAT IT ACCEPTS THE PROPERTY "AS IS" AND "WHERE IS" AND WITH ALL FAULTS, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESSED, IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WITHOUT IMPLIED WARRANTY AS TO HABITABILITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR ANY PURPOSE, SAVE AND EXCEPT THE WARRANTIES OF TITLE CONTAINED HEREIN. THE DISCLAIMERS, WAIVERS AND OTHER PROVISIONS OF THIS PARAGRAPH INURE TO THE BENEFIT OF GRANTOR AND GRANTOR'S PREDECESSORS IN INTEREST.

By acceptance of this Deed, Grantee assumes payment of all property taxes on the Property for the year 2024 and subsequent years and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

IN WITNESS WHEREOF, this Deed has been executed by Grantor on the date of the acknowledgement set forth below, to be effective for all purposes as of the day of July 8, 2024

M & S ESTATE, LTD

BY: _____
MONICA SALGADO, MEMBER

BY: _____
HUGO MARTINEZ, MEMBER

Agreed and Accepted by Grantee:

NACIONAL PROVEEDORA DE HORTALIZAS S.A. DE C.V.

BY: Eduardo De Doig Alvear Salinas
EDUARDO DE DOIG ALVEAR SALINAS,

BY: jorge fernando de doig alvear salinas
JORGE FERNANDO DE DOIG ALVEAR SALINAS, _____

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 8th day of July, 2024, by MONICA SALGADO, MEMBER of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 8th day of July, 2024, by HUGO MARTINEZ, MEMBER of M & S ESTATE, LTD, a Texas limited partnership on behalf of said partnership.

ROSE MARIE SEWELL
Notary ID #: 719911-3
My Commission Expires
01/27/2027

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me by means of an interactive two-way audio and video communication on June 25, 2024 by EDUARDO DE DOIG ALVEAR SALINAS, _____ of NACIONAL PROVEEDORA DE HORTALIZAS S.A. DE C.V., a _____ on behalf of said _____.

Rick Hinojosa
Commission # 124066795
Notary Public
STATE OF TEXAS
My Comm Exp. Sep 20, 2024

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me by means of an interactive two-way audio and video communication on June 25, 2024 by JORGE FERNANDO DE DOIG ALVEAR SALINAS, _____ of NACIONAL PROVEEDORA DE HORTALIZAS S.A. DE C.V., a _____ on behalf of said _____.

Rick Hinojosa
Commission # 124066795
Notary Public
STATE OF TEXAS
My Comm Exp. Sep 20, 2024

NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:
SLUSHER & ASSOCIATES, PLLC
4900 N. 10TH, STE, E-2
McALLEN, TEXAS 78504
GF#242448610

AFTER RECORDING, RETURN TO:
NACIONAL PROVEEDORA DE HORTALIZAS S.A. DE C.V.
MONTE PIRINEOS 2951
COLINAS DEL PARQUE, CULIACAN
ROSALES SINALOA 80227
MEXICO

docVerify

Warranty Deed.pdf

DocVerify ID:	C58C3973-3E7F-40AF-856A-9E00DCE2D04F
Created:	June 25, 2024 14:39:17 -6:00
Pages:	6
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E-Signature Summary

E-Signature 1: Eduardo De Doig Alvear Salinas (EDD)
June 25, 2024 16:16:26 -6:00 [B3AB97B648CA] [201.165.127.7]
dedoig.eduardo@gmail.com (Principal) (Personally Known)

E-Signature 2: jorge fernando de doig alvear salinas (jfd)
June 25, 2024 16:16:26 -6:00 [EE1CCE7C7143] [189.186.112.195]
fernando@freshvegdistribution.com (Principal) (Personally Known)

E-Signature Notary: Rick Hinojosa (RH)
June 25, 2024 16:16:26 -6:00 [DE0A6838E4C3] [12.181.196.196]
rick@alvaradolegal.com
I, Rick Hinojosa, did witness the participants named above electronically sign this document.

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RESOLUTION NO.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ACCEPTING PETITION FOR A VOLUNTARY ANNEXATION OF THE 6.706 ACRE TRACT OF LAND OUT OF LOT 60, STEWARTS ADDITION TO THE CONWAY GARDENS SUBDIVISION, SETTING THE DATES AND TIMES FOR PUBLIC HEARINGS REGARDING THE PROPOSED ANNEXATION OF THE BELOW MENTIONED PROPERTIES; AND DIRECTING THE PLANNING DEPARTMENT TO PREPARE A PLAN OF SERVICES FOR SAID ANNEXATION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

Section 1. The City of San Juan has received a petition from the following property owners for voluntary annexation of properties described in Exhibit "A". The City Commission of the City of San Juan hereby declares its intention to institute proceedings to annex to the City the territory generally described in Exhibit "A" and being out of the and made a part hereof by the passage of an ordinance of annexation extending the general corporate limits of the City of San Juan for all purposes to include such territory. A map of such proposed annexation is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 2. The City Commission of the City of San Juan hereby calls two (2) public hearings at which time all interested persons shall have the right and opportunity to appear and be heard upon such proposal to annex the territories described above. The first public hearing shall be held in the City Commission Meeting at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on January 27, 2026. The second public hearing shall be held at the City Commission Meeting at San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 on February 10, 2026 at 6:00 p.m. The annexation proceeding, of which notice of intention to annex is given by this Resolution, shall be instituted not less than eleven (11) days nor more than twenty (20) days subsequent to such public hearings.

Section 3. The City Secretary of the City of San Juan is hereby directed to cause notices of such public hearings to be given by publication in a newspaper having general circulation within the City of San Juan and within the territory proposed to be annexed, the publication of notice of each public hearing to be made at least once in such newspaper not less than eleven (11) days nor more than twenty (20) days prior to the day of that public hearing.

Section 4. The Planning Department is hereby directed to cause to be prepared a service plan that provides for the extension of municipal services to the territories that are proposed to be annexed. The proposed service plan shall be made available for public inspection and shall be explained to the inhabitants of the territory at the public hearings called herein. Such service plan shall be prepared in accordance with the provisions of Chapter 43 of the Texas Local Government Code.

CONSIDERED, **PASSED** AND **APPROVED** on this **13th day of January, 2026** at a meeting of the City Commission of the City of San Juan, at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

_____

Mario Garza
Mayor

Attest:

_____

Brenda Escalante
City Secretary

VOLUNTARY ANNEXATION EXHIBITS
STEWART ROAD

LAS MILPAS ROAD

LOT 1 – 6.814 AC
Agricore Properties

LOT 2 – 6.039 AC
S&ML Properties, LLC.

LOT 3 – 4.748 AC
Aldape Family Investments, LLC.

LOT 4 – 7.708 AC
Texas RGV Invest.

LOT 5 – 5.936 AC
M&S Estate, LTD.

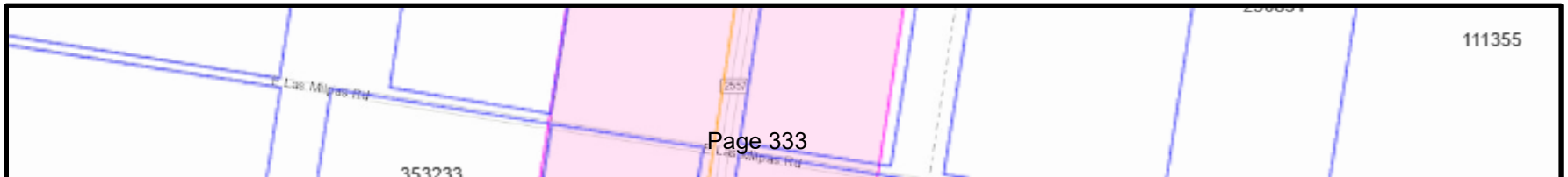
LOT 6 – 6.706 AC
Nacional Proveedora de Hortalizas S.A. de C.V.

STEWART ROAD

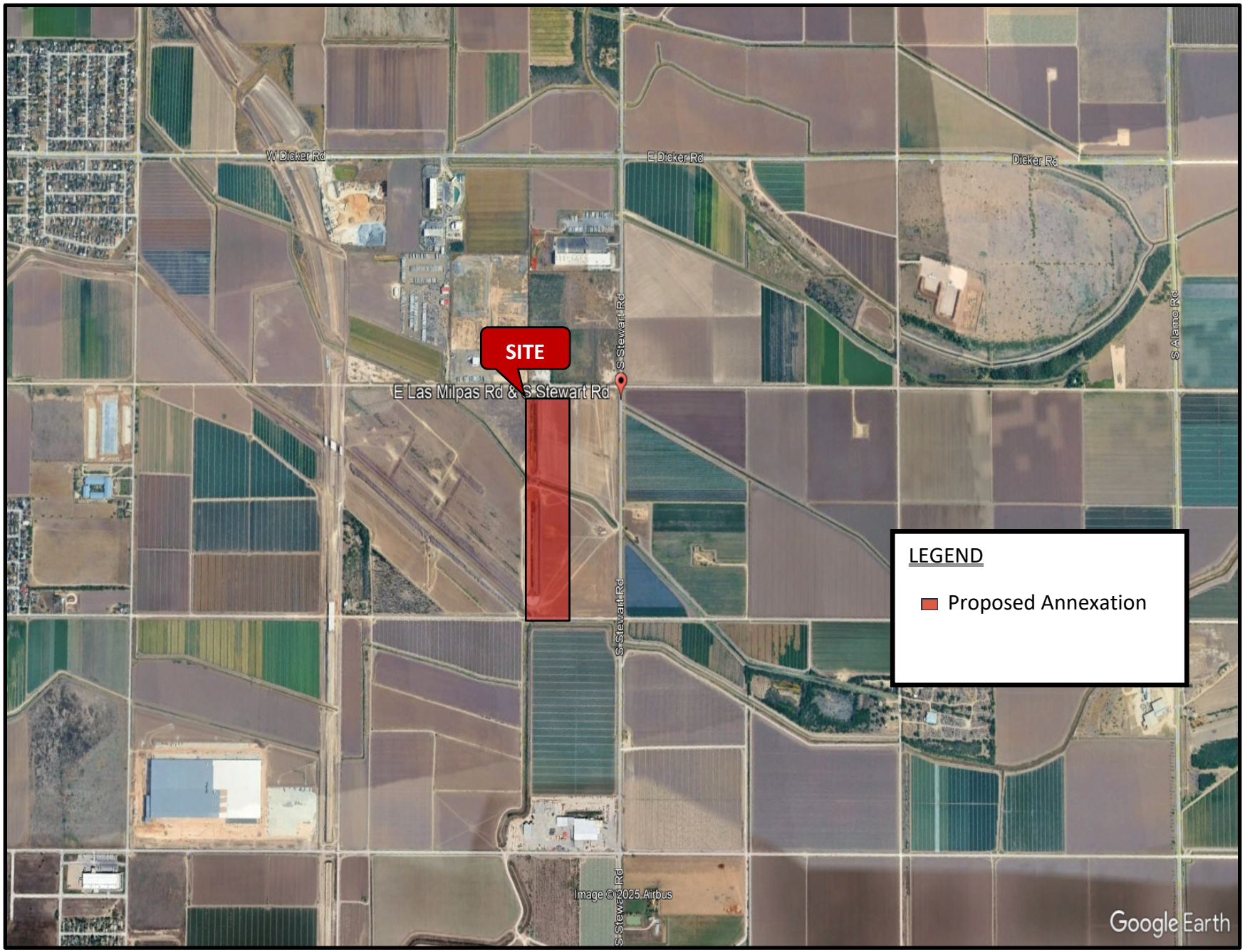
ANAYA ROAD

LEGEND

- Proposed Annexation
- San Juan City Limits



VOLUNTARY ANNEXATION EXHIBITS
STEWART ROAD



AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to Accept the FY25 Hiring Program Grant from the U.S. Department of Justice Office of Community Oriented Policing Services (COPS). [Leandro Sifuentes, Chief of Police]

STAFF COMMENTS AND RECOMMENDATIONS:

COPS grant has been awarded to hire 4 police officers. The total amount awarded for 3 years is $875,328; there is no match on this grant.

RECOMMENDATION:

Staff recommends approval.

PREPARED BY:
Leandro Sifuentes,
Chief of Police

APPROVED BY:
Ruben Guajardo, City
Manager

RESOLUTION NO. 2026

WHEREAS, the San Juan Police Department wishes to accept the U.S. Department of Justice, Office of Community Oriented Policing Services FY25 COPS Hiring Program (CHP) $875,328 for the hire of 4 officers; and

WHEREAS, funding would provide additional full-time career law enforcement positions to meet law enforcement agencies' community policing strategies (information attached hereto); and

WHEREAS, the FY25 CHP award will provide 100% of the entry-level salary and benefits for each approved position for three (3) years; and

WHEREAS, there is no 25% cash match requirement from the City of San Juan for this program, as the City of San Juan has been granted a waiver.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor is hereby authorized to execute any and all documents necessary in order to submit an application to obtain said funding.

PASSED and **APPROVED** this _____ of _____, 2026.

CITY OF SAN JUAN

_____

Mario Garza, MAYOR

ATTEST:

_____

Brenda Escalante, City Secretary

Grant Number: 14447905 Award Number: 15JCOPS-25-GG-00834-UHPX

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to Accept a Grant Award from the Office of the Governor for Operation Lonestar FY2026. [Leandro Sifuentes, Chief of Police]

STAFF COMMENTS AND RECOMMENDATIONS:

The purpose of the program is to enhance interagency border security operations by facilitating directed actions to deter and interdict criminal activity. Program participants shall assist in the execution of coordinated border security operations to:

- Decrease the supply of drugs smuggled into and through Texas from Mexico.
- Disrupt and deter operations of gang and cartel criminal organizations.
- Increase coordination between local and state law enforcement agencies in planning, execution, and analysis of border security operations.
- Decrease specifically targeted tactics (such as conveyance methods) for drugs in the Texas border region.
- Decrease Human Smuggling and Human Trafficking.
- Target Stash houses that are dangerous to human beings, including children, that may be stashed in houses with no or very limited food or water, or freedom to move or communicate with their loved ones.

The total awarded funding for equipment and overtime for special crime operations is $216,735.00. NO CASH MATCH.

RECOMMENDATION:

Staff recommends approval

PREPARED BY:
Leandro Sifuentes,
Chief of Police

APPROVED BY:
Ruben Guajardo, City
Manager

RESOLUTION NO. 2026-

WHEREAS, the City of San Juan finds it in the best interest of the citizens of the City of San Juan that the Operation Lone Star - FY2026 be operated for the 2025-2026; and

WHEREAS, the City of San Juan agrees to provide applicable matching funds for the said project as required by the Texas OOG grant application; and

WHEREAS, the City of San Juan agrees that in the event of loss or misuse of the Office of the Governor's funds, the City of San Juan assures that the funds will be returned to the Office of the Governor in full.

WHEREAS, the City of San Juan designates the City Manager as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that the City of San Juan approves the submission of the grant application for the Operation Lone Star - FY2026 Program to the Office of the Governor.

PASSED and **APPROVED** this _____ of _____, 2026.

CITY OF SAN JUAN

_____

Mario Garza, MAYOR

ATTEST:

_____

Brenda Escalante, City Secretary

Grant Number: **5387701**

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to Accept a Grant Award from the Office of the Governor for a Crime Victims Liaison. [Leandro Sifuentes, Chief of Police]

STAFF COMMENTS AND RECOMMENDATIONS:

The liaison will work with victims of crime, including violent crime, alongside the San Juan Police Department, connecting victims and assisting them with accessing vital resources and providing support throughout the course of their cases, helping them heal from their traumatic experiences, and providing better outcomes for those most vulnerable in the community.

The salary is $36,000, the city will cash match $10,800, and the OOG will award $25,200.00.

RECOMMENDATION:

Staff recommends approval.

PREPARED BY:
Leandro Sifuentes,
Chief of Police

APPROVED BY:
Ruben Guajardo, City Manager

RESOLUTION NO. 2026-

WHEREAS, the City of San Juan (Governing Body) finds it in the best interest of the citizens of the City of San Juan that the Crime Victims Liaison be operated for the 2025-2026; and

WHEREAS, the City of San Juan agrees to provide applicable matching funds for the said project as required by the Texas OOG grant application; and

WHEREAS, the City of San Juan agrees that in the event of loss or misuse of the Office of the Governor's funds, the City of San Juan assures that the funds will be returned to the Office of the Governor in full.

WHEREAS, the City of San Juan designates the City Manager as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that the City of San Juan approves the submission of the grant application for the Crime Victims Liaison to the Office of the Governor.

PASSED and **APPROVED** this _____ of _____, 2026.

CITY OF SAN JUAN

_____

Mario Garza, MAYOR

ATTEST:

_____

Brenda Escalante, City Secretary

Grant Number: **5344901**

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consideration and Action, if any, on a Resolution Authorizing the City of San Juan to accept a Grant Award from the Office of the Governor for Rifle Resistant Body Armor. [Leandro Sifuentes, Chief of Police]

STAFF COMMENTS AND RECOMMENDATIONS:

The Police Department will be awarded $17,102.54 to purchase rifle-resistant body armor. This type of body armor can be effective against rifle rounds. There is no cash match for this awarded grant.

RECOMMENDATION:

Staff recommends approval.

PREPARED BY:
Leandro Sifuentes,
Chief of Police

APPROVED BY:
Ruben Guajardo, City Manager

RESOLUTION NO. 2026-

WHEREAS, the City of San Juan finds it in the best interest of the citizens of the City of San Juan that the FY26 Rifle-Resistant Body Armor Grant Program be operated for the 2025-2026 (Year); and

WHEREAS, City of San Juan agrees to provide applicable matching funds for the said project as required by the Texas OOG grant application; and

WHEREAS, City of San Juan agrees that in the event of loss or misuse of the Office of the Governor's funds, City of San Juan assures that the funds will be returned to the Office of the Governor in full.

WHEREAS, the City of San Juan designates the City Manager as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that the City of San Juan approves the submission of the grant application for the FY26 Rifle-Resistant Body Armor Grant Program to the Office of the Governor.

PASSED and **APPROVED** this _____ of _____, 2026.

CITY OF SAN JUAN

_____

Mario Garza, MAYOR

ATTEST:

_____

Brenda Escalante, City Secretary

Grant Number: **5344601**

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consider Second and Final Reading of an Ordinance Regarding the Voluntary Annexation Petition of the 3.03-Acre Tract of Land out of Lot 12, Stewart's Addition to the Conway Gardens, Located Approximately 600 feet North of Hall Acres Road, along the West Side of Stewart Road, as Requested by Teysha Group, LLC. [Monica Gomez, Director of Planning]

STAFF COMMENTS AND RECOMMENDATIONS:

At the City Commission Meeting on November 25, 2025, the City Commission approved the First Reading of the Ordinance as presented by staff.

Previously, staff provided the following background:

This is the first reading of the ordinance regarding the voluntary annexation petition for a property located approximately 600 feet north of Hall Acres Road, on the west side of Stewart Road. This action is in accordance with City policy, which requires subdivisions approved within the City of San Juan's Extraterritorial Jurisdiction (ETJ) to be voluntarily annexed into the City.

Following completion of the annexation process, the City of San Juan will assume responsibility for issuing building permits and conducting inspections related to the proposed residential development on the property.

This annexation is being conducted in compliance with Chapter 43, Section 43.028 of the Texas Local Government Code and is pursuant to the Charter of the City of San Juan.

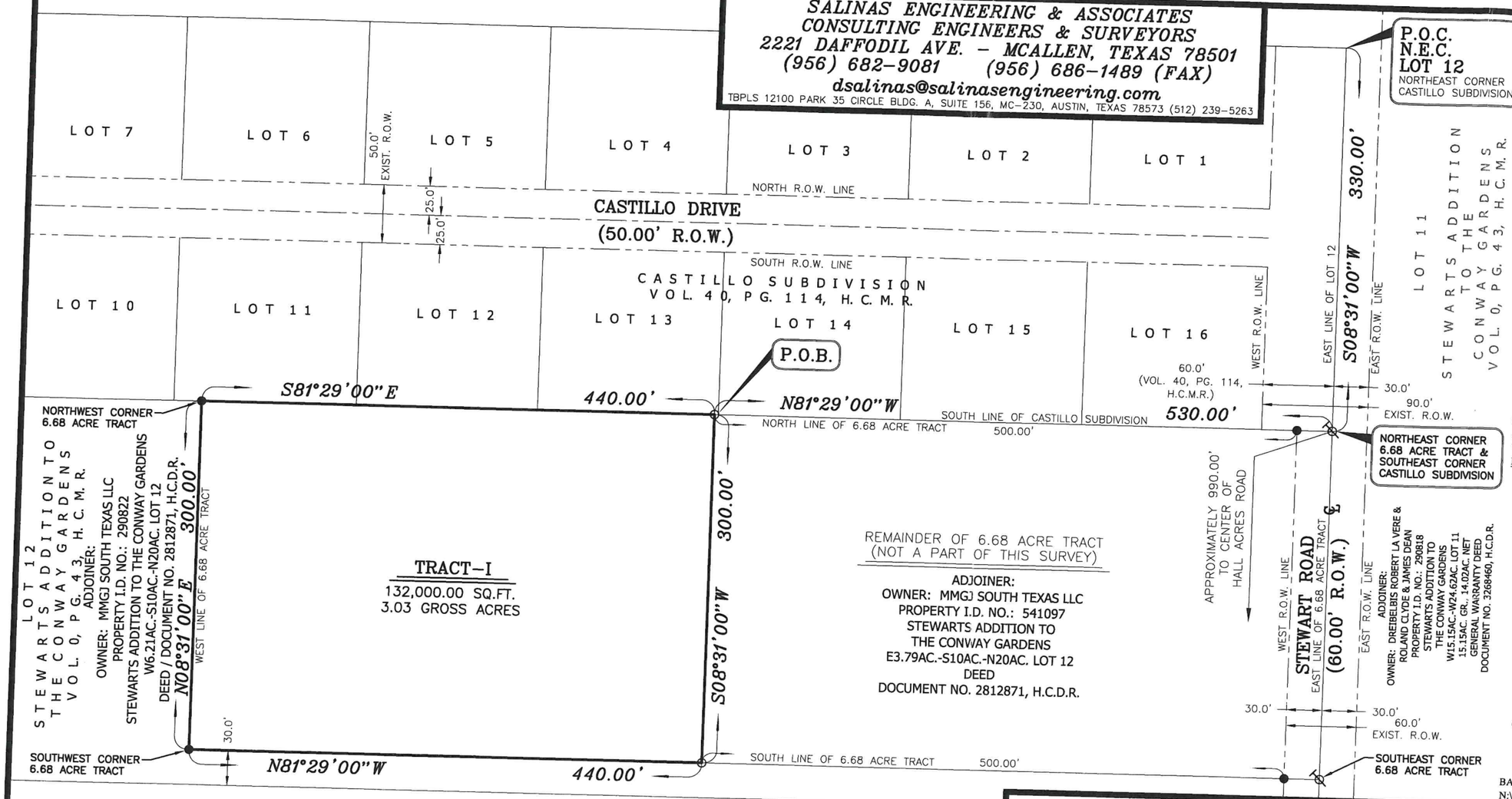
RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

PREPARED BY:
Monica Gomez,
Interim Director of
Planning

APPROVED BY:
Ruben Guajardo, City
Manager

SALINAS ENGINEERING & ASSOCIATES
CONSULTING ENGINEERS & SURVEYORS
2221 DAFFODIL AVE. – MCALLEN, TEXAS 78501
(956) 682-9081 (956) 686-1489 (FAX)
dsalinas@salinasengineering.com
TBPLS 12100 PARK 35 CIRCLE BLDG. A, SUITE 156, MC-230, AUSTIN, TEXAS 78573 (512) 239-5263



SCALE: 1" = 100'

LEGEND

●	FOUND 1/2" IRON ROD CAP STAMPED RPLS 4541
○	SET 1/2" IRON ROD WITH YELLOW CAP MARKED "SEA 5782"
⊘	SET NAIL
R.O.W.	RIGHT OF WAY
P.O.C.	POINT OF COMMENCEMENT
P.O.B.	POINT OF BEGINNING
H.C.D.R.	HIDALGO COUNTY DEED RECORDS
H.C.O.R.	HIDALGO COUNTY OFFICIAL RECORDS
H.C.M.R.	HIDALGO COUNTY MAP RECORDS

ANNEXATION
METES AND BOUNDS DESCRIPTION

BEING A 3.03 GROSS ACRE TRACT OF LAND, MORE OR LESS, BEING ALL OF THE WEST 440.00 FEET OF THE EAST 970.00 FEET OUT OF THAT CERTAIN 6.68 ACRE TRACT OF LAND OUT OF LOT 12, STEWARTS ADDITION TO THE CONWAY GARDENS, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT RECORDED IN VOLUME 0, PAGE 43, MAP RECORDS OF HIDALGO COUNTY, TEXAS, LYING SOUTH OF AND ADJACENT TO CASTILLO SUBDIVISION (VOL. 40, PAGE 114, H.C.M.R.); SAID 3.03 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 12 LOCATED IN THE CENTER OF STEWART ROAD; THENCE, AS FOLLOWS:

SOUTH 08 DEGREES 31 MINUTES 00 SECONDS WEST, COINCIDENT WITH THE EAST LINE OF SAID LOT 12, A DISTANCE OF 330.00 FEET TO A NAIL SET ON THE SOUTHEAST CORNER OF SAID CASTILLO SUBDIVISION SAME CORNER BEING THE NORTHEAST CORNER OF SAID 6.68 ACRE TRACT; THENCE,

NORTH 81 DEGREES 29 MINUTES 00 SECONDS WEST, COINCIDENT WITH THE SOUTH LINE OF SAID CASTILLO SUBDIVISION, AND THE NORTH LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 530.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH YELLOW CAP MARKED "SEA 5782" SET FOR THE NORTHEAST CORNER AND **POINT OF BEGINNING** OF THIS HEREIN DESCRIBED TRACT;

(1) THENCE, SOUTH 08 DEGREES 31 MINUTES 00 SECONDS WEST, ALONG A LINE PARALLEL TO THE EAST LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 300.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH YELLOW CAP MARKED "SEA 5782" SET ON INTERSECTION WITH THE SOUTH LINE OF SAID 6.68 ACRE TRACT FOR THE SOUTHEAST CORNER OF THIS HEREIN DESCRIBED TRACT;

(2) THENCE, NORTH 81 DEGREES 29 MINUTES 00 SECONDS WEST, COINCIDENT WITH THE SOUTH LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 440.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH CAP STAMPED RPLS 4541 FOUND ON THE SOUTHWEST CORNER OF SAID 6.68 ACRE TRACT FOR THE SOUTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;

(3) THENCE, NORTH 08 DEGREES 31 MINUTES 00 SECONDS EAST, COINCIDENT WITH THE WEST LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 300.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH A CAP STAMPED RPLS 4541 FOUND ON THE NORTHWEST CORNER OF SAID 6.68 ACRE TRACT AND LOCATED ON INTERSECTION WITH THE SOUTH LINE OF SAID CASTILLO SUBDIVISION FOR THE NORTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;

(4) THENCE, SOUTH 81 DEGREES 29 MINUTES 00 SECONDS EAST, COINCIDENT WITH THE NORTH LINE OF SAID 6.68 ACRE TRACT, AND, THE SOUTH LINE OF SAID CASTILLO SUBDIVISION, A DISTANCE OF 440.00 FEET TO THE **POINT OF BEGINNING**, CONTAINING 3.03 ACRES OF LAND ,MORE OR LESS.

BASIS OF BEARING: STEWARTS ADDITION TO THE CONWAY GARDENS, H.C.T.
N:\SUBDIVISIONPLATS\BELLAVISTAATSTEWARTROAD.SUB\3.03.082725

LOT 12
STEWARTS ADDITION TO
THE CONWAY GARDENS
VOL. 0, PG. 43, H. C. M. R.

ADJOINER:
OWNER: XLH INVESTMENTS LLC
PROPERTY I.D. NO.: 290824
STEWARTS ADDITION TO
THE CONWAY GARDENS
W6.21AC.-N10AC.-S20AC. LOT 12
WARRANTY DEED WITH VENDOR'S LIEN
DOCUMENT NO. 3468472, H.C.D.R.

GENERAL PLAT NOTES:

1. Bearing Basis: Recorded plat of **STEWARTS ADDITION TO THE CONWAY GARDENS**, Hidalgo County, Texas.
2. This survey was prepared without the benefit of a title policy. The research of any easements is not within the scope of this boundary/improvement survey. Any easement shown herein were taken directly from the plat of record. This survey is for the exclusive use of the client named hereon and may not be copied or transferred to another party without the express written consent of the surveyor.
3. There are no discrepancies, conflicts, excesses or shortages in area, encroachments or any overlapping improvements, visible or apparent easements except as shown or noted hereon.
4. The surveyor has made no attempt to locate or define wetlands, hazardous waste areas, habitats, endangered species or any other environmentally sensitive areas on the tract of land shown hereon; Nor does this survey make any representations of being an environmental assessment of the tract of land shown hereon.
5. The surveyor has made no attempt to locate or define archeological sites, historical sites or undocumented cemeteries on the tract of land shown hereon; Nor does this survey make any representations of being an archeological or historical survey of the tract of land shown hereon.
6. The surveyor has made no attempt to locate abandoned, or plugged oil and gas wells, or any other wells on the tract of land shown hereon; Nor has the surveyor made any attempt to research same with the Railroad Commission of Texas or any other State agency; Nor has the surveyor investigated any mineral or royalty interests in the tract of land shown hereon.
7. This is a standard survey and does not include a subsurface utility or topographic investigation.
8. If this survey does not bear an original seal and signature it is INVALID as per Section 661.46 and Section 663.19 of the "The Professional Land Surveying Practices Act" enacted under Article 5282c, Vernon's Texas Civil Statutes.

This is to certify that I have, this date, made a careful and accurate standard land survey on the ground of property which is located at AS SHOWN ABOVE in HIDALGO COUNTY, Texas, described as follows: BEING A 3.03 GROSS ACRE TRACT OF LAND, MORE OR LESS, BEING ALL OF THE WEST 440.0 FEET OF THE EAST 970.0 FEET OUT OF THAT CERTAIN 6.68 ACRE TRACT OF LAND OUT OF (SEE METES AND BOUNDS DESCRIPTION)
Lot 12, Block –, of STEWARTS ADDITION TO THE CONWAY GARDENS, HIDALGO CO. Texas, according to the plat recorded in Volume 0, Page 43, of the MAP Records of Hidalgo County, Texas. I further certify that this property lies in Zone " B " as per FIRM (Flood Insurance Rate Map) dated NOV. 16, 1982 Community Panel No. 480334 0425 C.

H.C.
DRN. BY

08/27/25
DATE

SP-25-26360A
JOB NO.

STATE OF TEXAS
REGISTERED
DAVID OMAR SALINAS
5782
PROFESSIONAL
LAND SURVEYOR

REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5782

ANNEXATION
METES AND BOUNDS DESCRIPTION

BEING A 3.03 GROSS ACRE TRACT OF LAND, MORE OR LESS, BEING ALL OF THE WEST 440.00 FEET OF THE EAST 970.00 FEET OUT OF THAT CERTAIN 6.68 ACRE TRACT OF LAND OUT OF LOT 12, STEWARTS ADDITION TO THE CONWAY GARDENS, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT RECORDED IN VOLUME 0, PAGE 43, MAP RECORDS OF HIDALGO COUNTY, TEXAS, LYING SOUTH OF AND ADJACENT TO CASTILLO SUBDIVISION (VOL. 40, PAGE 114, H.C.M.R.); SAID 3.03 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 12 LOCATED IN THE CENTER OF STEWART ROAD; THENCE, AS FOLLOWS:

SOUTH 08 DEGREES 31 MINUTES 00 SECONDS WEST, COINCIDENT WITH THE EAST LINE OF SAID LOT 12, A DISTANCE OF 330.00 FEET TO A NAIL SET ON THE SOUTHEAST CORNER OF SAID CASTILLO SUBDIVISION SAME CORNER BEING THE NORTHEAST CORNER OF SAID 6.68 ACRE TRACT; THENCE,

NORTH 81 DEGREES 29 MINUTES 00 SECONDS WEST, COINCIDENT WITH THE SOUTH LINE OF SAID CASTILLO SUBDIVISION, AND THE NORTH LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 530.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH YELLOW CAP MARKED "SEA 5782" SET FOR THE NORTHEAST CORNER AND **POINT OF BEGINNING** OF THIS HEREIN DESCRIBED TRACT;

(1) THENCE, SOUTH 08 DEGREES 31 MINUTES 00 SECONDS WEST, ALONG A LINE PARALLEL TO THE EAST LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 300.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH YELLOW CAP MARKED "SEA 5782" SET ON INTERSECTION WITH THE SOUTH LINE OF SAID 6.68 ACRE TRACT FOR THE SOUTHEAST CORNER OF THIS HEREIN DESCRIBED TRACT;

(2) THENCE, NORTH 81 DEGREES 29 MINUTES 00 SECONDS WEST, COINCIDENT WITH THE SOUTH LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 440.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH CAP STAMPED RPLS 4541 FOUND ON THE SOUTHWEST CORNER OF SAID 6.68 ACRE TRACT FOR THE SOUTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;

(3) THENCE, NORTH 08 DEGREES 31 MINUTES 00 SECONDS EAST, COINCIDENT WITH THE WEST LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 300.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH A CAP STAMPED RPLS 4541 FOUND ON THE NORTHWEST CORNER OF SAID 6.68 ACRE TRACT AND LOCATED ON INTERSECTION WITH THE SOUTH LINE OF SAID CASTILLO SUBDIVISION FOR THE NORTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;

(4) THENCE, SOUTH 81 DEGREES 29 MINUTES 00 SECONDS EAST, COINCIDENT WITH THE NORTH LINE OF SAID 6.68 ACRE TRACT, AND, THE SOUTH LINE OF SAID CASTILLO SUBDIVISION, A DISTANCE OF 440.00 FEET TO THE **POINT OF BEGINNING**, CONTAINING 3.03 ACRES OF LAND, MORE OR LESS.

BASIS OF BEARING: STEWARTS ADDITION TO THE CONWAY GARDENS, H.C.T.
N:\SUBDIVISIONPLATS\BELLAVISTAATSTEWARTROAD.SUB\3.03.082725

DAVID OMAR SALINAS, RPLS
SALINAS ENGINEERING & ASSOCIATES
2221 DAFFODIL AVE., MCALLEN, TEXAS, 78501
(956) 682-9081
dsalinas@salinasengineering.com

DATE: 09/04/25
JOB: BELLA VISTA AT STEWART ROAD

ORDINANCE NO.

AN ORDINANCE PROVIDING FOR THE EXTENSION ON CERTAIN BOUNDARY LIMITS OF THE CITY OF SAN JUAN, TEXAS; AND THE VOLUNTARY ANNEXATION OF A 3.03-ACRE TRACT OF LAND OUT OF LOT 12, STEWART'S ADDITION TO THE CONWAY GARDENS, HIDALGO COUNTY, TEXAS; AS PER MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGES 24-26, DEED RECORDS OF HIDALGO COUNTY.

WHEREAS, Section 43.067 of the Texas Local Government Code provides for an alternate to the standard annexation proceedings where the property owner petitions for annexation; and

WHEREAS, the City Commission of the City of San Juan has decided to extend the corporate limits to include tracts of land adjacent to our present corporate limits as shown in **Exhibit "A"**; and

WHEREAS, the hereinafter described territory lies within the extraterritorial of the City of San Juan, Texas; and

WHEREAS, the territory hereinafter described contains approximately **3.03** acres of land; and

WHEREAS, a notice of the City of San Juan proposed annexation was published in a newspaper having general circulation in the City of San Juan, Texas on October 1, 2025 and October 15, 2025 and was published between 11th day and 20th day before the public hearing dates; and

WHEREAS, the first public hearing was held at 6:00 p.m. on October 14, 2025 at the Amigos del Valle, located at 600 W. 1st Street, San Juan, Texas and second public hearing was held at 6:00 p.m. on October 28, 2025 at San Juan Memorial Library, located at 1010 S. Standard Avenue, San Juan, Texas so that all interested parties were provided the opportunity to be heard regarding the proposed annexation of those tracts hereinafter described; and

WHEREAS, the enclosed municipal service plan for the proposed annexation was available for public inspection and explained in response to questions asked; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SAN JUAN, THAT;

Exhibit "B"

SECTION I: The following described in **Exhibit "B"** land and territory adjacent to and adjoining the City of San Juan, Texas is hereby added and annexed to the City of San Juan, Texas, and the property herein described is altered and amended so as to include such areas within the corporate limits of the City of San Juan. The description of the property to be annexed is as follows:

BEING A 3.03 GROSS ACRE TRACT OF LAND, MORE OR LESS, BEING ALL OF THE WEST 440.00 FEET OF THE EAST 970.00 FEET OUT OF THAT CERTAIN 6.68 ACRE TRACT OF LAND OUT OF LOT 12, STEWARTS ADDITION TO THE CONWAY GARDENS, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT RECORDED IN VOLUME 0, PAGE 43, MAP RECORDS OF HIDALGO COUNTY, TEXAS, LYING SOUTH OF AND ADJACENT TO CASTILLO SUBDIVISION (VOL. 40, PAGE 114, H.C.M.R.); SAID 3.03 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 12 LOCATED IN THE CENTER OF STEWART ROAD; THENCE, AS FOLLOWS:

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NORTH 81 DEGREES 29 MINUTES 00 SECONDS WEST, COINCIDENT WITH THE SOUTH LINE OF SAID CASTILLO SUBDIVISION, AND THE NORTH LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 530.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH YELLOW CAP MARKED "SEA 5782" SET FOR THE NORTHEAST CORNER AND **POINT OF BEGINNING** OF THIS HEREIN DESCRIBED TRACT;

(1) THENCE, SOUTH 08 DEGREES 31 MINUTES 00 SECONDS WEST, ALONG A LINE PARALLEL TO THE EAST LINE OF SAID 6.68 ACRE TRACT, A DISTANCE OF 300.00 FEET TO A 1/2 INCH DIAMETER IRON ROD WITH YELLOW CAP MARKED "SEA 5782" SET ON INTERSECTION WITH THE SOUTH LINE OF SAID 6.68 ACRE TRACT FOR THE SOUTHEAST CORNER OF THIS HEREIN DESCRIBED TRACT;

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SECTION II: The service plan attached to this ordinance as **Exhibit "C"** and being the same service plan presented at the public hearing held regarding this annexation, is hereby approved by the City Commission of the City of San Juan, Texas provided that's such service plan may be amended or repealed in accordance with Section 43.0672 of the Local Government Code, when in the opinion of the City Commission, changed conditions or subsequent occurrences make the plan unworkable or obsolete.

SECTION III: The herein above described property and the area so annexed shall be a part of the City of San Juan, Texas and the property so added hereby shall bear its pro rata share of taxes levied by the City of San Juan, Texas, and inhabitants thereof shall be entitled to all of the rights and privileges of the citizens of San Juan, Texas, in areas having similar characteristics of topography, land utilization and population density, and shall be bound by the acts ordinances, resolutions and regulations of the City of San Juan, Texas.

SECTION IV: The zoning of the property shall be classified as Single-Family Residence District (R-S).

SECTION V: Upon annexation of the herein above-described property, the acreage within the city limits of San Juan after annexation will be increased in an amount which does not exceed the statutory limitation as set out in Chapter 43 of the Texas Local Government Code.

SECTION VI: Upon the approval of the second and final reading hereof, the City Secretary of the City of San Juan is hereby authorized and directed to cause a true and correct copy of the caption of this ordinance, including the general description of the property annexed to be published in a newspaper of general circulation in San Juan, Texas.

SECTION VII: If any part, phrase or sentence of this Ordinance is held void or unconstitutional by a Court or competent jurisdiction, or if any tract of land or portion of any tract of land hereby annexed shall be held to be ineligible for annexation or wrongfully annexed, the remaining portions of this Ordinance and the remaining tracts so annexed shall be considered severable and shall remain in full force and effect.

SECTION VIII: In accomplishing the annexation of the territory annexed by this Ordinance, the City of San Juan has strictly followed the provisions of State Law and the cases as they apply to annexations and any possible deviation from special provisions was unintentional and not material to the accomplishment of this annexation.

PASSED and **APPROVED** on first reading on the 25th day of Novembre, 2025.

PASSED and **APPROVED** on second reading on the 13th day of January, 2026.

CITY OF SAN JUAN

_____
MARIO GARZA, Mayor

ATTEST:

BRENDA ESCALANTE
City Secretary

APPROVED BY:
Palacios, Garza & Thompson, P.C.

_____
City Attorney

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Consider Second and Final Reading of an Ordinance for the Sale of Alcoholic Beverages (BG - Wine and Beer Retailer's Permit) at "Cheer's Food Court and Bar" at 234 E. Business Hwy 83, Legally Described as Lettered Blks (San Juan) Lot 1, Block B, as Requested by Saul Salinas. [Monica Gomez, Director of Planning]

STAFF COMMENTS AND RECOMMENDATIONS:

At the City Commission Meeting on November 25, 2025, the City Commission approved the First Reading of the Ordinance as presented by staff.

Previously, staff provided the following background:

The Conditional Use Permit (CUP) request is for the sale of alcoholic beverages at “Cheers Food Court and Bar,” located at the southwest corner of Iowa and U.S. Business 83. The applicant proposes to sell alcohol from one of the food trucks operating within the food court. The liquor permit is for on-premise consumption only.

Hours of Operation:
- Sunday–Monday: 10:00 a.m. to 12:00 a.m.
- Saturday: 10:00 a.m. to 1:00 a.m.

The applicant will be required to comply with all Texas Alcoholic Beverage Commission (TABC) regulations and applicable City of San Juan requirements for the sale of alcoholic beverages at this location. Additional permits may be necessary depending on the type of alcohol sales authorized.

A public notice was in the newspaper and letters were mailed out to eight (8) property owners. No comments were received in favor or against the request.

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

PREPARED BY:
Monica Gomez,
Interim Director of
Planning

APPROVED BY:
Ruben Guajardo, City
Manager

EVALUATION AND CONDITIONS FOR APPROVAL

The Conditional Use Permit (CUP) request is for the sale of alcoholic beverages at "Cheers Food Court and Bar," located at the southwest corner of Iowa and U.S. Business 83. The applicant proposes to sell alcohol from one of the food trucks operating within the food court. The liquor permit is for on-premise consumption only**.**

Hours of Operation:

- Sunday–Monday: 10:00 a.m. to 12:00 a.m.
- Saturday: 10:00 a.m. to 1:00 a.m.

The surrounding area is primarily characterized by commercial uses located along a high-speed commercial arterial (U.S. Business 83).

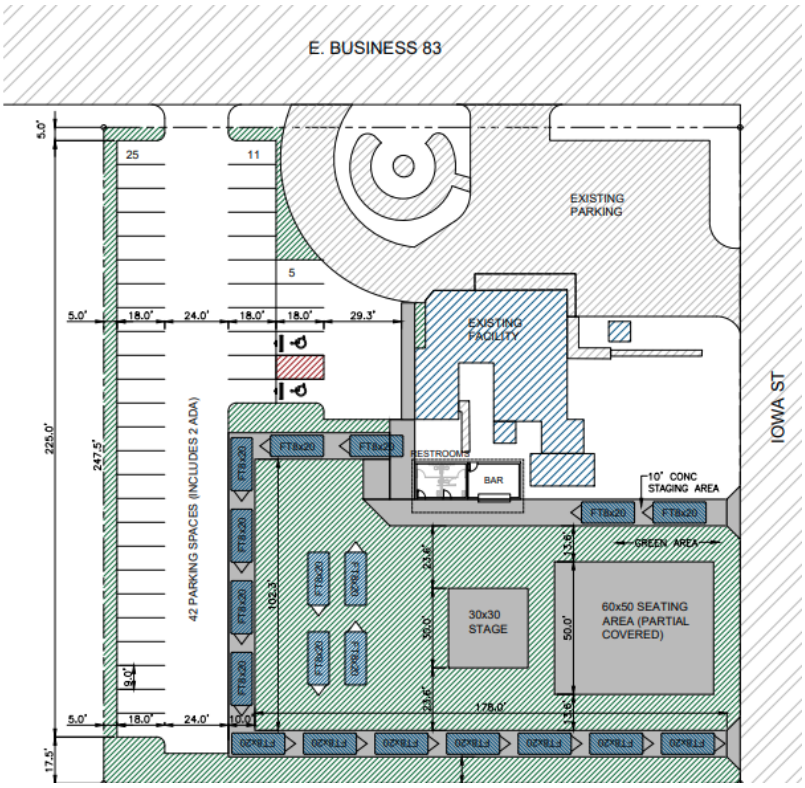
The applicant will be required to comply with all Texas Alcoholic Beverage Commission (TABC) regulations and applicable City of San Juan requirements for the sale of alcoholic beverages at this location. Additional permits may be necessary depending on the type of alcohol sales authorized.

The following is the list of requirements:

1. The applicant complies with the hours of operation for the On-Premise Consumption of wine and beer as allowed by the City of San Juan and the Texas Alcoholic Beverages Commission (TABC).
2. Adequate security lighting must be provided for customer safety and crime prevention purposes.
3. The applicant needs to comply with all city requirements: building, fire code, landscaping, parking and all other city requirements.
4. The business must comply with the City of San Juan Noise Ordinance.
5. No loading or unloading of merchandise in a public street.
6. Owner agrees to pay an annual fee to the City of San Juan to maintain the alcohol license, conditional use, occupational license and health permits.
7. The Conditional Use Permit may be revoked at any time by the Planning and Zoning and City Commission.

A public notice was on the newspaper and letters were mailed out to eight (8) property owners. No comments were received in favor or against the request.

Staff recommends approval of the conditional use permit as presented.



Site Plan

Location Map

FINAL RESOLUTION OF REQUEST & COMMENTS:
P&Z – 11/19/2025 Commissioner Gamboa made a motion to approve the conditional use permit as presented. Commissioner Garza second the motion. The motion passed unanimously with a 5-0 vote.

Ms. Gomez explained a public hearing for a Conditional Use Permit request for the sale of alcoholic beverages at Cheers Food Court and Bar, located within the food truck park at the southwest corner of Business 83 and Iowa Street. The applicant is proposing to sell alcohol as a complement to the food served at the park. The food court currently consists of seven food trucks offering a variety of cuisines. The food truck park has been in operation for approximately three years**,** and ownership of the beer license has changed during this time without any reported issues.

The hours of operation are:

- Sunday through Monday: 10:00 a.m. to 12:00 a.m.
- Saturday: 10:00 a.m. to 1:00 a.m.

Public notice of this request was published in the newspaper, and letters were sent to eight property owners within the notification boundary. No comments were received either in favor or against the request.

Staff recommends approval of the Conditional Use Permit as presented.

Vice Chair Castillo opened the public hearing at 6:02 p.m.

Vice Chair Castillo asked if the business had a barrier around the property. Ms. Gomez responded that the food truck park has been in existence for three years, since the City adopted the Food Court Ordinance, and that it complies with the required lighting, barrier, and security measures after 10:00 p.m.

Commissioner Gamboa asked where the alcohol sales would take place. Ms. Gomez stated that alcohol will be sold from a food truck located behind Cheers Liquor Store, and she added that this is a separate alcohol permit from the liquor store's permit.

Vice Chair Castillo closed the public hearing at 6:03 p.m.

ORDINANCE NO.

AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT FOR THE SALE OF ALCOHOLIC BEVERAGE (*BG – WINE AND BEER RETAILER'S PERMIT*) AT "CHEER'S FOOD COURT AND BAR" LOCATED AT 234 E. BUSINESS HWY 83, LEGALLY DESCRIBED AS LETTERED BLKS (SAN JUAN) LOT 1, BLK B, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.

WHEREAS, Saul Salinas has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan for the Sale of Alcoholic Beverages *(BG – Wine and Beer Retailer's Permit)* at "Cheer's Food Court and Bar", located at 234 E. Business Hwy 83, San Juan, Texas.

WHEREAS, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:

SECTION I. That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Saul Salinas has applied for a Conditional Use Permit for the Sale of Alcoholic Beverages *BG – Wine and Beer Retailer's Permit)* at Cheers Food Court and Bar, subject to the following conditions:

1. The applicant complies with the hours of operation for the On-Premise Consumption of wine and beer as allowed by the City of San Juan and the Texas Alcoholic Beverages Commission (TABC).
2. Adequate security lighting must be provided for customer safety and crime prevention purposes.
3. The applicant needs to comply with all city requirements: building, fire code, landscaping, parking and all other city requirements.
4. The business must comply with the City of San Juan Noise Ordinance.
5. No loading or unloading of merchandise in a public street.
6. Owner agrees to pay an annual fee to the City of San Juan to maintain the alcohol license, conditional use, occupational license and health permits.
7. The Conditional Use Permit may be revoked at any time by the Planning and Zoning and City Commission.

SECTION II. <u>PUBLICATION AND EFFECTIVE DATE CLAUSE.</u> This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

PASSED and **APPROVED** on first reading on the 25th day of November, 2025.

PASSED and **APPROVED** on second and final reading on the 13th day of January, 2026.

CITY OF SAN JUAN

_____
MARIO GARZA, MAYOR

ATTEST:

BRENDA ESCALANTE
CITY SECRETARY

APPROVED BY:
Palacios, Garza & Thompson, P.C.

_____
CITY ATTORNEY

Cheers Food Court and Bar is a Food Court Restaurant operated by Saul Salinas located at 234 E Business Hwy 83, San Juan, Hidalgo County, Texas 78589.

Cell Phone 956-348-3479

Saul Salinas wishes to apply for a Wine and Beer Retailer's Permit authorizing the sale of Beer and Wine for On Premise consumption or Sales to go.

Cheers Food Court and Bar have a Roof -Covered Dining Area with twenty (20) dining tables which provides a comfortable atmosphere for Family, Friends and Guests to enjoy Mexican Food, Tamales, Suchi, Bar B Q, Pizza, Hotdogs and other delicious plates which are prepared by Seven Food Trucks which are located around the dining area.

This Businesses will operate seven days a week and will be open:

Sunday-thru Monday	10:00 AM till 12:00 Midnight
Saturday	10:00 AM till 1:00 AM

The Bar will be run by Saul Salinas with no other employees required at this time

Beverages include Aguas Frescas, Soft Drinks, Mexican Sodas and Beer & Wine and Wine Based Mixed Drinks including our famous Micheladas.

We plan to have a Gentleman playing Acoustic Music as well as DJ Music.

We have adequate parking as in our parking located on the West side of our property.

Conditional Use Permit for the Sale of Alcoholic Beverages (BG – Wine and Malt Beverage Retailer's Permit) at "Cheers Food Court and Bar" located at 234 E. Business Hwy 83, legally described as Lettered Blks (San Juan), Lot 1, Block B, as Requested by Saul Salinas.

Saul Salinas
113 Alfredo Street, Suite B
San Juan, TX 78589

Compañerismo Cristiano Fe
817 W Sabatini Ln.
Pharr, TX 78577

Sesatty Enterprises, LLC.
302 E Business Hwy 83
San Juan, TX 78589

Marivel Salinas
113 Alfredo Street
San Juan, TX 78589

TMF ENT Properties, LLC.
216 E. Business 83
San Juan, TX 78589

Los Gatitos Bridal, Inc.
522 S. Iowa St.
San Juan, TX 78589

Texas Department of Transporation
P.O. Box EE
Pharr, TX 78577

I&I Rentals, LLC.
425 N. Nebraska Avenue
San Juan, TX 78589

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Budget Expenditure Report — September 2025. [Maria L. Beltran, Director of Finance]

STAFF COMMENTS AND RECOMMENDATIONS:

Consider Approval of the Budget Expenditure Report for the Month of September 30, 2025

RECOMMENDATION:

Approve as Presented

PREPARED BY:
Maria Beltran,
Director of Finance

APPROVED BY:
Ruben Guajardo, City
Manager

Mayor: Mario Garza
Mayor Pro-Tem: Jesus "Jesse" Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco"Markie" Villegas

Memorandum

To: Ruben Guajardo, City Manager

From: Maria L. Beltran, Director of Finance

Date: December 9, 2025

Subject: Preliminary Budget Expenditure Report – September 30, 2025

Attached you will find the above-mentioned report for the City of San Juan.

The funds are listed as follows:

Approved Budgets:	Fund No.	Page
• General Fund	10	1 – 4
• Enterprise Fund:		
a. Solid Waste	22	5
b. Utility Fund	56	6 – 7
c. Utility I & S	60	8
d. Water & Sewer I & S	61	9
• Special Revenue Fund:		
a. Local Truancy Prevention & Diversion Fund	18	10
b. Local Municipal Jury Fund	19	11
c. Municipal Court-Building Security	20	12
d. Municipal Court-Technology	21	13
e. Revolving Loan	23	14
f. Parks Sport Fee	25	15
g. Parks Development	26	16
h. Wrecker Law Enforcement	27	17
i. Asset Forfeiture-State	28	18
j. Miscellaneous Grants	30	19
k. Hotel/Motel Occupancy Tax	33	20
l. Asset Forfeiture-Federal Sharing	35	21
m. Storm Water Fund	55	22
• Debt Service Fund	36	23

512 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

Other City Funds:

- Capital Projects
  a. Bond Series 2025 40 24
  b. City Hall/Park 41 25
  c. Bond Series 2019 42 26
  d. Bond Series 2019-A 43 27

Other City Funds –Continue

  e. CIP-Street-Series 2015 44 28
  f. Certificate of Obligation 2017 48 29
  g. TDEM Fund 51 30
  h. Capital Projects Fire Station 53 31
  i. 2014 Bond 54 32
  j. Certificate of Obligation 2023 58 33
  k. Certificate of Obligation 2024 59 34

Component Unit:

- San Juan E.D.C. 24 35
- San Juan Economic Development Corp. 29 36

C: Mayor, Mario Garza
Mayor Pro-Tem,- Jesus "Jesse" Ramirez
Commissioners:- Mario Cantu
Gilbert Garza
Marco "Markie" Villegas

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
PROPERTY TAXES	8,931,296	8,785,824	-	(145,472)	92,058	60,893	98.37
SALES TAX REVENUE	5,482,269	5,592,047	-	109,778	521,481	907,185	102.00
FRANCHISE TAX	1,070,000	981,922	-	(88,078)	80,066	86,253	91.77
LICENSES & PERMITS	1,015,010	827,391	-	(187,619)	63,786	71,918	81.52
FEES & FINES	271,437	218,760	-	(52,677)	18,623	15,168	80.59
INTERGOVERNMENTAL REVENUE	747,852	723,834	-	(24,018)	64,333	60,441	96.79
OTHER REVENUE	1,287,927	1,230,928	-	(56,999)	55,150	94,399	95.57
Transfer Inn	-	-	-	-	-	-	-
TOTAL REVENUES	**18,805,791**	**18,360,707**	**-**	**(445,084)**	**895,498**	**1,296,256**	**97.63**
EXPENDITURE SUMMARY							
LEGISLATIVE							
PURCHASED PROF/TECH SRVS	485	448	-	37	448	-	92.31
PUR PROP SRVS & OTH SRVS	21,722	23,568	-	(1,846)	2,230	8,134	108.50
SUPPLIES	5,090	4,126	-	965	(221)	182	81.05
MISCELLANEOUS	171,422	149,396	-	22,026	19,618	7,921	87.15
LEGISLATIVE	**198,719**	**177,537**	**-**	**21,182**	**22,075**	**16,237**	**89.34**
CITY MANAGER							
SALARIES & WAGES/BENEFIT	332,694	169,197		163,497	12,439	19,322	50.86
PURCHASED PROF/TECH SRVS	121,500	114,005	-	7,495	8,115	5,950	93.83
PUR PROP SRVS & OTH SRVS	7,953	7,830	-	123	4,100	2,450	98.45
SUPPLIES	5,964	3,167	-	2,797	1,359	476	53.11
CAPITAL OUTLAY	50,000	-	-	50,000	-	-	-
MISCELLANEOUS	1,335	1,541	-	(206)	385	160	115.46
CITY MANAGER	**519,446**	**295,741**	**-**	**223,705**	**26,398**	**28,359**	**56.93**
CITY SECRETARY							
SALARIES & WAGES/BENEFIT	220,986	230,317	-	(9,331)	17,123	27,282	104.22
PURCHASED PROF/TECH SRVS	14,100	13,806	-	294	976	35	97.92
PUR PROP SRVS & OTH SRVS	8,100	5,341	-	2,759	2,939	665	65.94
SUPPLIES	4,724	3,689	-	1,035	33	1,119	78.09
MISCELLANEOUS	87,915	82,932	-	4,983	82,098	535	94.33
CITY SECRETARY	**335,825**	**336,085**	**-**	**(260)**	**103,169**	**29,636**	**100.08**
MUNICIPAL COURT							
SALARIES & WAGES/BENEFIT	249,758	216,976	-	32,782	19,050	31,801	86.87
PURCHASED PROF/TECH SRVS	94,022	90,832	-	3,190	6,773	16,268	96.61
PUR PROP SRVS & OTH SRVS	12,165	7,790	-	4,375	651	1,560	64.03
SUPPLIES	5,079	2,913	-	2,166	311	178	57.36
MISCELLANEOUS	1,255	705	-	550	-	470	56.21
MUNICIPAL COURT	**362,279**	**319,216**	**-**	**43,063**	**26,785**	**50,277**	**88.11**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
FINANCE							
SALARIES & WAGES/BENEFIT	508,083	532,152	-	(24,069)	41,601	72,752	104.74
PUR PROP SRVS & OTH SRVS	21,244	18,234	-	3,010	1,157	1,836	85.83
SUPPLIES	5,988	4,750	-	1,238	514	21	79.33
MISCELLANEOUS	5,007	4,427	-	580	232	1,187	88.43
FINANCE	**540,322**	**559,564**	**-**	**(19,242)**	**43,504**	**75,796**	**103.56**
PLANNING							
SALARIES & WAGES/BENEFIT	723,826	633,437	-	90,389	50,660	77,311	87.51
PURCHASED PROF/TECH SRVS	64,500	42,213	-	22,287	1,401	1,508	65.45
PUR PROP SRVS & OTH SRVS	30,085	16,240	-	13,845	3,825	2,382	53.98
SUPPLIES	47,510	31,519	-	15,991	2,219	4,423	66.34
MISCELLANEOUS	10,000	2,545	-	7,455	306	123	25.45
PLANNING	**875,921**	**725,954**	**-**	**149,967**	**58,411**	**85,747**	**82.88**
POLICE							
SALARIES & WAGES/BENEFIT	4,661,898	4,765,973	-	(104,075)	351,274	546,132	102.23
PURCHASED PROF/TECH SRVS	40,530	40,566	-	(36)	78	2,550	100.09
PUR PROP SRVS & OTH SRVS	215,117	215,396	-	(279)	17,172	41,243	100.13
SUPPLIES	400,057	427,349	91	(27,383)	32,554	(6,056)	106.84
CAPITAL OUTLAY	-	44,655	-	(44,655)	-	44,655	-
MISCELLANEOUS	116,272	115,845	-	427	-	4,893	99.63
POLICE	**5,433,874**	**5,609,784**	**91**	**(176,001)**	**401,078**	**633,417**	**103.24**
FIRE							
SALARIES & WAGES/BENEFIT	2,394,696	2,060,502	-	334,194	157,330	260,774	86.04
PURCHASED PROF/TECH SRVS	33,863	9,808	-	24,056	-	748	28.96
PUR PROP SRVS & OTH SRVS	193,717	155,056	-	38,660	28,730	15,392	80.04
SUPPLIES	161,282	217,788	-	(56,506)	12,355	94,194	135.04
CAPITAL OUTLAY	159,054	57,039	-	102,015	40,515	(38,607)	35.86
DEBT SERVICE	124,680	124,678	-	2	1,900	-	100.00
MISCELLANEOUS	316,000	313,418	-	2,582	25,293	25,000	99.18
FIRE	**3,383,292**	**2,938,288**	**-**	**445,004**	**266,124**	**357,501**	**86.85**
STREETS, ALLEY, OTHER							
SALARIES & WAGES/BENEFIT	486,334	487,986	-	(1,652)	37,258	59,610	100.34
PUR PROP SRVS & OTH SRVS	440,444	442,831	-	(2,387)	56,443	50,134	100.54
SUPPLIES	143,238	170,352	-	(27,115)	26,957	10,511	118.93
CAPITAL OUTLAY	3,622	-	-	3,622	-	(3,622)	-
MISCELLANEOUS	3,586	(305)	-	3,891	(1,349)	33	(8.50)
STREETS, ALLEY, OTHER	**1,077,223**	**1,100,864**	**-**	**(23,641)**	**119,309**	**116,667**	**102.19**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
CENTRAL GARAGE							
SALARIES & WAGES/BENEFIT	222,324	142,645	-	79,679	12,629	20,094	64.16
PUR PROP SRVS & OTH SRVS	6,034	4,396	-	1,637	89	934	72.87
SUPPLIES	31,818	32,573	-	(755)	6,354	8,347	102.37
CAPITAL OUTLAY	17,170	12,325	-	4,845	-	(4,845)	71.78
MISCELLANEOUS	386	2,145	-	(1,759)	-	2,145	555.70
CENTRAL GARAGE	**277,732**	**194,085**	**-**	**83,647**	**19,072**	**26,675**	**69.88**
PARKS							
SALARIES & WAGES/BENEFIT	1,251,317	1,242,169		9,148	108,551	105,833	99.27
PURCHASED PROF/TECH SRVS	4,600	5,257		(657)	596	595	114.29
PUR PROP SRVS & OTH SRVS	173,747	172,311	(193)	1,630	11,469	66,342	99.06
SUPPLIES	100,290	97,542	84	2,664	6,751	23,619	97.34
DEBT SERVICE	55,967	58,393	-	(2,426)	-	58,393	104.33
MISCELLANEOUS	450,445	506,837	-	(56,392)	5,151	26,698	112.52
PARKS	**2,036,366**	**2,082,509**	**(109)**	**(46,033)**	**132,518**	**281,479**	**102.26**
BUILDING MAINTENANCE							
SALARIES & WAGES/BENEFIT	428,538	377,716	-	50,822	29,815	47,502	88.14
PURCHASED PROF/TECH SRVS	2,051	2,000	-	51	400	1,000	97.51
PUR PROP SRVS & OTH SRVS	117,748	72,615	(20)	45,153	10,020	(15,658)	61.65
SUPPLIES	91,805	75,654	-	16,152	6,736	18,813	82.41
CAPITAL OUTLAY	6,170	24,015	-	(17,845)	-	19,415	389.22
BUILDING MAINTENANCE	**646,312**	**552,000**	**(20)**	**94,333**	**46,971**	**71,072**	**85.40**
LIBRARY							
SALARIES & WAGES/BENEFIT	357,278	288,101	-	69,177	22,722	36,395	80.64
PURCHASED PROF/TECH SRVS	2,980	2,508	-	472	19	27	84.15
PUR PROP SRVS & OTH SRVS	29,262	32,874	-	(3,612)	2,443	6,488	112.34
SUPPLIES	3,452	2,656	49	747	41	785	78.35
MISCELLANEOUS	10,500	9,992	-	508	1,875	1,169	95.16
LIBRARY	**403,472**	**336,130**	**49**	**67,293**	**27,100**	**44,864**	**83.32**
ADMINISTRATION							
PURCHASED PROF/TECH SRVS	551,917	494,253	-	57,664	27,566	102,332	89.55
PUR PROP SRVS & OTH SRVS	299,417	400,032	-	(100,615)	31,649	43,199	133.60
SUPPLIES	5,947	6,228	-	(281)	349	238	104.73
DEBT SERVICE	128,000	128,000	-	-	23,200	-	100.00
MISCELLANEOUS	385,350	389,492	-	(4,142)	38,512	5,922	101.07
ADMINISTRATION	**1,370,631**	**1,418,005**	**-**	**(47,374)**	**121,276**	**151,691**	**103.46**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
HUMAN RESOURCES							
SALARIES & WAGES/BENEFIT	251,294	237,700	-	13,594	17,007	27,141	94.59
PURCHASED PROF/TECH SRVS	9,910	9,556	-	354	1,860	205	96.43
PUR PROP SRVS & OTH SRVS	10,400	8,506	-	1,894	276	1,086	81.79
SUPPLIES	7,070	6,250	-	820	161	3,778	88.41
MISCELLANEOUS	1,720	1,055	-	665	506	119	61.33
HUMAN RESOURCES	**280,394**	**263,068**	**-**	**17,326**	**19,809**	**32,329**	**93.82**
INFORMATION TECHNOLOGY							
SALARIES & WAGES/BENEFIT	605,370	607,545	-	(2,175)	48,422	75,839	100.36
PURCHASED PROF/TECH SRVS	53,902	52,941	-	961	100	100	98.22
PUR PROP SRVS & OTH SRVS	218,222	200,563	-	17,660	26,230	27,990	91.91
SUPPLIES	42,091	31,825	-	10,266	998	7,595	75.61
MISCELLANEOUS	181,882	177,109	-	4,773	5,530	10,677	97.38
INFORMATION TECHNOLOGY	**1,101,467**	**1,069,983**	**-**	**31,484**	**81,280**	**122,201**	**97.14**
EMERGENCY MANAGEMENT							
PURCHASED PROF/TECH SRVS	5,000	-	-	5,000	-	-	-
SUPPLIES	17,900	13,682	-	4,218	5,393	3,408	76.44
CAPITAL OUTLAY	43,047	16,218	-	26,829	-	4,453	37.68
MISCELLANEOUS	-	26,760	-	(26,760)	-	26,760	-
EMERGENCY MANAGEMENT	**65,947**	**56,660**	**-**	**9,287**	**5,393**	**34,621**	**85.92**
ANIMAL CONTROL							
SALAREIES & WAGES/BENEFIT	97,999	94,645	-	3,354	8,183	12,562	96.58
PUR PROP SRVS & OTH SRVS	8,562	4,828	-	3,734	145	1,803	56.39
SUPPLIES	32,129	30,538	-	1,591	3,868	3,508	95.05
CAPITAL OUTLAY	2,223	-	-	2,223	-	(2,223)	-
MISCELLANEOUS	195,558	131,003	-	64,555	-	37,760	66.99
ANIMAL CONTROL	**336,471**	**261,014**	**-**	**75,457**	**12,197**	**53,411**	**77.57**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	3,622	-	(3,622)	-	3,622	-
TOTAL EXPENDITURES	**19,245,693**	**18,300,110**	**10**	**945,573**	**1,532,468**	**2,215,601**	**95.09**
REVENUES OVER/(UNDER) EXPENDITURES	**(439,902)**	**60,597**	**(10)**	**500,489**	**(636,971)**	**(919,345)**	**(13.77)**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

22 -SOLID WASTE FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
REFUSE COLLECTION SYSTEM	4,273,600	3,877,189	-	(396,412)	286,005	513,946	90.72
OTHER REVENUE	200,200	145,191	-	(55,009)	8,871	8,212	72.52
OTHER FINANCING SOURCES	-	77,667	-	77,667	-	77,667	-
TOTAL REVENUES	**4,473,800**	**4,100,047**	**-**	**(373,753)**	**294,876**	**599,826**	**91.65**
EXPENDITURE SUMMARY							
SANITATION							
SALARIES & WAGES/BENEFIT	1,814,265	1,611,670	-	202,595	122,624	308,925	88.83
PUR PROF/TECH SRVS	1,000	1,043	-	(43)	420	35	104.28
PUR PROP SRVS & OTH SRVS	402,102	393,078	(12)	9,035	37,230	17,975	97.75
SUPPLIES	605,761	588,248	179	17,334	42,393	50,342	97.14
CAPITAL OUTLAY	60,100	135,825	-	(75,725)	-	100,745	226.00
MISCELLANEOUS	680,181	690,566	-	(10,385)	58,732	51,476	101.53
SANITATION	**3,563,408**	**3,420,431**	**167**	**142,811**	**261,399.66**	**529,498**	**95.99**
ORGANIZATIONAL							
PURCHASED PROF/TECH SRVS	91,125	96,779	-	(5,654)	1,370	20,833	106.20
PUR PROP SRVS & OTH SRVS	96,300	132,597	-	(36,297)	11,007	11,007	137.69
DEBT SERVICE	515,409	515,415	-	(6)	41,636	-	100.00
MISCELLANEOUS	215,630	1,179,679	-	(964,049)	17,619	734,401	547.08
ORGANIZATIONAL	**918,464**	**1,924,471**	**-**	**(1,006,007)**	**71,632**	**766,240**	**209.53**
TRANSFER OUT		3,622	-	(3,622.21)	-	3,622	-
TOTAL EXPENDITURES	**4,481,872**	**5,348,524**	**167**	**(866,819)**	**333,031**	**1,299,360**	**119.34**
REVENUES OVER/(UNDER) EXPENDITURES	**(8,072)**	**(1,248,477)**	**(167)**	**(1,240,571)**	**(38,155)**	**(699,534)**	**15,468.00**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

56 -UTILITY FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
WATER SYSTEMS	2,994,200	2,303,535	-	(690,665)	258,284	249,541	76.93
SEWER SYSTEMS	3,238,500	3,179,552	-	(58,948)	194,481	493,482	98.18
OTHER REVENUES		189	-	189	1	-	-
INTERGOV'T REVENUE		2,217,286	-	2,217,286	-	150,000	-
OTHER REVENUES	577,800	265,756	-	(312,044)	3,398	15,328	45.99
OTHER	(1,663,073)	(1,655,829)	-	7,244	(27,486)	(20,241)	99.56
TOTAL REVENUES	**5,147,427**	**6,310,490**	**-**	**1,163,063**	**428,678**	**888,109**	**122.60**
EXPENDITURE SUMMARY							
UTILITY BILLING & COLLEC							
SALARIES & WAGES/BENEFIT	399,959	404,252	-	(4,293)	28,097	76,470	101.07
PURCHASED PROF/TECH SRVS	31,298	29,981	-	1,317	244	244	95.79
PUR PROP SRVS & OTH SRVS	111,835	114,092	-	(2,257)	141	6,711	102.02
SUPPLIES	35,659	32,892	-	2,767	2,350	2,014	92.24
MISCELLANEOUS	85,120	132,074	-	(46,954)	11,912	13,366	155.16
UTILITY BILLING & COLLEC	**663,871**	**713,291**	**-**	**(49,420)**	**42,745**	**98,806**	**107.44**
UTILITY ADMINISTRATION							
SALARIES & WAGES/BENEFIT	270,031	266,165	-	3,866	20,236	52,082	98.57
PURCHASED PROF/TECH SRVS	218,490	207,240	-	11,250	101,250	-	94.85
PUR PROP SRVS & OTH SRVS	28,248	38,356	-	(10,108)	11,678	6,832	135.78
SUPPLIES	19,109	13,808	414	4,886	868	2,095	74.43
MISCELLANEOUS	6,450	6,932	-	(482)	982	500	107.47
UTILITY ADMINISTRATION	**542,328**	**532,502**	**414**	**9,412**	**135,013**	**61,509**	**98.26**
WATER PLANT							
SALARIES & WAGES/BENEFIT	586,660	518,654	-	68,006	35,703	88,349	88.41
PURCHASED PROF/TECH SRVS	31,837	27,425	-	4,412	5,171	4,975	86.14
PUR PROP SRVS & OTH SRVS	538,617	489,268	-	49,349	17,718	53,312	90.84
SUPPLIES	606,762	513,860	-	92,902	61,489	88,534	84.69
CAPITAL OUTLAY	66,000	55,055	-	10,945	448	13,660	83.42
MISCELLANEOUS	49,334	46,009	-	3,325	6,050	1,650	93.26
WATER PLANT	**1,879,209**	**1,650,271**	**-**	**228,938**	**126,579**	**250,480**	**87.82**
WATER DISTRIBUTION							
SALARIES & WAGES/BENEFIT	392,909	360,446	-	32,463	28,997	71,045	91.74
PUR PROP SRVS & OTH SRVS	22,945	20,022	-	2,923	1,837	5,872	87.26
SUPPLIES	134,761	109,308	-	25,453	3,915	28,274	81.11
CAPITAL OUTLAY	97,708	104,624	-	(6,916)	7,002	17,565	107.08
MISCELLANEOUS	1,076	432	-	644	-	-	40.15
WATER DISTRIBUTION	**649,399**	**594,831**	**-**	**54,567**	**41,751**	**122,755**	**91.60**
SEWER COLLECTION							
SALARIES & WAGES/BENEFIT	432,467	371,178	-	61,289	25,140	55,738	85.83
PUR PROP SRVS & OTH SRVS	445,213	382,422	(342)	63,133	29,116	48,338	85.82
SUPPLIES	146,643	142,030	-	4,613	15,219	36,067	96.85
CAPITAL OUTLAY		150,000	-	(150,000)	-	150,000	-
MISCELLANEOUS	1,386	864	-	522	-	-	62.34
SEWER COLLECTION	**1,025,709**	**1,046,494**	**(342)**	**(20,444)**	**69,476**	**290,143**	**101.99**

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56 -UTILITY FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
SEWER PLANT							
SALARIES & WAGES/BENEFIT	315,820	315,780	-	40	23,985	54,631	99.99
PURCHASED PROF/TECH SRVS	50,000	31,996	-	18,004	5,869	1,815	63.99
PUR PROP SRVS & OTH SRVS	331,142	335,854	(109)	(4,603)	24,662	47,057	101.39
SUPPLIES	168,111	142,439	-	25,672	7,656	26,851	84.73
MISCELLANEOUS	121,080	97,220	-	23,860	8,250	8,000	80.29
SEWER PLANT	**986,153**	**923,290**	**(109)**	**62,973**	**70,422**	**138,354**	**93.61**
ORGANIZATIONAL							
PURCHASED PROF/TECH SRVS	79,399	83,063	-	(3,664)	1,314	14,686	104.61
PUR PROP SRVS & OTH SRVS	145,405	200,311	-	(54,906)	16,619	16,619	137.76
DEBT SERVICE	1,000	-	-	1,000	-	-	-
MISCELLANEOUS	413,820	1,980,289	-	(1,566,469)	33,985	1,435,694	478.54
ORGANIZATIONAL	**639,624**	**2,263,663**	**-**	**(1,624,039)**	**51,918**	**1,466,999**	**353.91**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**6,386,293**	**7,724,342**	**(37)**	**(1,338,012)**	**537,904**	**2,429,046**	**120.95**
REVENUES OVER/(UNDER) EXPENDITURES	**(1,238,866)**	**(1,413,852)**	**37**	**2,501,075**	**(537,904)**	**(1,540,937)**	**114.12**

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60 -UTILITY I&S FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	-	5,280		5,280	443	423	-
OTHER FINANCING SOURCES	1,601,697	1,601,696	-	(1)	22,371	22,371	100.00
TOTAL REVENUES	**1,601,697**	**1,606,976**	**-**	**5,279**	**22,814**	**22,794**	**100.33**
EXPENDITURE SUMMARY							
DEBT SERVICE							
DEBT SERVICE	1,601,697	1,606,698	-	(5,001)	53,647	-	100.31
MISCELLANEOUS	-	7,720	-	(7,720)	-	-	-
DEBT SERVICE	**1,601,697**	**1,614,418**	**-**	**(12,721)**	**53,647**	**-**	**100.79**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,601,697**	**1,614,418**	**-**	**(12,721)**	**53,647**	**-**	**100.79**
REVENUES OVER/(UNDER) EXPENDITURES	**-**	**(7,441)**	**-**	**(7,441)**	**(30,833)**	**22,794**	**-**

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61 - Water & Sewer I & S FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		30,961	-	30,961	2,597	2,480	-
OTHER FINANCING SOURCES	61,376	61,377	-	1	5,115	5,115	100.00
TOTAL REVENUES	**61,376**	**92,337**	**-**	**1**	**7,712**	**7,594**	**150.45**
EXPENDITURE SUMMARY							
DEBT SERVICE							
DEBT SERVICE	-	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
DEBT SERVICE	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**61,376**	**92,337**	**-**	**30,961**	**7,712**	**7,594**	**150.45**

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18 -LOCAL TRUANCY PREVENTION & DIVERSION FUND FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES		6,468	-	6,468	625	540	-
TOTAL REVENUES		6,468	-	6,468	625	540	-

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19 - LOCAL MUNICIPAL JURY FUND FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES		129	-	129	13	11	-
TOTAL REVENUES		129	-	129	13	11	-

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20 -MUNICIPAL COURT-BLDG SEC. FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	5,500	6,721	-	1,221	652	559	122.19
TOTAL REVENUES	**5,500**	**6,721**	**-**	**1,221**	**652**	**559**	**122.19**
SUPPLIES	-	777		(777)	-	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
MUNICIPAL COURT	-	777.12	-	(777)	-	-	-
TOTAL EXPENDITURES	**-**	**777.12**	**-**	**(777)**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**5,500**	**5,944**	**-**	**444**	**652**	**559**	**108.06**

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21 -MUNICIPAL COURT-TECH. FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	6,000	5,475	-	(525)	524	460	91.25
TOTAL REVENUES	**6,000**	**5,475**	**-**	**(525)**	**524**	**460**	**91.25**
EXPENDITURE SUMMARY							
MUNICIPAL COURT							
SUPPLIES		-		-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-
MUNICIPAL COURT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**6,000**	**5,475**	**-**	**(525)**	**524**	**460**	**91.25**

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23 -REVOLVING LOAN FUND FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		42	-	42	4	4	-
TOTAL REVENUES		**42**	**-**	**42**	**4**	**4**	**-**
EXPENDITURE SUMMARY							
ADMINSTRATION							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
ADMINSTRATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES		**42**	**-**	**42**	**4**	**4**	**-**

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25 -PARKS SPORT FEE FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES	2,500	3,241	-	741	316	431	129.62
TOTAL REVENUES	2,500	3,241	-	741	316	431	129.62
EXPENDITURE SUMMARY							
RECREATION							
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
ADMINSTRATION	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
REVENUES OVER/(UNDER) EXPENDITURES	2,500	3,241	-	741	316	431	129.62

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26 -PARK DEVELOPMENT FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOVERMENTAL REVENUE		-	-	-	-	-	-
OTHER INCOME	35,000	80,525	-	45,525	6,097	3,641	230.07
TOTAL REVENUES	**35,000**	**80,525**	**-**	**45,525**	**6,097**	**3,641**	**230.07**
EXPENDITURE SUMMARY							
PARKS							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
SUPPLIES	-	8,844	-	(8,844)	-	8,844	-
CAPITAL OUTLAY	233,000	106,830	-	126,170	10,887	85,410	45.85
PARKS	**233,000**	**115,674**	**-**	**117,326**	**10,887**	**94,254**	**49.65**
TOTAL EXPENDITURES	233,000	115,674	-	117,326	10,887	-	-
REVENUES OVER/(UNDER) EXPENDITURES	**(198,000)**	**(35,149)**	**-**	**162,851**	**(4,790)**	**3,641**	**17.75**

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27 -WRECKER LAW ENFORCEMENT FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	14,000	14,094	-	94	6,442	-	100.67
TOTAL REVENUES	**14,000**	**14,094**	**-**	**94**	**6,442**	**-**	**100.67**
EXPENDITURE SUMMARY							
POLICE							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	650	280	-	370	-	-	43.08
SUPPLIES	10,000	4,762	-	5,238	686	836	47.62
MISCELLANEOUS	15,000	9,031	-	5,969	-	253	60.21
ADMINSTRATION	**25,650**	**14,074**	**-**	**11,576**	**686**	**1,089**	**54.87**
TOTAL EXPENDITURES	**25,650**	**14,074**	**-**	**11,576**	**-**	**1,089**	**54.87**
REVENUES OVER/(UNDER) EXPENDITURES	**(11,650)**	**20**	**-**	**11,670**	**-**	**(1,089)**	**(0.17)**

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28 -ASSET FORFEITURE-STATE FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	1,000	6,090	-	5,090	-	-	609.00
FORFEIT LOCAL		19,506	-	19,506	-	2,500	-
TOTAL REVENUES	**1,000**	**25,596**	**-**	**24,596**	**-**	2,500	**2,559.55**
EXPENDITURE SUMMARY							
POLICE							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
SUPPLIES	6,300	4,139	-	2,161	-	4,139	65.70
POLICE	**6,300**	**4,139**	**-**	**2,161**	**-**	**4,139**	**65.70**
TOTAL EXPENDITURES	**6,300**	**4,139**	**-**	**2,161**	**-**	**4,139**	**65.70**
REVENUES OVER/(UNDER) EXPENDITURES	**(5,300)**	**21,456**	**-**	**26,756**	**-**	**(1,639)**	**(404.83)**

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30 -MISCELLANEOUS GRANTS FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE	679,274	522,067	-	(157,207)	28,363	210,803	76.86
OTHER REVENUE		-	-	-	-	-	-
TOTAL REVENUES	**679,274**	**522,067**	**-**	**(157,207)**	**28,363**	**210,803**	**76.86**
EXPENDITURE SUMMARY							
POLICE							
SALARIES & WAGES/BENEFIT	271,433	266,189	-	5,244	29,657	24,642	98.07
SUPPLIES	-	128,970	-	(128,970)	-	128,970	-
CAPITAL OUTLAY	257,503	-	-	257,503	-	(128,970)	-
POLICE	**528,936**	**395,159**	**-**	**133,778**	**29,657**	**24,642**	**74.71**
FIRE							
CAPITAL OUTLAY	135,938	135,938	-	1	-	-	100.00
FIRE	**135,938**	**135,938**	**-**	**1**	**-**	**-**	**100.00**
LIBRARY							
PUR PROP SRVS & OTH SRVS	9,320	9,141	-	179	-	153	98.08
SUPPLIES	383	347	-	36	-	347	90.60
MISCELLANEOUS	4,922	3,848	-	1,073	85	2,814	78.19
LIBRARY	**14,625**	**13,337**	**-**	**1,288**	**85**	3,313	**91.19**
TOTAL EXPENDITURES	**679,498.76**	**544,433**	**-**	**135,066**	**29,742**	**27,956**	**80.12**
:VENUES OVER/(UNDER) EXPENDITUR	**(225)**	**(22,365)**	**-**	**(22,141)**	**(1,379)**	**182,848**	**9,953.03**

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33 -HOTEL/MOTEL OCCUPANCY TAX FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
TAX REVENUE	20,300	126,263	-	105,963	14,251	27,216	621.98
FINES & FEES	300	280	-	(20)	-	-	93.33
OTHER REVENUE		-	-	-	-	-	-
TOTAL REVENUES	**20,600**	**126,543**	**-**	**105,943**	**14,251**	**27,216**	**614.29**
EXPENDITURE SUMMARY							
CITY EVENTS							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
CITY EVENTS							-
MISCELLANEOUS DEPT							
MISCELLANEOUS	-	-	-	-	-	-	-
MISCELLANEOUS DEPT	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**20,600**	**126,543**	**-**	**105,943**	**14,251**	**27,216**	**614.29**

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35 -ASSET FORFEITURE-FEDERAL FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	22,562	38,511	-	15,949	1,959	1,855	170.69
FORFEIT FEDERAL	50,000	154,513	-	104,513	-	38,229	309.03
TOTAL REVENUES	**72,562**	**193,024**	**-**	**120,462**	**1,959**	**40,083**	**266.01**
EXPENDITURE SUMMARY							
POLICE							
PUR PROP SRVS & OTH SRVS	68,518	46,727	-	21,791	2,275	8,778	68.20
SUPPLIES	48,122	28,290	1,123	18,708	172	5,221	61.12
CAPITAL OUTLAY	183,723	177,522	-	6,201	-	1,871	96.62
MISCELLANEOUS	-	30	-	(30)	-	5	-
POLICE	**300,363**	**252,570**	**1,123**	**46,670**	**2,446**	**15,874**	**84.46**
TOTAL EXPENDITURES	**300,363**	**252,570**	**1,123**	**46,670**	**2,446**	**15,874**	**84.46**
REVENUES OVER/(UNDER) EXPENDITURES	**(227,800.93)**	**(59,545)**	**(1,123)**	**167,133**	**(488)**	**24,209**	**26.63**

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55 -STORM WATER FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES	312,000	281,411	-	(30,589)	20,758	38,645	90.20
TOTAL REVENUES	**312,000**	**281,411**	**-**	**(30,589)**	**20,758**	**38,645**	**90.20**
EXPENDITURE SUMMARY							
SALARIES & WAGES/BENEFIT	293,406	248,125	-	45,281	18,997	41,426	84.57
PUR PROP SRVS & OTH SRVS	1,336	1,259	-	77	157	147	94.21
SUPPLIES	16,758	17,228	-	(470)	2,022	1,815	102.80
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	13,691	13,713	-	(22)	-	-	100.16
STORM WATER	325,191	280,324	-	44,867	21,176	43,387	86.20
TOTAL EXPENDITURES	**325,191**	**280,324**	**-**	**44,867**	**21,176**	**43,387**	**86.20**
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**(13,191)**	**1,086**	**-**	**14,277**	**(418)**	**(4,743)**	**(8.24)**

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36 -DEBT SERVICE FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
PROPERTY TAXES	4,093,957	4,084,975	-	(8,982)	40,801	26,482	99.78
OTHER REVENUE	77,500	95,948	-	18,448	6,469	13,518	123.80
TOTAL REVENUES	**4,171,457**	**4,180,923**	**-**	**9,466**	**47,270**	**39,999**	**100.23**
EXPENDITURE SUMMARY							
ORGANIZATIONAL EXPENSE							
DEBT SERVICE	3,687,873	3,897,925	-	(210,052)	844,910	-	105.70
MISCELLANEOUS	-	7,821	-	(7,821)	-	-	-
ORGANIZATIONAL EXPENSE	**3,687,873**	**3,905,747**	**-**	**(217,874)**	**844,910**	**-**	**105.91**
TOTAL EXPENDITURES	**3,687,873**	**3,905,747**	**-**	**(217,874)**	**-**	**-**	**105.91**
REVENUES OVER/(UNDER) EXPENDITURES	483,584	275,176	-	(208,408)	47,270	39,999	**56.90**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

40-BOND SERIES - 2025 FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		29,190	-	29,190	4,932	24,258	-
OTHER FINANCING SOURCES		8,279,908	-	8,279,908	8,279,908	-	-
TOTAL REVENUES	**-**	**8,309,098**	**-**	**8,309,098**	**8,284,840**	**24,258**	**-**
EXPENDITURE SUMMARY							
FIRE							
CAPITAL OUTLAY	197,403	-	-	197,403	-	-	-
FIRE	**197,403**	**-**	**-**	**197,403**	**-**	**-**	**-**
ADMINISTRATION							
PROF/TECH SRVS	-	58,726	-	(58,726)	58,726	-	-
COST OF ISSUANCE	-	221,182	-	(221,182)	221,182	-	-
ADMINISTRATION	**-**	**279,908**	**-**	**(279,908)**	**279,908**	**-**	**-**
SNITATION							
CAPITAL OUTLAY	77,667	-	-	77,667	-	-	-
SANITATION	**77,667**	**-**	**-**	**77,667**	**-**	**-**	**-**
TRANSFER OUT	-	77,667	-	(77,667)	-	77,667	-
TOTAL EXPENDITURES	**275,071**	**357,576**	**-**	**(82,505)**	**-**	**77,667**	**129.99**
REVENUES OVER/(UNDER) EXPENDITURES	**(275,071)**	**7,951,523**	**-**	**(8,226,593)**	**8,284,840**	**(53,409)**	**(2,890.72)**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

41-CAPITAL PROJECT - CITY HALL/PARK FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		-	-	-	-	-	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-	-
OTHER REVENUE		-	-	-	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURE SUMMARY							
CITY MANAGER							
CAPITAL OUTLAY		162,568	-	(162,568)	-	-	-
CITY MANAGER		**162,568**	-	**(162,568)**	-	-	-
PARK AND RECREATION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
STREETS, ALLEY, OTHER	-	-	-	-	-	-	-
ADMINISTRATION							
			-		-	-	
CAPITAL OUTLAY		-	-	-	-	-	-
STREETS, ALLEY, OTHER		-	-	-	-	-	-
TOTAL EXPENDITURES	-	**162,568**	-	**(162,568)**	-	-	-
REVENUES OVER/(UNDER) EXPENDITURES	-	**162,568**	-	**(162,568)**	-	-	-

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

42-2019 BOND SERIES FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		-	-	-	-	-	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-	-
OTHER REVENUE		-	-	-	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
SEWER PLANT							
PUR PROP SRVS & OTH SRVS	-	15,000	-	(15,000)	(1,575)	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
TOTAL EXPENDITURES		**15,000**	**-**	**(15,000)**	**-**	**-**	**-**
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**-**	**15,000**	**-**	**(15,000)**	**-**	**-**	**-**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

43-BOND SERIES 2019-A FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		-	-	-	-	-	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-	-
OTHER REVENUE		-	-	-	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
SEWER PLANT							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	(1,200)	-
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	(47,590)	-
MISCELLANEOUS	-	-	-	-	-	-	-
TOTAL EXPENDITURES		-	-	-	-	**(48,790)**	-
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	-	-	-	-	-	**48,790**	-

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

44-CIP-STREET-SERIES 2015 FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		10,816	-	10,816	907	866	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-	-
OTHER REVENUE		-	-	-	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	10,816	-	10,816	907	866	-
EXPENDITURE SUMMARY							
EXPENDITURES							
STREETS		25,560	-	(25,560)	-	-	-
DEBT		-	-	-	-	-	-
SANITATION		-	-	-	-	-	-
LIBRARY	-	25,560	-	(25,560)	-	-	-
LONG TERM DEBT							
TRANSFER OUT	-	-	-	-	-	-	-
LONG TERM DEBT		-	-	-	-	-	-
TOTAL EXPENDITURES		25,560	-	(25,560)	-	-	-
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	-	(14,744)	-	(14,744)	907	866	-

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

48- Certificate of Obligation -2017 FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		3,556	-	3,556	298	285	-
TOTAL REVENUES		**3,556**	**-**	**3,556**	**298**	**285**	**-**
EXPENDITURE SUMMARY							
NEW CITY HALL							
PROF/TECH SRVS	-	-	-	-	-	-	-
CAPITAL OUTLAY		-	-	-	-	-	-
NEW CITY HALL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES		**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**-**	**3,556**	**-**	**3,556**		**285**	**-**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

51 - TDEM FUND FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		58,515	-	58,515	2,774	2,646	-
OTHER REVENUE		-	-	-	-	-	-
TOTAL REVENUES		58,515	-	58,515	2,774	2,646	-
POLICE DEPARTMENT							
CAPITAL OUTLAY		92,505	-	(92,505)	-	-	-
POLICE DEPARTMENT	-	92,505	-	(92,505)	-	-	-
WATER PLANT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER PLANT	-	-	-	-	-	-	-
SEWER COLLECTION							
CAPITAL OUTLAY	76,112	-	-	76,112	-	(150,000)	-
SEWER COLLECTION	76,112	-	-	76,112	-	(150,000)	-
			-		-	-	
Transfer Out		-	-	-	-	-	-
TOTAL EXPENDITURES	76,112	92,505	-	(16,393)	-	(150,000)	121.54
REVENUES OVER/(UNDER) EXPENDITURES	(76,112)	(33,990)	-	42,122	-	152,646	44.66

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

53 - CAPITAL PROJECTS FIRESTATION FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		3	-	3	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES		**3**	**-**	**3**	**-**	**-**	**-**
EXPENDITURE SUMMARY							
FIRE							
CAPITAL OUTLAY		-	-	-	-	-	-
FIRE	**-**	**-**	**-**	**-**	**-**	**-**	**-**
STREETS & ALLEYS							
CAPITAL OUTLAY		383,784	-	(383,784)	-	-	-
STREETS & ALLEYS	**-**	**383,784**	**-**	**(383,784)**	**-**	**-**	**-**
PARKS & RECREATION							
CAPITAL OUTLAY		-	-	-	-	-	-
PARKS & RECREATION		**-**	**-**	**-**	**-**	**-**	**-**
SANITATION							
CAPITAL OUTLAY		-	-	-	-	-	-
SANITATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ADMINISTRATION							
PROF/TECH SRVS	-	-	-	-	-	-	-
COST OF ISSUANCE	-	-	-	-	-	-	-
ADMINISTRAION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**383,784**	**-**	**(383,784)**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**-**	**(383,781)**	**-**	**(383,781)**	**-**	**-**	**-**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

54-2014 BOND FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		12,517	-	12,517	1,050	1,003	-
TOTAL REVENUES		**12,517**	**-**	**12,517**	**1,050**	**1,003**	**-**
EXPENDITURE SUMMARY							
WATER DISTRIBUTION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER DISTRIBUTION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ORGANIZATIONAL							
DEBT SERVICE	-	-	-	-	-	-	-
ORGANIZATIONAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES		**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES		**12,517**	**-**	**12,517**	**-**	**1,003**	**-**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

58-CERT. OF OBLIG. SER 2023 FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		123,015	-	123,015	7,790	9,986	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES		**123,015**	**-**	**123,015**	**7,790**	**9,986**	**-**
EXPENDITURE SUMMARY							
PROF/TECH SRVS	-	-	-	-	-	-	-
COST OF ISSUANCE	-	-	-	-	-	-	-
CAPITAL OUTLAY		-	-	-	-	-	-
STREETS & ALLEYS							
CAPITAL OUTLAY	-	-	-	-	-	-	-
STREETS & ALLEYS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PARKS AND RECREATION							
CAPITAL OUTLAY	160,697	3,275,136	-	(3,114,439)	12,590	188,240	2,038.08
PARKS AND RECREATION	**160,697**	**3,275,136**	**-**	**(3,114,439)**	**12,590**	**188,240**	**2,038.08**
SANITATION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SANITATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
WATER PLANT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER PLANT	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SEWER COLLECTION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SEWER COLLECTION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**160,697**	**3,275,136**	**-**	**(3,114,439)**	**12,590**	**188,240**	**2,038.08**
REVENUES OVER/(UNDER) EXPENDITURES	**(160,697)**	**(3,152,121)**	**-**	**(2,991,424)**		**(178,254)**	**1,961.53**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

59-Cert. of Oblig. Ser. 2024 BOND FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		139,788	-	139,788	20,819	7,191	-
OTHER FINANCING SOURCES		14,809,758	-	14,809,758	-	-	-
TOTAL REVENUES		**14,949,546**	**-**	**14,949,546**	**20,819**	**7,191**	**-**
EXPENDITURE SUMMARY							
POLICE DEPARTMENT							
CAPITAL OUTLAY	11,250,000	670,509	-	10,579,491	-	1,946	5.96
POLICE DEPARTMENT	**11,250,000**	**670,509**	**-**	**10,579,491**	**-**	**1,946**	**5.96**
FIRE DEPARTMENT							
CAPITAL OUTLAY	1,659,000	759,063	-	899,937	-	-	45.75
FIRE DEPARTMENT	**1,659,000**	**759,063**	**-**	**899,937**	**-**	**-**	**45.75**
STREETS DEPARTMENT							
CAPITAL OUTLAY	1,591,000	95,171	573,563	922,267	336	-	42.03
STREETS DEPARTMENT	**1,591,000**	**95,171**	**573,563**	**922,267**	**336**	**-**	**42.03**
ADMINISTRATION							
PURCHASED PROF/TECH SRVS	-	82,729	-	(82,729)	-	-	-
DEBT SERVICE	-	227,029	-	(227,029)	-	-	-
ADMINISTRATION	**-**	**309,758**	**-**	**(309,758)**	**-**	**-**	**-**
TOTAL EXPENDITURES	**14,500,000**	**1,834,501**	**573,563**	**12,091,937**	**-**	**1,946**	**16.61**
			-			-	
REVENUES OVER/(UNDER) EXPENDITURES	**(14,500,000)**	**13,115,045**	**(573,563)**	**27,041,482**	**-**	**5,245**	**(86.49)**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

24 -SAN JUAN E. D. C. FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
SALES TAX REVENUE	1,742,502	1,854,738	-	112,236	173,001	300,940	106.44
OTHER REVENUE	70,000	457,720	-	387,720	215,493	11,248	653.89
OTHR FINANCING SOURCES/U	(107,627)	(106,700)	-	927	(8,836)	(8,836)	99.14
					-	-	
TOTAL REVENUES	**1,704,875**	**2,205,758**	**-**	**500,883**	**379,657**	**303,352**	**129.38**
EXPENDITURE SUMMARY							
SAN JUAN ECONOMIC DEV							
SALARIES & WAGES/BENEFIT	271,918	222,691	-	49,227	17,272	17,159	81.90
PURCHASED PROF/TECH SRVS	270,000	157,117	-	112,883	11,717	10,720	58.19
PUR PROP SRVS & OTH SRVS	124,036	70,098	-	53,938	2,993	7,394	56.51
SUPPLIES	19,500	6,262	-	13,238	272	2,134	32.11
DEBT SERVICE	284,375	213,175	-	71,200	30,350	-	74.96
MISCELLANEOUS	735,046	352,859	-	382,187	9,696	8,910	48.01
SAN JUAN ECONOMIC DEV	**1,704,875**	**1,022,202**	**-**	**682,673**	**72,300**	**46,316**	**59.96**
OTHER PROJECTS							
MISCELLANEOUS	-	-	-	-	-	-	-
RETAIL INCENTIVES		-		-	-	-	-
			-		-	-	
OTHER PROJECTS		-	-	-	-	-	-
TOTAL EXPENDITURES	**1,704,875**	**1,022,202**	**-**	**682,673**	**-**	**46,316**	**59.96**
REVENUES OVER/(UNDER) EXPENDITURES	**-**	**1,183,556**	**-**	**1,183,556**	**-**	**257,036**	**-**

City of San Juan, Texas
Budget Expenditures Report
September 30, 2025

29 -SAN JUAN ECONIMIC DEPNT. CORP FINANCIAL SUMMARY	BUDGET 2024-2025	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Aug-25	Sep-25	Budget Target 100% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		1,521	-	1,521	128	132	-
OTHR FINANCING SOURCES/U	107,627	97,863	-	(9,764)	8,836	-	90.93
					-	-	
TOTAL REVENUES	**107,627**	**99,384**	**-**	**(8,243)**	**8,965**	**132**	**92.34**
ORGANIZATIONAL EXPENSES							
DEBT SERVICE	106,038	106,038	-	1	-	-	100.00
ORGANIZATIONAL EXPENSES	**106,038**	**106,038**	**-**	**1**	**-**	**-**	**100.00**
TOTAL EXPENDITURES	**106,038**	**106,038**	**-**	**1**	**-**	**-**	**100.00**
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**1,589**	**(6,653)**	**-**	**(8,242)**	**8,965**	**132**	**(418.70)**

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Budget Expenditure Report — October 2025. [Maria L. Beltran, Director of Finance]

STAFF COMMENTS AND RECOMMENDATIONS:

Consider Approval of the Budget Expenditure Report for the Month of October 31, 2025

RECOMMENDATION:

Approve as Presented

PREPARED BY:
Maria Beltran,
Director of Finance

APPROVED BY:
Ruben Guajardo, City
Manager

Mayor: Mario Garza
Mayor Pro-Tem: Jesus "Jesse" Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco"Markie" Villegas

Memorandum

To: Ruben Guajardo, City Manager

From: Maria L. Beltran, Director of Finance

Date: December 9, 2025

Subject: Budget Expenditure Report – October 31, 2025

Attached you will find the above-mentioned report for the City of San Juan.

The funds are listed as follows:

Approved Budgets:	Fund No.	Page
• General Fund	10	1 – 4
• Enterprise Fund:		
a. Solid Waste	22	5
b. Utility Fund	56	6 – 7
c. Utility I & S	60	8
d. Water & Sewer I & S	61	9
• Special Revenue Fund:		
a. Local Truancy Prevention & Diversion Fund	18	10
b. Local Municipal Jury Fund	19	11
c. Municipal Court-Building Security	20	12
d. Municipal Court-Technology	21	13
e. Revolving Loan	23	14
f. Parks Sport Fee	25	15
g. Parks Development	26	16
h. Wrecker Law Enforcement	27	17
i. Asset Forfeiture-State	28	18
j. Miscellaneous Grants	30	19
k. Hotel/Motel Occupancy Tax	33	20
l. Asset Forfeiture-Federal Sharing	35	21
m. Storm Water Fund	55	22
• Debt Service Fund	36	23

512 S. Nebraska Ave. • San Juan, Texas 78589-2649
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Other City Funds:

- Capital Projects
  a. Bond Series 2025 40 24
  b. Bond Series 2019-A 43 25

Other City Funds –Continue

  c. CIP-Street-Series 2015 44 26
  d. Certificate of Obligation 2017 48 27
  e. TDEM Fund 51 28
  f. 2014 Bond 54 29
  g. Certificate of Obligation 2023 58 30
  h. Certificate of Obligation 2024 59 31

Component Unit:

- San Juan E.D.C. 24 32
- San Juan Economic Development Corp. 29 33

C: Mayor, Mario Garza
Mayor Pro-Tem,- Jesus "Jesse" Ramirez
Commissioners:- Mario Cantu
Gilbert Garza
Marco "Markie" Villegas

City of San Juan, Texas
Budget Expenditures Report
October 31, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
PROPERTY TAXES	9,516,262	92,847	-	(9,423,415)	92,847	-	0.98
SALES TAX REVENUE	5,746,168	4,078	-	(5,742,090)	4,078	-	0.07
FRANCHISE TAX	1,062,500	15,173	-	(1,047,327)	15,173	-	1.43
LICENSES & PERMITS	1,067,782	65,594	-	(1,002,188)	65,594	-	6.14
FEES & FINES	297,037	18,470	-	(278,567)	18,470	-	6.22
INTERGOVERNMENTAL REVENUE	745,151	(16,366)	-	(761,517)	(16,366)	-	(2.20)
OTHER REVENUE	1,180,741	78,268	-	(1,102,473)	78,268	-	6.63
Transfer Inn	-	-	-	-	-	-	-
TOTAL REVENUES	**19,615,641**	**258,064**	**-**	**(19,357,577)**	**258,064**	**-**	**1.32**
EXPENDITURE SUMMARY							
LEGISLATIVE							
PURCHASED PROF/TECH SRVS	50,000	-	-	50,000	-	-	-
PUR PROP SRVS & OTH SRVS	15,050	-	-	15,050	-	-	-
SUPPLIES	5,040	-	814	4,226	-	-	16.15
MISCELLANEOUS	175,876	3,010	2,787	170,079	3,010	-	3.30
LEGISLATIVE	**245,966**	**3,010**	**3,601**	**239,355**	**3,010**	**-**	**2.69**
CITY MANAGER							
SALARIES & WAGES/BENEFIT	369,272	17,990		351,282	17,990	-	4.87
PURCHASED PROF/TECH SRVS	37,000	15,500	7,000	14,500	15,500	-	60.81
PUR PROP SRVS & OTH SRVS	7,125	567	1,171	5,387	567	-	24.39
SUPPLIES	1,667	225	638	804	225	-	51.76
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	1,770	90	-	1,680	90	-	5.08
CITY MANAGER	**416,834**	**34,372**	**8,808**	**373,654**	**34,372**	**-**	**10.36**
CITY SECRETARY							
SALARIES & WAGES/BENEFIT	237,622	14,647	-	222,975	14,647	-	6.16
PURCHASED PROF/TECH SRVS	12,000	2,291	-	9,709	2,291	-	19.09
PUR PROP SRVS & OTH SRVS	10,485	317	1,743	8,426	317	-	19.64
SUPPLIES	3,706	321	272	3,113	321	-	16.00
MISCELLANEOUS	300	175	-	125	175	-	58.33
CITY SECRETARY	**264,113**	**17,751**	**2,014**	**244,349**	**17,751**	**-**	**7.48**
MUNICIPAL COURT							
SALARIES & WAGES/BENEFIT	312,349	17,412	-	294,937	17,412	-	5.57
PURCHASED PROF/TECH SRVS	95,807	2,533	90,483	2,791	2,533	-	97.09
PUR PROP SRVS & OTH SRVS	9,844	55	169	9,620	55	-	2.27
SUPPLIES	11,233	194	1,550	9,489	194	-	15.52
MISCELLANEOUS	2,085	-	-	2,085	-	-	-
MUNICIPAL COURT	**431,318**	**20,193**	**92,202**	**318,922**	**20,193**	**-**	**26.06**

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10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
FINANCE							
SALARIES & WAGES/BENEFIT	543,723	25,428	-	518,295	25,428	-	4.68
PURCHASED PROF/TECH SRVS	2,500	-	-	2,500	-	-	-
PUR PROP SRVS & OTH SRVS	14,658	262	284	14,113	262	-	3.72
SUPPLIES	5,543	54	427	5,062	54	-	8.68
MISCELLANEOUS	5,718	205	1,930	3,584	205	-	37.32
FINANCE	**572,142**	**25,948**	**2,640**	**543,554**	**25,948**	**-**	**5.00**
PLANNING							
SALARIES & WAGES/BENEFIT	740,080	36,327	-	703,753	36,327	-	4.91
PURCHASED PROF/TECH SRVS	64,510	822	878	62,810	822	-	2.64
PUR PROP SRVS & OTH SRVS	21,229	595	2,949	17,685	595	-	16.69
SUPPLIES	31,998	1,671	14,777	15,549	1,671	-	51.40
MISCELLANEOUS	12,200	-	6,474	5,726	-	-	53.07
PLANNING	**870,017**	**39,414**	**25,078**	**805,524**	**39,414**	**-**	**7.41**
POLICE							
SALARIES & WAGES/BENEFIT	4,941,333	303,416	-	4,637,917	303,416	-	6.14
PURCHASED PROF/TECH SRVS	19,581	2,754	1,396	15,431	2,754	-	21.19
PUR PROP SRVS & OTH SRVS	161,706	15,035	12,391	134,280	15,035	-	16.96
SUPPLIES	438,385	17,271	102,986	318,127	17,271	-	27.43
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	109,730	101,190	7,866	675	101,190	-	99.39
POLICE	**5,670,734**	**439,665**	**124,639**	**5,106,431**	**439,665**	**-**	**9.95**
FIRE							
SALARIES & WAGES/BENEFIT	2,601,069	161,254	-	2,439,815	161,254	-	6.20
PURCHASED PROF/TECH SRVS	31,440	-	1,271	30,169	-	-	4.04
PUR PROP SRVS & OTH SRVS	121,761	3,291	21,815	96,654	3,291	-	20.62
SUPPLIES	187,322	13,398	22,378	151,546	13,398	-	19.10
CAPITAL OUTLAY	90,145	-	48,145	42,000	-	-	53.41
DEBT SERVICE	178,971	-	-	178,971	-	-	-
MISCELLANEOUS	326,950	37,684	-	289,266	37,684	-	11.53
FIRE	**3,537,658**	**215,627**	**93,610**	**3,228,422**	**215,627**	**-**	**8.74**
STREETS, ALLEY, OTHER							
SALARIES & WAGES/BENEFIT	515,970	27,225	-	488,745	27,225	-	5.28
PUR PROP SRVS & OTH SRVS	439,146	3,489	3,811	431,847	3,489	-	1.66
SUPPLIES	148,093	9,031	27,751	111,311	9,031	-	24.84
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	6,200	33	200	5,967	33	-	3.76
STREETS, ALLEY, OTHER	**1,109,409**	**39,778**	**31,761**	**1,037,870**	**39,778**	**-**	**6.45**

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10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
CENTRAL GARAGE							
SALARIES & WAGES/BENEFIT	220,568	10,851	-	209,717	10,851	-	4.92
PUR PROP SRVS & OTH SRVS	4,046	141	152	3,754	141	-	7.23
SUPPLIES	15,992	748	4,367	10,878	748	-	31.98
CENTRAL GARAGE	**240,606**	**11,740**	**4,518**	**224,348**	**11,740**	**-**	**6.76**
PARKS							
SALARIES & WAGES/BENEFIT	1,392,999	83,039	-	1,309,960	83,039	-	5.96
PURCHASED PROF/TECH SRVS	4,700	4,082	-	618	4,082	-	86.85
PUR PROP SRVS & OTH SRVS	200,385	10,677	3,505	186,203	10,677	-	7.08
SUPPLIES	94,973	8,189	16,254	70,530	8,189	-	25.74
DEBT SERVICE	54,043	-	-	54,043	-	-	-
MISCELLANEOUS	288,680	32,388	19,310	236,982	32,388	-	17.91
PARKS	**2,035,780**	**138,376**	**39,069**	**1,858,335**	**138,376**	**-**	**8.72**
BUILDING MAINTENANCE							
SALARIES & WAGES/BENEFIT	474,403	25,462	-	448,941	25,462	-	5.37
PURCHASED PROF/TECH SRVS	1,000	-	-	1,000	-	-	-
PUR PROP SRVS & OTH SRVS	98,864	(44,449)	31,513	111,800	(44,449)	-	(13.08)
SUPPLIES	82,269	5,454	35,483	41,332	5,454	-	49.76
CAPITAL OUTLAY	-	-		-	-	-	-
BUILDING MAINTENANCE	**656,536**	**(13,532)**	**66,996**	**603,072**	**(13,532)**	**-**	**8.14**
LIBRARY							
SALARIES & WAGES/BENEFIT	339,195	21,196	-	317,999	21,196	-	6.25
PURCHASED PROF/TECH SRVS	2,300	35	-	2,265	35	-	1.50
PUR PROP SRVS & OTH SRVS	30,662	1,166	579	28,917	1,166	-	5.69
SUPPLIES	16,248	49	204	15,995	49	-	1.56
MISCELLANEOUS	9,400	1,517	570	7,313	1,517	-	22.20
LIBRARY	**397,805**	**23,962**	**1,353**	**372,490**	**23,962**	**-**	**6.36**
ADMINISTRATION							
PURCHASED PROF/TECH SRVS	543,734	1,823	-	541,911	1,823	-	0.34
PUR PROP SRVS & OTH SRVS	421,223	30,840	-	390,383	30,840	-	7.32
SUPPLIES	3,548	126	1,420	2,002	126	-	43.57
DEBT SERVICE	129,700	-	-	129,700	-	-	-
MISCELLANEOUS	445,846	-	-	445,846	-	-	-
ADMINISTRATION	**1,544,051**	**32,788**	**1,420**	**1,509,843**	**32,788**	**-**	**2.22**

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10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
HUMAN RESOURCES							
SALARIES & WAGES/BENEFIT	342,531	14,696	-	327,836	14,696	-	4.29
PURCHASED PROF/TECH SRVS	9,500	-	3,000	6,500	-	-	31.58
PUR PROP SRVS & OTH SRVS	22,352	-	718	21,635	-	-	3.21
SUPPLIES	11,004	182	719	10,104	182	-	8.18
MISCELLANEOUS	2,220	-	-	2,220	-	-	-
HUMAN RESOURCES	**387,607**	**14,877**	**4,436**	**368,294**	**14,877**	**-**	**4.98**
INFORMATION TECHNOLOGY							
SALARIES & WAGES/BENEFIT	619,510	41,291	-	578,219	41,291	-	6.67
PURCHASED PROF/TECH SRVS	54,580	-	678	53,902	-	-	1.24
PUR PROP SRVS & OTH SRVS	194,142	5,385	5,464	183,293	5,385	-	5.59
SUPPLIES	26,315	262	4,573	21,480	262	-	18.37
CAPITAL OUTLAY	50,000	-		50,000	-	-	-
MISCELLANEOUS	172,277	30,594	40,580	101,103	30,594	-	41.31
INFORMATION TECHNOLOGY	**1,116,824**	**77,531**	**51,296**	**987,998**	**77,531**	**-**	**11.54**
EMERGENCY MANAGEMENT							
PURCHASED PROF/TECH SRVS	3,000	-	-	3,000	-	-	-
SUPPLIES	8,500	-	67	8,433	-	-	0.79
CAPITAL OUTLAY	48,000	-	-	48,000	-	-	-
MISCELLANEOUS	6,000	-	-	6,000	-	-	-
EMERGENCY MANAGEMENT	**65,500**	**-**	**67**	**65,433**	**-**	**-**	**0.10**
ANIMAL CONTROL							
SALAREIES & WAGES/BENEFIT	104,083	6,724	-	97,359	6,724	-	6.46
PUR PROP SRVS & OTH SRVS	4,950	190	-	4,760	190	-	3.83
SUPPLIES	25,579	801	11,856	12,922	801	-	49.48
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	101,666	384	101,110	172	384	-	99.83
ANIMAL CONTROL	**236,278**	**8,099**	**112,966**	**115,213**	**8,099**	**-**	**51.24**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**19,799,179**	**1,129,598**	**666,477**	**18,003,104**	**1,129,598**	**-**	**9.07**
REVENUES OVER/(UNDER) EXPENDITURES	**(183,538)**	**(871,534)**	**(666,477)**	**(1,354,473)**	**(871,534)**	**-**	**837.98**

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22 -SOLID WASTE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
REFUSE COLLECTION SYSTEM	4,323,200	284,792	-	(4,038,408)	284,792	-	6.59
OTHER REVENUE	151,700	5,660	-	(146,040)	5,660	-	3.73
OTHER FINANCING SOURCES	-	-	-	-	-	-	-
TOTAL REVENUES	**4,474,900**	**290,452**	**-**	**(4,184,448)**	**290,452**	**-**	**6.49**
EXPENDITURE SUMMARY							
SANITATION							
SALARIES & WAGES/BENEFIT	2,042,330	(1,194)	-	2,043,524	(1,194)	-	(0.06)
PUR PROF/TECH SRVS	-	104	-	(104)	104	-	-
PUR PROP SRVS & OTH SRVS	389,044	38,738	22,371	327,934	38,738	-	15.71
SUPPLIES	469,647	33,752	49,159	386,737	33,752	-	17.65
CAPITAL OUTLAY	64,775	10,400	14,775	39,600	10,400	-	38.87
MISCELLANEOUS	573,115	481	414	572,220	481	-	0.16
SANITATION	**3,538,911**	**82,281**	**86,719**	**3,369,911**	**82,280.94**	**-**	**4.78**
ORGANIZATIONAL							
PURCHASED PROF/TECH SRVS	88,125	775	-	87,350	775	-	0.88
PUR PROP SRVS & OTH SRVS	138,931	11,570	-	127,361	11,570	-	8.33
DEBT SERVICE	515,318	-	-	515,318	-	-	-
MISCELLANEOUS	215,630	17,619	-	198,011	17,619	-	8.17
ORGANIZATIONAL	**958,004**	**29,964**	**-**	**928,040**	**29,964**	**-**	**3.13**
TRANSFER OUT		-	-	-	-	-	-
TOTAL EXPENDITURES	**4,496,915**	**112,245**	**86,719**	**4,297,951**	**112,245**	**-**	**4.42**
REVENUES OVER/(UNDER) EXPENDITURES	**(22,015)**	**178,207**	**(86,719)**	**113,503**	**178,207**	**-**	**(415.57)**

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56 -UTILITY FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
WATER SYSTEMS	3,905,645	251,782	-	(3,653,863)	251,782	-	6.45
SEWER SYSTEMS	3,369,092	190,649	-	(3,178,443)	190,649	-	5.66
OTHER REVENUES	-	-	-	-	-	-	-
INTERGOV'T REVENUE		-	-	-	-	-	-
OTHER REVENUES	431,820	3,338	-	(428,482)	3,338	-	0.77
OTHER	(1,659,187)	(296,740)	-	1,362,447	(296,740)	-	17.88
TOTAL REVENUES	**6,047,370**	**149,029**	**-**	**(5,898,341)**	**149,029**	**-**	**2.46**
EXPENDITURE SUMMARY							
UTILITY BILLING & COLLEC							
SALARIES & WAGES/BENEFIT	429,261	(1,833)	-	431,094	(1,833)	-	(0.43)
PURCHASED PROF/TECH SRVS	40,992	-	-	40,992	-	-	-
PUR PROP SRVS & OTH SRVS	125,493	181	643	124,669	181	-	0.66
SUPPLIES	40,396	2,155	7,876	30,365	2,155	-	24.83
MISCELLANEOUS	70,871	12,204	1,430	57,237	12,204	-	19.24
UTILITY BILLING & COLLEC	**707,013**	**12,707**	**9,949**	**684,357**	**12,707**	**-**	**3.20**
UTILITY ADMINISTRATION							
SALARIES & WAGES/BENEFIT	311,616	10,815	-	300,801	10,815	-	3.47
PURCHASED PROF/TECH SRVS	135,780	-	11,250	124,530	-	-	8.29
PUR PROP SRVS & OTH SRVS	24,746	5,551	1,500	17,695	5,551	-	28.49
SUPPLIES	22,681	1,053	448	21,180	1,053	-	6.62
MISCELLANEOUS	7,380	-	-	7,380	-	-	-
UTILITY ADMINISTRATION	**502,203**	**17,420**	**13,198**	**471,586**	**17,420**	**-**	**6.10**
WATER PLANT							
SALARIES & WAGES/BENEFIT	630,098	1,754	-	628,344	1,754	-	0.28
PURCHASED PROF/TECH SRVS	32,792	-	1,206	31,586	-	-	3.68
PUR PROP SRVS & OTH SRVS	294,778	694	40,462	253,622	694	-	13.96
SUPPLIES	429,311	807	63,841	364,662	807	-	15.06
CAPITAL OUTLAY	119,000	-	-	119,000	-	-	-
MISCELLANEOUS	48,380	382	-	47,998	382	-	0.79
WATER PLANT	**1,554,359**	**3,636**	**105,510**	**1,445,213**	**3,636**	**-**	**7.02**
WATER DISTRIBUTION							
SALARIES & WAGES/BENEFIT	385,578	(3,246)	-	388,824	(3,246)	-	(0.84)
PUR PROP SRVS & OTH SRVS	23,779	130	1,731	21,918	130	-	7.83
SUPPLIES	121,664	1,456	10,888	109,320	1,456	-	10.15
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	1,830	-	-	1,830	-	-	-
WATER DISTRIBUTION	**532,851**	**(1,659)**	**12,619**	**521,891**	**(1,659)**	**-**	**2.06**
SEWER COLLECTION							
SALARIES & WAGES/BENEFIT	450,346	6,869	-	443,477	6,869	-	1.53
PUR PROP SRVS & OTH SRVS	353,191	2,488	94,847	255,856	2,488	-	27.56
SUPPLIES	125,334	1,525	8,421	115,388	1,525	-	7.94
CAPITAL OUTLAY	228,000	-	-	228,000	-	-	-
MISCELLANEOUS	840	-	-	840	-	-	-
SEWER COLLECTION	**1,157,711**	**10,882**	**103,268**	**1,043,561**	**10,882**	**-**	**9.86**

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56 -UTILITY FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
SEWER PLANT							
SALARIES & WAGES/BENEFIT	340,339	3,604	-	336,735	3,604	-	1.06
PURCHASED PROF/TECH SRVS	50,000	-	1,926	48,074	-	-	3.85
PUR PROP SRVS & OTH SRVS	359,154	504	5,031	353,619	504	-	1.54
SUPPLIES	152,167	356	15,401	136,411	356	-	10.35
MISCELLANEOUS	120,840	25,825	-	95,015	25,825	-	21.37
SEWER PLANT	**1,022,500**	**30,288**	**22,358**	**969,854**	**30,288**	**-**	**5.15**
ORGANIZATIONAL							
PURCHASED PROF/TECH SRVS	81,786	717	-	81,069	717	-	0.88
PUR PROP SRVS & OTH SRVS	213,711	17,831	-	195,880	17,831	-	8.34
DEBT SERVICE	1,000	-	-	1,000	-	-	-
MISCELLANEOUS	413,820	(33,985)	-	447,805	-	-	(8.21)
ORGANIZATIONAL	**710,317**	**(15,437)**	**-**	**725,754**	**18,548**	**-**	**(2.17)**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**6,186,954**	**57,837**	**266,902**	**5,862,215**	**91,822**	**-**	**5.25**
REVENUES OVER/(UNDER) EXPENDITURES	**(139,584)**	**91,192**	**(266,902)**	**(11,760,556)**	**(91,822)**	**-**	**125.88**

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60 -UTILITY I&S FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	-	12,329		12,329	12,329	-	-
OTHER FINANCING SOURCES	1,597,811	291,625	-	(1,306,186)	291,625	-	18.25
TOTAL REVENUES	**1,597,811**	**303,955**	**-**	**(1,293,856)**	**303,955**	**-**	**19.02**
EXPENDITURE SUMMARY							
DEBT SERVICE							
DEBT SERVICE	1,600,687	-	-	1,600,687	-	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
DEBT SERVICE	**1,600,687**	**-**	**-**	**1,600,687**	**-**	**-**	**-**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,600,687**	**-**	**-**	**1,600,687**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**(2,876)**	**303,955**	**-**	**306,831**	**303,955**	**-**	**(10,568.66)**

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61 - Water & Sewer I & S FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		2,512	-	2,512	2,512	-	-
OTHER FINANCING SOURCES	61,376	5,115	-	(56,261)	5,115	-	8.33
TOTAL REVENUES	**61,376**	**7,627**	**-**	**(56,261)**	**7,627**	**-**	**12.43**
EXPENDITURE SUMMARY							
DEBT SERVICE							
DEBT SERVICE	-	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
DEBT SERVICE	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**61,376**	**7,627**	**-**	**(53,749)**	**7,627**	**-**	**12.43**

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18 -LOCAL TRUANCY PREVENTION & DIVERSION FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES		480	-	480	480	-	-
TOTAL REVENUES		480	-	480	480	-	-

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19 - LOCAL MUNICIPAL JURY FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES		90	-	90	90	-	-
TOTAL REVENUES		90	-	90	90	-	-

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20 -MUNICIPAL COURT-BLDG SEC. FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	6,000	506	-	(5,494)	506	-	8.44
TOTAL REVENUES	6,000	506	-	(5,494)	506	-	8.44
SUPPLIES	-	-		-	-	-	-
MISCELLANEOUS	180	192	180	(192)	-	-	206.67
MUNICIPAL COURT	180	192.00	180	(192)	-	-	206.67
TOTAL EXPENDITURES	180	192.00	180	(192)	-	-	206.67
REVENUES OVER/(UNDER) EXPENDITURES	5,820	314	(180)	(5,686)	506	-	2.31

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21 -MUNICIPAL COURT-TECH. FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	5,500	404	-	(5,096)	404	-	7.35
TOTAL REVENUES	**5,500**	**404**	**-**	**(5,096)**	**404**	**-**	**7.35**
EXPENDITURE SUMMARY							
MUNICIPAL COURT							
SUPPLIES		-		-	-	-	-
CAPITAL OUTLAY	2,500	-	2,500	-	-	-	-
MUNICIPAL COURT	2,500	-	2,500	-	-	-	-
TOTAL EXPENDITURES	**2,500**	**-**	**2,500**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**3,000**	**404**	**(2,500)**	**(5,096)**	**404**	**-**	**(69.87)**

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23 -REVOLVING LOAN FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		3	-	3	3	-	-
TOTAL REVENUES		3	-	3	3	-	-
EXPENDITURE SUMMARY							
ADMINSTRATION							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
ADMINSTRATION	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
REVENUES OVER/(UNDER) EXPENDITURES		3	-	3	3	-	-

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25 -PARKS SPORT FEE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES	2,500	310	-	(2,190)	310	-	12.38
TOTAL REVENUES	**2,500**	**310**	**-**	**(2,190)**	**310**	**-**	**12.38**
EXPENDITURE SUMMARY							
RECREATION							
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
ADMINSTRATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**2,500**	**310**	**-**	**(2,190)**	**310**	**-**	**12.38**

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26 -PARK DEVELOPMENT FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOVERMENTAL REVENUE		-	-	-	-	-	-
OTHER INCOME	295,000	6,140	-	(288,860)	6,140	-	2.08
TOTAL REVENUES	**295,000**	**6,140**	**-**	**(288,860)**	**6,140**	**-**	**2.08**
EXPENDITURE SUMMARY							
PARKS							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-	-
CAPITAL OUTLAY	778,595	2,100	127,395	649,100	2,100	-	16.63
PARKS	**778,595**	**2,100**	**127,395**	**649,100**	**2,100**	**-**	**16.63**
TOTAL EXPENDITURES	778,595	2,100	127,395	649,100	2,100	-	-
REVENUES OVER/(UNDER) EXPENDITURES	**(483,595)**	**4,040**	**(127,395)**	**360,240**	**4,040**	**-**	**25.51**

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27 -WRECKER LAW ENFORCEMENT FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	14,000	1,370	-	(12,630)	1,370	-	9.79
TOTAL REVENUES	**14,000**	**1,370**	**-**	**(12,630)**	**1,370**	**-**	**9.79**
EXPENDITURE SUMMARY							
POLICE							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	650	-	-	650	-	-	-
SUPPLIES	6,540	3,620	531	2,389	-	-	63.46
MISCELLANEOUS	25,964	2,024	-	23,940	-	-	-
ADMINSTRATION	**33,154**	**5,644**	**531**	**26,979**	**-**	**-**	**18.62**
TOTAL EXPENDITURES	**33,154**	**5,644**	**531**	**26,979**	**-**	**-**	**18.62**
REVENUES OVER/(UNDER) EXPENDITURES	**(19,154)**	**(4,274)**	**(531)**	**14,349**	**-**	**-**	**25.08**

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28 -ASSET FORFEITURE-STATE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	1,000	-	-	(1,000)	-	-	-
FORFEIT LOCAL		-	-	-	-	-	-
TOTAL REVENUES	**1,000**	**-**	**-**	**(1,000)**	**-**	**-**	**-**
EXPENDITURE SUMMARY							
POLICE							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	7,000	-	-	7,000	-	-	-
SUPPLIES	8,000	-	-	8,000	-	-	-
CAPITAL OUTLAY	5,000	-	-	5,000	-	-	-
POLICE	**20,000**	**-**	**-**	**20,000**	**-**	**-**	**-**
TOTAL EXPENDITURES	**20,000**	**-**	**-**	**20,000**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**(19,000)**	**-**	**-**	**19,000**	**-**	**-**	**-**

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30 -MISCELLANEOUS GRANTS FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE	419,533	713	-	(418,820)	-	-	0.17
OTHER REVENUE		-	-	-	-	-	-
TOTAL REVENUES	**419,533**	**713**	**-**	**(418,820)**	**-**	**-**	**0.17**
EXPENDITURE SUMMARY							
POLICE							
SALARIES & WAGES/BENEFIT	222,707	9,654	-	213,053	-	-	4.33
SUPPLIES	17,103	-	-	17,103	-	-	-
CAPITAL OUTLAY	291,465	-	241,626	49,839	-	-	82.90
POLICE	**531,275**	**9,654**	**241,626**	**279,995**	**-**	**-**	**47.30**
FIRE							
CAPITAL OUTLAY	-	-	79,092	(79,092)	-	-	-
FIRE	**-**	**-**	**79,092**	**(79,092)**	**-**	**-**	**-**
LIBRARY							
PUR PROP SRVS & OTH SRVS	8,400	-	-	8,400	-	-	-
SUPPLIES	1,150	-	-	1,150	-	-	-
MISCELLANEOUS	3,588	384	66	3,138	384	-	12.56
LIBRARY	**13,138**	**384**	**66**	**12,688**	**384**	**-**	**3.43**
TOTAL EXPENDITURES	**544,413.67**	**10,038**	**320,785**	**292,683**	**384**	**-**	**60.77**
:VENUES OVER/(UNDER) EXPENDITUR	**(124,881)**	**(9,325)**	**(320,785)**	**(205,230)**	**(384)**	**-**	**264.34**

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33 -HOTEL/MOTEL OCCUPANCY TAX FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
TAX REVENUE	110,300	-	-	(110,300)	-	-	-
FINES & FEES	300	-	-	(300)	-	-	-
OTHER REVENUE		-	-	-	-	-	-
TOTAL REVENUES	**110,600**	**-**	**-**	**(110,600)**	**-**	**-**	**-**
EXPENDITURE SUMMARY							
CITY EVENTS							
MISCELLANEOUS	130,000	210,000	1,199	(81,199)	210,000	-	162.46
CITY EVENTS							
TOTAL EXPENDITURES	**130,000**	**210,000**	**1,199**	**(81,199)**	**210,000**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**(19,400)**	**(210,000)**	**(1,199)**	**(191,799)**	**(210,000)**	**-**	**1,088.65**

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35 -ASSET FORFEITURE-FEDERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	17,000	1,848	-	(15,152)	1,848	-	10.87
FORFEIT FEDERAL	50,000	-	-	(50,000)	-	-	-
TOTAL REVENUES	**67,000**	**1,848**	**-**	**(65,152)**	**1,848**	**-**	**2.76**
EXPENDITURE SUMMARY							
POLICE							
PUR PROP SRVS & OTH SRVS	48,343	3,797	-	44,546	3,797	-	7.85
SUPPLIES	82,076	871	795	80,410	871	-	2.03
CAPITAL OUTLAY	190,000	50,000	-	140,000	50,000	-	26.32
MISCELLANEOUS	-	5	-	(5)	5	-	-
POLICE	**320,419**	**54,673**	**795**	**264,951**	**54,673**	**-**	**17.31**
TOTAL EXPENDITURES	**320,419**	**54,673**	**795**	**264,951**	**54,673**	**-**	**17.31**
REVENUES OVER/(UNDER) EXPENDITURES	**(253,418.87)**	**(52,826)**	**(795)**	**199,798**	**(52,826)**	**-**	**21.16**

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55 -STORM WATER FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES	343,798	20,862	-	(322,936)	20,862	-	6.07
TOTAL REVENUES	**343,798**	**20,862**	**-**	**(322,936)**	**20,862**	**-**	**6.07**
EXPENDITURE SUMMARY							
SALARIES & WAGES/BENEFIT	302,060	6,090	-	295,970	6,090	-	2.02
PUR PROP SRVS & OTH SRVS	9,455	2,484	-	6,971	2,484	-	26.28
SUPPLIES	20,987	2,307	11,878	6,802	2,307	-	67.59
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	13,191	75	-	13,116	75	-	0.57
STORM WATER	345,693	10,957	11,878	322,859	10,957	-	6.61
TOTAL EXPENDITURES	**345,693**	**10,957**	**11,878**	**322,859**	**10,957**	**-**	**6.61**
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**(1,895)**	**9,905**	**(11,878)**	**(77)**	**9,905**	**-**	**104.08**

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36 -DEBT SERVICE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
PROPERTY TAXES	4,863,328	44,325	-	(4,819,003)	44,325	-	0.91
OTHER REVENUE	80,000	6,257	-	(73,743)	6,257	-	7.82
TOTAL REVENUES	**4,943,328**	**50,583**	**-**	**(4,892,745)**	**50,583**	**-**	**1.02**
EXPENDITURE SUMMARY							
ORGANIZATIONAL EXPENSE							
DEBT SERVICE	4,312,157	750	-	4,311,407	750	-	0.02
MISCELLANEOUS	-	-	-	-	-	-	-
ORGANIZATIONAL EXPENSE	**4,312,157**	**750**	**-**	**4,311,407**	**750**	**-**	**0.02**
TOTAL EXPENDITURES	**4,312,157**	**750**	**-**	**4,311,407**	**-**	**-**	**0.02**
REVENUES OVER/(UNDER) EXPENDITURES	631,171	49,833	-	(581,338)	50,583	-	**7.90**

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40-BOND SERIES - 2025 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		-	-	-	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURE SUMMARY							
FIRE							
CAPITAL OUTLAY	197,403	-	-	197,403	-	-	-
FIRE	**197,403**	-	-	**197,403**	-	-	-
ADMINISTRATION							
PROF/TECH SRVS	-	-	-	-	-	-	-
COST OF ISSUANCE	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-
SNITATION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SANITATION	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**197,403**	-	-	**197,403**	-	-	-
REVENUES OVER/(UNDER) EXPENDITURES	**(197,403)**	-	-	**(197,403)**	-	-	-

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43-BOND SERIES 2019-A FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25
REVENUE SUMMARY						
INTERGOV'T REVENUE		-	-	-	-	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-
OTHER REVENUE		-	-	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
SEWER PLANT						
PURCHASED PROF/TECH SRVS	27,420	-	-	27,420	-	-
PUR PROP SRVS & OTH SRVS	75,639	-	-	75,639	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL EXPENDITURES	**103,059**	-	-	**103,059**	-	-
					-	-
REVENUES OVER/(UNDER) EXPENDITURES	**(103,059)**	-	-	**103,059**	-	-

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44-CIP-STREET-SERIES 2015 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		-	-	-	-	-	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-	-
OTHER REVENUE		877	-	877	877	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	877	-	877	877	-	-
EXPENDITURE SUMMARY							
EXPENDITURES							
STREETS							
CAPITAL OUTLAY	2,840	-	2,840	-	-	-	100.00
STREETS	2,840	-	2,840	-	-	-	100.00
LONG TERM DEBT							
TRANSFER OUT	-	-	-	-	-	-	-
LONG TERM DEBT		-	-	-	-	-	-
TOTAL EXPENDITURES	2,840	-	2,840	-	-	-	100.00
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	(2,840)	877	(2,840)	877	877	-	69.11

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48- Certificate of Obligation -2017 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		288	-	288	288	-	-
TOTAL REVENUES		**288**	-	**288**	**288**	-	-
EXPENDITURE SUMMARY							
NEW CITY HALL							
PROF/TECH SRVS	-	-	-	-	-	-	-
CAPITAL OUTLAY		-	-	-	-	-	-
NEW CITY HALL	-	-	-	-	-	-	-
TOTAL EXPENDITURES		-	-	-	-	-	-
REVENUES OVER/(UNDER) EXPENDITURES	-	**288**	-	**288**	**288**	-	-

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51 - TDEM FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 8% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		-	-	-	-	-	-
OTHER REVENUE		2,671	-	2,671	2,671	-	-
TOTAL REVENUES		2,671	-	2,671	2,671	-	-
POLICE DEPARTMENT							
CAPITAL OUTLAY		-	-	-	-	-	-
POLICE DEPARTMENT	-	-	-	-	-	-	-
WATER PLANT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER PLANT	-	-	-	-	-	-	-
SEWER COLLECTION							
CAPITAL OUTLAY	162,831	-	162,830	0	-	-	100.00
SEWER COLLECTION	162,831	-	162,830	0	-	-	100.00
			-		-	-	
Transfer Out		-	-	-	-	-	-
TOTAL EXPENDITURES	162,831	-	162,830	0	-	-	100.00
REVENUES OVER/(UNDER) EXPENDITURES	(162,831)	2,671	(162,830)	2,671	2,671	-	98.36

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54-2014 BOND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target #REF! % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		1,016	-	1,016	1,016	-	-
TOTAL REVENUES		**1,016**	**-**	**1,016**	**1,016**	**-**	**-**
EXPENDITURE SUMMARY							
WATER DISTRIBUTION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER DISTRIBUTION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ORGANIZATIONAL							
DEBT SERVICE	-	-	-	-	-	-	-
ORGANIZATIONAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES		**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES		**1,016**	**-**	**1,016**	**1,016**	**-**	**-**

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58-CERT. OF OBLIG. SER 2023 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target #REF! % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		10,050	-	10,050	10,050	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES		**10,050**	**-**	**10,050**	**10,050**	**-**	**-**
EXPENDITURE SUMMARY							
PROF/TECH SRVS	-	-	-	-	-	-	-
COST OF ISSUANCE	-	-	-	-	-	-	-
CAPITAL OUTLAY		-	-	-	-	-	-
STREETS & ALLEYS							
CAPITAL OUTLAY	-	-	-	-	-	-	-
STREETS & ALLEYS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PARKS AND RECREATION							
CAPITAL OUTLAY	487,455	-	487,455	-	-	-	100.00
PARKS AND RECREATION	**487,455**	**-**	**487,455**	**-**	**-**	**-**	**100.00**
SANITATION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SANITATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
WATER PLANT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER PLANT	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SEWER COLLECTION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SEWER COLLECTION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**487,455**	**-**	**487,455**	**-**	**-**	**-**	**100.00**
REVENUES OVER/(UNDER) EXPENDITURES	**(487,455)**	**10,050**	**(487,455)**	**10,050**	**10,050**	**-**	**97.94**

City of San Juan, Texas
Budget Expenditures Report
October 31, 2025

59-Cert. of Oblig. Ser. 2024 BOND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target #REF! % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		19,767	-	19,767	19,767	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES		**19,767**	**-**	**19,767**	**19,767**	**-**	**-**
EXPENDITURE SUMMARY							
POLICE DEPARTMENT							
CAPITAL OUTLAY	168,065	-	168,065	-	-	-	100.00
POLICE DEPARTMENT	**168,065**	**-**	**168,065**	**-**	**-**	**-**	**100.00**
FIRE DEPARTMENT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
FIRE DEPARTMENT	**-**	**-**	**-**	**-**	**-**	**-**	**-**
STREETS DEPARTMENT							
CAPITAL OUTLAY	922,267	581,063	(559,369)	900,573	581,063	-	2.35
STREETS DEPARTMENT	**922,267**	**581,063**	**(559,369)**	**900,573**	**581,063**	**-**	**2.35**
ADMINISTRATION							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
DEBT SERVICE	-	-	-	-	-	-	-
ADMINISTRATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**1,090,332**	**581,063**	**(391,304)**	**900,573**	**581,063**	**-**	**17.40**
			-			-	
REVENUES OVER/(UNDER) EXPENDITURES	**(1,090,332)**	**(561,296)**	**391,304**	**920,340**	**(561,296)**	**-**	**15.59**

City of San Juan, Texas
Budget Expenditures Report
October 31, 2025

24 -SAN JUAN E. D. C. FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target #REF! % RECEIV. EXPENDED
REVENUE SUMMARY							
SALES TAX REVENUE	1,865,517	1,359	-	(1,864,158)	1,359	-	0.07
OTHER REVENUE	107,766	11,892	-	(95,874)	11,892	-	11.04
OTHR FINANCING SOURCES/U	(92,734)	(8,836)	-	83,898	(8,836)	-	9.53
					-	-	
TOTAL REVENUES	**1,880,549**	**4,415**	**-**	**(1,876,134)**	**4,415**	**-**	**0.23**
EXPENDITURE SUMMARY							
SAN JUAN ECONOMIC DEV							
SALARIES & WAGES/BENEFIT	295,435	30,390	-	265,045	30,390	-	10.29
PURCHASED PROF/TECH SRVS	293,765	4,206	-	289,559	4,206	-	1.43
PUR PROP SRVS & OTH SRVS	92,009	1,888	-	90,121	1,888	-	2.05
SUPPLIES	20,150	(354)	-	20,504	(354)	-	(1.76)
DEBT SERVICE	255,658	-	-	255,658	-	-	-
MISCELLANEOUS	923,442	8,373	-	915,069	8,373	-	0.91
SAN JUAN ECONOMIC DEV	**1,880,459**	**44,503**	**-**	**1,835,956**	**44,503**	**-**	**2.37**
OTHER PROJECTS							
MISCELLANEOUS	-	-	-	-	-	-	-
RETAIL INCENTIVES		-		-	-	-	-
			-		-	-	
OTHER PROJECTS		**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**1,880,459**	**44,503**	**-**	**1,835,956**	**-**	**-**	**2.37**
REVENUES OVER/(UNDER) EXPENDITURES	**90**	**(40,087)**	**-**	**(40,177)**	**-**	**-**	**-**

City of San Juan, Texas
Budget Expenditures Report
October 31, 2025

29 -SAN JUAN ECONIMIC DEPNT. CORP FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target #REF! % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		147	-	147	147	-	-
OTHR FINANCING SOURCES/U	83,233	8,836	-	(74,397)	8,836	-	10.62
TOTAL REVENUES	**83,233**	**8,983**	**-**	**(74,250)**	**8,983**	**-**	**10.79**
ORGANIZATIONAL EXPENSES							
DEBT SERVICE	83,233	-	-	83,233	-	-	-
ORGANIZATIONAL EXPENSES	**83,233**	**-**	**-**	**83,233**	**-**	**-**	**-**
TOTAL EXPENDITURES	**83,233**	**-**	**-**	**83,233**	**-**	**-**	**-**
					-	-	
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**-**	**8,983**	**-**	**8,983**	**8,983**	**-**	**-**

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
JANUARY 13, 2026

Budget Expenditure Report — November 2025. [Maria L. Beltran, Director of Finance]

STAFF COMMENTS AND RECOMMENDATIONS:

Consider Approval of the Budget Expenditure Report for the Month of November 30,2025

RECOMMENDATION:

Approve as Presented

PREPARED BY:
Maria Beltran,
Director of Finance

APPROVED BY:
Ruben Guajardo, City
Manager

Mayor: Mario Garza
Mayor Pro-Tem: Jesus "Jesse" Ramirez
Commissioners: Mario Cantu
Gilbert Garza
Marco"Markie" Villegas

Memorandum

To: Ruben Guajardo, City Manager

From: Maritza Phillips, Assistant Director of Finance

Date: December 29, 2025

Subject: Budget Expenditure Report – November 30, 2025

Attached you will find the above-mentioned report for the City of San Juan.

The funds are listed as follows:

Approved Budgets:	Fund No.	Page
• General Fund	10	1 – 4
• Enterprise Fund:		
a. Solid Waste	22	5
b. Utility Fund	56	6 – 7
c. Utility I & S	60	8
d. Water & Sewer I & S	61	9
• Special Revenue Fund:		
a. Local Truancy Prevention & Diversion Fund	18	10
b. Local Municipal Jury Fund	19	11
c. Municipal Court-Building Security	20	12
d. Municipal Court-Technology	21	13
e. Revolving Loan	23	14
f. Parks Sport Fee	25	15
g. Parks Development	26	16
h. Wrecker Law Enforcement	27	17
i. Asset Forfeiture-State	28	18
j. Miscellaneous Grants	30	19
k. Hotel/Motel Occupancy Tax	33	20
l. Asset Forfeiture-Federal Sharing	35	21
m. Storm Water Fund	55	22
• Debt Service Fund	36	23

512 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

Other City Funds:

- Capital Projects
  a. Bond Series 2025 40 24
  b. Bond Series 2019-A 43 25

Other City Funds –Continue

  c. CIP-Street-Series 2015 44 26
  d. Certificate of Obligation 2017 48 27
  e. TDEM Fund 51 28
  f. 2014 Bond 54 29
  g. Certificate of Obligation 2023 58 30
  h. Certificate of Obligation 2024 59 31

Component Unit:

- San Juan E.D.C. 24 32
- San Juan Economic Development Corp. 29 33

C: Mayor, Mario Garza
Mayor Pro-Tem,- Jesus "Jesse" Ramirez
Commissioners:- Mario Cantu
Gilbert Garza
Marco "Markie" Villegas

City of San Juan, Texas
Budget Expenditures Report
November 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
PROPERTY TAXES	9,516,262	765,494	-	(8,750,768)	-	672,647	8.04
SALES TAX REVENUE	5,746,168	509,089	-	(5,237,079)	4,078	505,011	8.86
FRANCHISE TAX	1,062,500	65,884	-	(996,616)	15,173	50,711	6.20
LICENSES & PERMITS	1,067,782	107,281	-	(960,501)	65,594	41,686	10.05
FEES & FINES	297,037	35,758	-	(261,279)	18,470	17,288	12.04
INTERGOVERNMENTAL REVENUE	745,151	35,238	-	(709,913)	(16,366)	51,604	4.73
OTHER REVENUE	1,180,741	162,277	-	(1,018,464)	78,268	84,009	13.74
Transfer Inn	-	-	-	-	-	-	-
TOTAL REVENUES	**19,615,641**	**1,681,021**	**-**	**(17,934,620)**	**165,217**	**1,422,956**	**8.57**
EXPENDITURE SUMMARY							
LEGISLATIVE							
PURCHASED PROF/TECH SRVS	50,000	-	-	50,000	-	-	-
PUR PROP SRVS & OTH SRVS	15,050	-	403	14,647	-	-	2.68
SUPPLIES	5,040	274	578	4,188	-	274	16.91
MISCELLANEOUS	175,876	6,287	45,550	124,038	3,010	3,277	29.47
LEGISLATIVE	**245,966**	**6,561**	**46,531**	**192,873**	**3,010**	**3,551**	**21.59**
CITY MANAGER							
SALARIES & WAGES/BENEFIT	369,272	38,973		330,299	17,990	20,983	10.55
PURCHASED PROF/TECH SRVS	37,000	15,500	9,500	12,000	15,500	-	67.57
PUR PROP SRVS & OTH SRVS	7,125	584	1,171	5,371	567	16	24.62
SUPPLIES	1,667	687	479	501	225	462	69.93
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	1,770	128	-	1,642	90	38	7.25
CITY MANAGER	**416,834**	**55,871**	**11,149**	**349,813**	**34,372**	**21,500**	**16.08**
CITY SECRETARY							
SALARIES & WAGES/BENEFIT	237,622	32,519	-	205,103	14,647	17,872	13.69
PURCHASED PROF/TECH SRVS	12,000	3,065	-	8,935	2,291	774	25.54
PUR PROP SRVS & OTH SRVS	10,485	1,004	1,561	7,920	317	687	24.46
SUPPLIES	3,706	806	12	2,888	321	485	22.07
MISCELLANEOUS	300	175	-	125	175	-	58.33
CITY SECRETARY	**264,113**	**37,570**	**1,573**	**224,971**	**17,751**	**19,819**	**14.82**
MUNICIPAL COURT							
SALARIES & WAGES/BENEFIT	312,349	38,156	-	274,193	17,412	20,744	12.22
PURCHASED PROF/TECH SRVS	95,807	8,218	85,200	2,388	2,533	5,686	97.51
PUR PROP SRVS & OTH SRVS	9,844	147	169	9,528	55	93	3.21
SUPPLIES	11,233	298	1,480	9,456	194	104	15.82
MISCELLANEOUS	2,085	-	-	2,085	-	-	-
MUNICIPAL COURT	**431,318**	**46,819**	**86,848**	**297,650**	**20,193**	**26,626**	**30.99**

City of San Juan, Texas
Budget Expenditures Report
November 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
FINANCE							
SALARIES & WAGES/BENEFIT	543,723	63,149	-	480,574	25,428	37,721	11.61
PURCHASED PROF/TECH SRVS	2,500	-	-	2,500	-	-	-
PUR PROP SRVS & OTH SRVS	14,658	412	1,320	12,926	262	151	11.82
SUPPLIES	5,543	499	301	4,743	54	445	14.44
MISCELLANEOUS	5,718	989	1,320	3,409	205	785	40.38
FINANCE	**572,142**	**65,049**	**2,941**	**504,152**	**25,948**	**39,101**	**11.88**
PLANNING							
SALARIES & WAGES/BENEFIT	740,080	79,371	-	660,709	36,327	43,044	10.72
PURCHASED PROF/TECH SRVS	64,510	2,026	4,810	57,675	822	1,204	10.60
PUR PROP SRVS & OTH SRVS	21,229	1,218	2,619	17,392	595	623	18.07
SUPPLIES	31,998	3,373	13,079	15,545	1,671	1,702	51.42
MISCELLANEOUS	12,200	-	6,662	5,538	-	-	54.61
PLANNING	**870,017**	**85,987**	**27,170**	**756,859**	**39,414**	**46,573**	**13.01**
POLICE							
SALARIES & WAGES/BENEFIT	4,941,333	676,134	-	4,265,199	303,416	372,718	13.68
PURCHASED PROF/TECH SRVS	19,581	3,505	-	16,076	2,754	751	17.90
PUR PROP SRVS & OTH SRVS	161,706	29,197	21,560	110,949	15,035	14,162	31.39
SUPPLIES	438,385	25,689	104,053	308,642	17,271	8,418	29.60
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	109,730	109,055	-	675	101,190	7,866	99.39
POLICE	**5,670,734**	**843,580**	**125,613**	**4,701,541**	**439,665**	**403,916**	**17.09**
FIRE							
SALARIES & WAGES/BENEFIT	2,601,069	335,482	-	2,265,587	161,254	174,228	12.90
PURCHASED PROF/TECH SRVS	31,440	710	1,271	29,459	-	710	6.30
PUR PROP SRVS & OTH SRVS	121,761	15,128	23,836	82,796	3,291	11,837	32.00
SUPPLIES	187,322	26,214	14,525	146,583	13,398	12,816	21.75
CAPITAL OUTLAY	90,145	-	48,145	42,000	-	-	53.41
DEBT SERVICE	178,971	-	-	178,971	-	-	-
MISCELLANEOUS	326,950	62,684	-	264,266	37,684	25,000	19.17
FIRE	**3,537,658**	**440,219**	**87,778**	**3,009,661**	**215,627**	**224,592**	**14.93**
STREETS, ALLEY, OTHER							
SALARIES & WAGES/BENEFIT	515,970	59,699	-	456,271	27,225	32,474	11.57
PUR PROP SRVS & OTH SRVS	439,146	40,299	1,212	397,636	3,489	36,810	9.45
SUPPLIES	147,293	10,756	30,917	105,620	9,031	1,726	28.29
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	6,200	66	167	5,967	33	33	3.76
STREETS, ALLEY, OTHER	**1,108,609**	**110,820**	**32,295**	**965,494**	**39,778**	**71,042**	**12.91**

City of San Juan, Texas
Budget Expenditures Report
November 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
CENTRAL GARAGE							
SALARIES & WAGES/BENEFIT	220,568	23,781	-	196,787	10,851	12,930	10.78
PUR PROP SRVS & OTH SRVS	4,046	363	-	3,683	141	222	8.97
SUPPLIES	15,992	1,311	3,811	10,870	748	563	32.03
CENTRAL GARAGE	**240,606**	**25,455**	**3,811**	**211,340**	**11,740**	**13,715**	**12.16**
PARKS							
SALARIES & WAGES/BENEFIT	1,392,999	184,460	-	1,208,539	83,039	101,421	13.24
PURCHASED PROF/TECH SRVS	4,700	4,705	-	(5)	4,082	624	100.12
PUR PROP SRVS & OTH SRVS	200,385	28,705	7,075	164,605	10,677	18,028	17.86
SUPPLIES	94,973	13,987	14,307	66,678	8,189	5,798	29.79
DEBT SERVICE	54,043	-	-	54,043	-	-	-
MISCELLANEOUS	288,680	58,263	9,766	220,651	32,388	25,875	23.57
PARKS	**2,035,780**	**290,120**	**31,149**	**1,714,510**	**138,376**	**151,745**	**15.78**
BUILDING MAINTENANCE							
SALARIES & WAGES/BENEFIT	474,403	58,651	-	415,752	25,462	33,189	12.36
PURCHASED PROF/TECH SRVS	1,000	-	-	1,000	-	-	-
PUR PROP SRVS & OTH SRVS	98,864	(15,249)	10,860	103,253	(44,449)	29,200	(4.44)
SUPPLIES	82,269	10,188	38,871	33,209	5,454	4,734	59.63
CAPITAL OUTLAY	-	-		-	-	-	-
BUILDING MAINTENANCE	**656,536**	**53,590**	**49,731**	**553,215**	**(13,532)**	**67,123**	**15.74**
LIBRARY							
SALARIES & WAGES/BENEFIT	339,195	48,676	-	290,519	21,196	27,480	14.35
PURCHASED PROF/TECH SRVS	2,300	1,288	-	1,012	35	1,254	56.01
PUR PROP SRVS & OTH SRVS	30,662	3,846	3,038	23,778	1,166	2,680	22.45
SUPPLIES	16,248	400	60	15,788	49	351	2.83
MISCELLANEOUS	9,400	2,358	379	6,663	1,517	841	29.11
LIBRARY	**397,805**	**56,567**	**3,478**	**337,760**	**23,962**	**32,605**	**15.09**
ADMINISTRATION							
PURCHASED PROF/TECH SRVS	543,734	72,334	-	471,400	1,823	70,511	13.30
PUR PROP SRVS & OTH SRVS	421,223	95,298	-	325,925	30,840	64,458	22.62
SUPPLIES	3,548	316	1,229	2,002	126	191	43.57
DEBT SERVICE	129,700	-	-	129,700	-	-	-
MISCELLANEOUS	445,846	106,267	-	339,579	-	106,267	23.83
ADMINISTRATION	**1,544,051**	**274,216**	**1,229**	**1,268,606**	**32,788**	**241,427**	**17.84**

City of San Juan, Texas
Budget Expenditures Report
November 30, 2025

10 -GENERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
HUMAN RESOURCES							
SALARIES & WAGES/BENEFIT	342,531	32,109	-	310,422	14,696	17,414	9.37
PURCHASED PROF/TECH SRVS	9,500	555	2,445	6,500	-	555	31.58
PUR PROP SRVS & OTH SRVS	22,352	50	697	21,605	-	50	3.34
SUPPLIES	11,004	891	93	10,021	182	709	8.94
MISCELLANEOUS	2,220	-	-	2,220	-	-	-
HUMAN RESOURCES	**387,607**	**33,605**	**3,235**	**350,768**	**14,877**	**18,728**	**9.50**
INFORMATION TECHNOLOGY							
SALARIES & WAGES/BENEFIT	619,510	92,434	-	527,076	41,291	51,143	14.92
PURCHASED PROF/TECH SRVS	54,580	-	778	53,802	-	-	1.43
PUR PROP SRVS & OTH SRVS	194,142	30,693	15,614	147,835	5,385	25,308	23.85
SUPPLIES	26,315	4,208	627	21,480	262	3,946	18.37
CAPITAL OUTLAY	50,000	-	42,168	7,832	-	-	-
MISCELLANEOUS	172,277	74,801	9,289	88,188	30,594	44,207	48.81
INFORMATION TECHNOLOGY	**1,116,824**	**202,135**	**68,476**	**846,213**	**77,531**	**124,604**	**24.23**
EMERGENCY MANAGEMENT							
PURCHASED PROF/TECH SRVS	3,000	-	-	3,000	-	-	-
SUPPLIES	8,500	67	177	8,256	-	67	2.87
CAPITAL OUTLAY	48,000	31,225	-	16,775	-	31,225	65.05
MISCELLANEOUS	6,000	-	-	6,000	-	-	-
EMERGENCY MANAGEMENT	**65,500**	**31,292**	**177**	**34,031**	**-**	**31,292**	**48.04**
ANIMAL CONTROL							
SALAREIES & WAGES/BENEFIT	104,083	15,389	-	88,694	6,724	8,665	14.79
PUR PROP SRVS & OTH SRVS	4,950	190	-	4,760	190	-	3.83
SUPPLIES	25,579	5,476	7,789	12,314	801	4,675	51.86
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	101,666	384	101,110	172	384	-	99.83
ANIMAL CONTROL	**236,278**	**21,439**	**108,899**	**105,940**	**8,099**	**13,340**	**55.16**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**19,798,379**	**2,680,897**	**692,084**	**16,425,398**	**1,129,598**	**1,551,299**	**17.04**
REVENUES OVER/(UNDER) EXPENDITURES	**(182,738)**	**(999,876)**	**(692,084)**	**(1,509,223)**	**(964,381)**	**(128,343)**	**925.90**

City of San Juan, Texas
Budget Expenditures Report
November 30, 2025

22 -SOLID WASTE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
REFUSE COLLECTION SYSTEM	4,323,200	634,587	-	(3,688,613)	284,792	349,795	14.68
OTHER REVENUE	151,700	14,840	-	(136,860)	5,660	9,181	9.78
OTHER FINANCING SOURCES	-	-	-	-	-	-	-
TOTAL REVENUES	**4,474,900**	**649,427**	**-**	**(3,825,473)**	**290,452**	**358,975**	**14.51**
EXPENDITURE SUMMARY							
SANITATION							
SALARIES & WAGES/BENEFIT	2,042,330	131,665	-	1,910,665	(1,194)	132,859	6.45
PUR PROF/TECH SRVS	-	157	-	(157)	104	53	-
PUR PROP SRVS & OTH SRVS	389,044	77,810	16,146	295,087	38,738	39,072	24.15
SUPPLIES	469,647	71,617	47,839	350,190	33,752	37,866	25.44
CAPITAL OUTLAY	64,775	10,400	14,775	39,600	10,400	-	38.87
MISCELLANEOUS	573,115	165,463	2,890	404,762	481	164,982	29.38
SANITATION	**3,538,911**	**457,113**	**81,651**	**3,000,148**	**82,280.94**	**374,832**	**15.22**
ORGANIZATIONAL							
PURCHASED PROF/TECH SRVS	88,125	8,067	-	80,058	775	7,292	9.15
PUR PROP SRVS & OTH SRVS	138,931	34,709	-	104,222	11,570	23,140	24.98
DEBT SERVICE	515,318	-	-	515,318	-	-	-
MISCELLANEOUS	215,630	35,238	1,620	178,772	17,619	17,619	17.09
ORGANIZATIONAL	**958,004**	**78,015**	**1,620**	**878,369**	**29,964**	**48,051**	**8.31**
TRANSFER OUT		-	-	-	-	-	-
TOTAL EXPENDITURES	**4,496,915**	**535,127**	**83,271**	**3,878,517**	**112,245**	**422,883**	**13.75**
REVENUES OVER/(UNDER) EXPENDITURES	**(22,015)**	**114,300**	**(83,271)**	**53,044**	**178,207**	**(63,907)**	**(140.95)**

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56 -UTILITY FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
WATER SYSTEMS	3,905,645	503,147	-	(3,402,498)	251,782	251,365	12.88
SEWER SYSTEMS	3,369,092	481,948	-	(2,887,144)	190,649	291,299	14.30
OTHER REVENUES	-	-	-	-	-	-	-
INTERGOV'T REVENUE		-	-	-	-	-	-
OTHER REVENUES	431,820	18,068	-	(413,752)	3,338	14,730	4.18
OTHER	(1,659,187)	(890,220)	-	768,967	(296,740)	(593,480)	53.65
TOTAL REVENUES	**6,047,370**	**112,943**	**-**	**(5,934,427)**	**149,029**	**(36,086)**	**1.87**
EXPENDITURE SUMMARY							
UTILITY BILLING & COLLEC							
SALARIES & WAGES/BENEFIT	429,261	30,137	-	399,124	(1,833)	31,970	7.02
PURCHASED PROF/TECH SRVS	40,992	-	244	40,748	-	-	0.60
PUR PROP SRVS & OTH SRVS	125,493	233	601	124,659	181	52	0.66
SUPPLIES	40,396	5,183	10,061	25,152	2,155	3,028	37.74
MISCELLANEOUS	70,874	24,875	1,320	44,680	12,204	12,671	36.96
UTILITY BILLING & COLLEC	**707,016**	**60,428**	**12,226**	**634,363**	**12,707**	**47,721**	**10.28**
UTILITY ADMINISTRATION							
SALARIES & WAGES/BENEFIT	311,616	28,168	-	283,448	10,815	17,352	9.04
PURCHASED PROF/TECH SRVS	135,780	-	11,250	124,530	-	-	8.29
PUR PROP SRVS & OTH SRVS	24,746	11,098	1,805	11,843	5,551	5,547	52.14
SUPPLIES	22,681	1,425	1,476	19,780	1,053	372	12.79
MISCELLANEOUS	7,380	500	2,500	4,380	-	500	40.65
UTILITY ADMINISTRATION	**502,203**	**41,191**	**17,031**	**443,981**	**17,420**	**23,772**	**11.59**
WATER PLANT							
SALARIES & WAGES/BENEFIT	630,098	37,913	-	592,185	1,754	36,159	6.02
PURCHASED PROF/TECH SRVS	32,792	4,638	4,799	23,355	-	4,638	28.78
PUR PROP SRVS & OTH SRVS	294,778	15,263	37,737	241,778	694	14,569	17.98
SUPPLIES	429,311	72,131	61,295	295,885	807	71,324	31.08
CAPITAL OUTLAY	119,000	-	-	119,000	-	-	-
MISCELLANEOUS	48,380	15,344	-	33,036	382	14,962	31.72
WATER PLANT	**1,554,359**	**145,288**	**103,831**	**1,305,239**	**3,636**	**141,652**	**16.03**
WATER DISTRIBUTION							
SALARIES & WAGES/BENEFIT	385,578	22,089	-	363,489	(3,246)	25,335	5.73
PUR PROP SRVS & OTH SRVS	23,779	180	5,637	17,962	130	49	24.46
SUPPLIES	121,664	4,125	13,883	103,657	1,456	2,668	14.80
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	1,830	-	-	1,830	-	-	-
WATER DISTRIBUTION	**532,851**	**26,393**	**19,520**	**486,937**	**(1,659)**	**28,052**	**8.62**
SEWER COLLECTION							
SALARIES & WAGES/BENEFIT	450,346	32,957	-	417,389	6,869	26,087	7.32
PUR PROP SRVS & OTH SRVS	353,191	103,477	39,370	210,344	2,488	100,989	40.44
SUPPLIES	125,334	3,138	18,381	103,814	1,525	1,613	17.17
CAPITAL OUTLAY	228,000	-	-	228,000	-	-	-
MISCELLANEOUS	840	-	-	840	-	-	-
SEWER COLLECTION	**1,157,711**	**139,572**	**57,752**	**960,387**	**10,882**	**128,690**	**17.04**

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56 -UTILITY FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
SEWER PLANT							
SALARIES & WAGES/BENEFIT	340,339	24,194	-	316,145	3,604	20,589	7.11
PURCHASED PROF/TECH SRVS	50,000	6,285	-	43,715	-	6,285	12.57
PUR PROP SRVS & OTH SRVS	359,154	34,064	7,575	317,514	504	33,561	11.59
SUPPLIES	152,167	15,361	43,667	93,139	356	15,005	38.79
MISCELLANEOUS	120,840	34,625	-	86,215	25,825	8,800	28.65
SEWER PLANT	**1,022,500**	**114,529**	**51,242**	**856,729**	**30,288**	**84,240**	**16.21**
ORGANIZATIONAL							
PURCHASED PROF/TECH SRVS	81,786	5,994	-	75,792	717	5,277	7.33
PUR PROP SRVS & OTH SRVS	213,711	53,493	-	160,218	17,831	35,662	25.03
DEBT SERVICE	1,000	-	-	1,000	-	-	-
MISCELLANEOUS	413,820	-	900	412,920	-	-	0.22
ORGANIZATIONAL	**710,317**	**59,487**	**900**	**649,930**	**18,548**	**40,939**	**8.50**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**6,186,957**	**586,889**	**262,502**	**5,337,566**	**91,822**	**495,067**	**13.73**
REVENUES OVER/(UNDER) EXPENDITURES	**(139,587)**	**(473,946)**	**(262,502)**	**(11,271,993)**	**(91,822)**	**(531,152)**	**527.59**

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60 -UTILITY I&S FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	-	12,732		12,732	12,329	402	-
OTHER FINANCING SOURCES	1,597,811	874,876	-	(722,935)	291,625	583,251	54.75
TOTAL REVENUES	**1,597,811**	**887,608**	**-**	**(710,203)**	**303,955**	**583,653**	**55.55**
EXPENDITURE SUMMARY							
DEBT SERVICE							
DEBT SERVICE	1,600,687	-	-	1,600,687	-	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
DEBT SERVICE	**1,600,687**	**-**	**-**	**1,600,687**	**-**	**-**	**-**
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,600,687**	**-**	**-**	**1,600,687**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**(2,876)**	**887,608**	**-**	**890,484**	**303,955**	**583,653**	**(30,862.58)**

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61 - Water & Sewer I & S FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		4,871	-	4,871	2,512	2,359	-
OTHER FINANCING SOURCES	61,376	15,344	-	(46,032)	5,115	10,229	25.00
TOTAL REVENUES	**61,376**	**20,215**	**-**	**(46,032)**	**7,627**	**12,588**	**32.94**
EXPENDITURE SUMMARY							
DEBT SERVICE							
DEBT SERVICE	-	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-	-
DEBT SERVICE	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**61,376**	**20,215**	**-**	**(41,161)**	**7,627**	**12,588**	**32.94**

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18 -LOCAL TRUANCY PREVENTION & DIVERSION FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES		1,170	-	1,170	480	690	-
TOTAL REVENUES		1,170	-	1,170	480	690	-

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19 - LOCAL MUNICIPAL JURY FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES		104	-	104	90	14	-
TOTAL REVENUES		104	-	104	90	14	-

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20 -MUNICIPAL COURT-BLDG SEC. FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	6,000	1,225	-	(4,775)	506	718	20.41
TOTAL REVENUES	6,000	1,225	-	(4,775)	506	718	20.41
SUPPLIES	-	-		-	-	-	-
MISCELLANEOUS	180	192	180	(192)	-	-	206.67
MUNICIPAL COURT	180	192.00	180	(192)	-	-	206.67
TOTAL EXPENDITURES	180	192.00	180	(192)	-	-	206.67
REVENUES OVER/(UNDER) EXPENDITURES	5,820	1,033	(180)	(4,967)	506	718	14.65

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21 -MUNICIPAL COURT-TECH. FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	5,500	988	-	(4,512)	404	584	17.96
TOTAL REVENUES	**5,500**	**988**	**-**	**(4,512)**	**404**	**584**	**17.96**
EXPENDITURE SUMMARY							
MUNICIPAL COURT							
SUPPLIES		-		-	-	-	-
CAPITAL OUTLAY	2,500	2,500	-	-	-	-	-
MUNICIPAL COURT	2,500	2,500	-	-	-	-	-
TOTAL EXPENDITURES	**2,500**	**2,500**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**3,000**	**(1,512)**	**-**	**(4,512)**	**404**	**584**	**(50.40)**

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23 -REVOLVING LOAN FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		7	-	7	3	3	-
TOTAL REVENUES		7	-	7	3	3	-
EXPENDITURE SUMMARY							
ADMINSTRATION							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
ADMINSTRATION	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
REVENUES OVER/(UNDER) EXPENDITURES		7	-	7	3	3	-

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25 -PARKS SPORT FEE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES	2,500	735	-	(1,765)	310	426	29.42
TOTAL REVENUES	**2,500**	**735**	**-**	**(1,765)**	**310**	**426**	**29.42**
EXPENDITURE SUMMARY							
RECREATION							
PUR PROP SRVS & OTH SRVS	-	-	-	-	-	-	-
ADMINSTRATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**2,500**	**735**	**-**	**(1,765)**	**310**	**426**	**29.42**

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26 -PARK DEVELOPMENT FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOVERMENTAL REVENUE		-	-	-	-	-	-
OTHER INCOME	295,000	9,007	-	(285,993)	6,140	2,867	3.05
TOTAL REVENUES	**295,000**	**9,007**	**-**	**(285,993)**	**6,140**	**2,867**	**3.05**
EXPENDITURE SUMMARY							
PARKS							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-	-
CAPITAL OUTLAY	778,595	2,100	508,758	267,737	2,100	-	65.61
PARKS	**778,595**	**2,100**	**508,758**	**267,737**	**2,100**	**-**	**65.61**
TOTAL EXPENDITURES	778,595	2,100	508,758	267,737	2,100	-	-
REVENUES OVER/(UNDER) EXPENDITURES	**(483,595)**	**6,907**	**(508,758)**	**(18,256)**	**4,040**	**2,867**	**103.78**

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27 -WRECKER LAW ENFORCEMENT FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	14,000	1,370	-	(12,630)	1,370	-	9.79
					-	-	
TOTAL REVENUES	**14,000**	**1,370**	**-**	**(12,630)**	**1,370**	**-**	**9.79**
EXPENDITURE SUMMARY							
POLICE							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	650	-	-	650	-	-	-
SUPPLIES	6,540	4,150	-	2,389	-	-	63.46
MISCELLANEOUS	25,964	2,024	2,444	21,496	-	-	17.21
ADMINSTRATION	**33,154**	**6,174**	**2,444**	**24,535**	**-**	**-**	**26.00**
TOTAL EXPENDITURES	**33,154**	**6,174**	**2,444**	**24,535**	**-**	**-**	**26.00**
REVENUES OVER/(UNDER) EXPENDITURES	**(19,154)**	**(4,804)**	**(2,444)**	**11,905**	**-**	**-**	**37.84**

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28 -ASSET FORFEITURE-STATE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	1,000	-	-	(1,000)	-	-	-
FORFEIT LOCAL		250	-	250	-	-	-
TOTAL REVENUES	**1,000**	**250**	**-**	**(750)**	**-**	**-**	**25.00**
EXPENDITURE SUMMARY							
POLICE							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
PUR PROP SRVS & OTH SRVS	7,000	-	-	7,000	-	-	-
SUPPLIES	8,000	-	-	8,000	-	-	-
CAPITAL OUTLAY	5,000	-	-	5,000	-	-	-
POLICE	**20,000**	**-**	**-**	**20,000**	**-**	**-**	**-**
TOTAL EXPENDITURES	**20,000**	**-**	**-**	**20,000**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**(19,000)**	**250**	**-**	**19,250**	**-**	**-**	**(1.32)**

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30 -MISCELLANEOUS GRANTS FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE	419,533	713	-	(418,820)	-	-	0.17
OTHER REVENUE		-	-	-	-	-	-
TOTAL REVENUES	**419,533**	**713**	**-**	**(418,820)**	**-**	**-**	**0.17**
EXPENDITURE SUMMARY							
POLICE							
SALARIES & WAGES/BENEFIT	222,707	21,488	-	201,219	-	-	9.65
SUPPLIES	17,103	-	-	17,103	-	-	-
CAPITAL OUTLAY	291,465	68,729	177,733	45,003	-	-	84.56
POLICE	**531,275**	**90,217**	**177,733**	**263,325**	**-**	**-**	**50.44**
FIRE							
CAPITAL OUTLAY	-	79,092	-	(79,092)	-	-	-
FIRE	**-**	**79,092**	**-**	**(79,092)**	**-**	**-**	**-**
LIBRARY							
PUR PROP SRVS & OTH SRVS	8,400	-	8,400	0	-	-	100.00
SUPPLIES	1,150	-	-	1,150	-	-	-
MISCELLANEOUS	3,588	451	74	3,064	384	66	14.61
LIBRARY	**13,138**	**451**	**8,473**	**4,214**	**384**	66	**67.93**
TOTAL EXPENDITURES	**544,413.67**	**169,761**	**186,207**	**267,539**	**384**	**66**	**65.39**
:VENUES OVER/(UNDER) EXPENDITUR	**(124,881)**	**(169,047)**	**(186,207)**	**(230,373)**	**(384)**	**(66)**	**284.47**

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33 -HOTEL/MOTEL OCCUPANCY TAX FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
TAX REVENUE	110,300	10,886	-	(99,414)	-	-	9.87
FINES & FEES	300	-	-	(300)	-	-	-
OTHER REVENUE		-	-	-	-	-	-
TOTAL REVENUES	**110,600**	**10,886**	**-**	**(99,714)**	**-**	**-**	**9.84**
EXPENDITURE SUMMARY							
CITY EVENTS							
MISCELLANEOUS	130,000	210,180	4,910	(85,090)	210,000	180	165.45
CITY EVENTS							
TOTAL EXPENDITURES	**130,000**	**210,180**	**4,910**	**(85,090)**	**210,000**	**180**	**-**
REVENUES OVER/(UNDER) EXPENDITURES	**(19,400)**	**(199,294)**	**(4,910)**	**(184,804)**	**(210,000)**	**(180)**	**1,052.60**

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35 -ASSET FORFEITURE-FEDERAL FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE	17,000	3,551	-	(13,449)	1,848	1,704	20.89
FORFEIT FEDERAL	50,000	-	-	(50,000)	-	-	-
TOTAL REVENUES	**67,000**	**3,551**	**-**	**(63,449)**	**1,848**	**1,704**	**5.30**
EXPENDITURE SUMMARY							
POLICE							
PUR PROP SRVS & OTH SRVS	48,343	3,797	-	44,546	3,797	-	7.85
SUPPLIES	82,076	871	795	80,410	871	-	2.03
CAPITAL OUTLAY	190,000	50,000	-	140,000	50,000	-	26.32
MISCELLANEOUS	-	10	-	(10)	5	5	-
POLICE	**320,419**	**54,678**	**795**	**264,946**	**54,673**	**5**	**17.31**
TOTAL EXPENDITURES	**320,419**	**54,678**	**795**	**264,946**	**54,673**	**5**	**17.31**
REVENUES OVER/(UNDER) EXPENDITURES	**(253,418.87)**	**(51,127)**	**(795)**	**201,497**	**(52,826)**	**1,699**	**20.49**

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55 -STORM WATER FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
FEES & FINES	343,798	47,426	-	(296,372)	20,862	26,564	13.79
TOTAL REVENUES	**343,798**	**47,426**	**-**	**(296,372)**	**20,862**	**26,564**	**13.79**
EXPENDITURE SUMMARY							
SALARIES & WAGES/BENEFIT	301,660	29,237	-	272,423	6,090	23,147	9.69
PUR PROP SRVS & OTH SRVS	9,455	2,484	14	6,957	2,484	-	26.42
SUPPLIES	20,987	3,661	10,954	6,372	2,307	1,354	69.64
CAPITAL OUTLAY	-	-	-	-	-	-	-
MISCELLANEOUS	13,191	75	-	13,116	75	-	0.57
STORM WATER	345,293	35,457	10,968	298,868	10,957	24,500	13.45
TOTAL EXPENDITURES	**345,293**	**35,457**	**10,968**	**298,868**	**10,957**	**24,500**	**13.45**
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	**(1,495)**	**11,969**	**(10,968)**	**2,496**	**9,905**	**2,064**	**(66.91)**

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36 -DEBT SERVICE FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
PROPERTY TAXES	4,863,328	392,875	-	(4,470,453)	44,325	348,549	8.08
OTHER REVENUE	80,000	12,133	-	(67,867)	6,257	5,875	15.17
TOTAL REVENUES	**4,943,328**	**405,007**	**-**	**(4,538,321)**	**50,583**	**354,425**	**8.19**
EXPENDITURE SUMMARY							
ORGANIZATIONAL EXPENSE							
DEBT SERVICE	4,312,157	750	-	4,311,407	750	-	0.02
MISCELLANEOUS	-	-	-	-	-	-	-
ORGANIZATIONAL EXPENSE	**4,312,157**	**750**	**-**	**4,311,407**	**750**	**-**	**0.02**
TOTAL EXPENDITURES	**4,312,157**	**750**	**-**	**4,311,407**	**-**	**-**	**0.02**
REVENUES OVER/(UNDER) EXPENDITURES	631,171	404,257	-	(226,914)	50,583	354,425	**64.05**

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40-BOND SERIES - 2025 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		23,075	-	23,075	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	23,075	-	23,075	-	-	-
EXPENDITURE SUMMARY							
FIRE							
CAPITAL OUTLAY	197,403	-	197,403	-	-	-	-
FIRE	197,403	-	197,403	-	-	-	-
ADMINISTRATION							
PROF/TECH SRVS	-	-	-	-	-	-	-
COST OF ISSUANCE	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-
SNITATION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SANITATION	-	-	-	-	-	-	-
TRANSFER OUT	-	-	-	-	-	-	-
TOTAL EXPENDITURES	197,403	-	197,403	-	-	-	100.00
REVENUES OVER/(UNDER) EXPENDITURES	(197,403)	23,075	(197,403)	(23,075)	-	-	88.31

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43-BOND SERIES 2019-A FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25
REVENUE SUMMARY						
INTERGOV'T REVENUE		-	-	-	-	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-
OTHER REVENUE		-	-	-	-	-
OTHER FINANCING SOURCES		-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
SEWER PLANT						
PURCHASED PROF/TECH SRVS	27,420	-	27,420	-	-	-
PUR PROP SRVS & OTH SRVS	75,639	-	75,639	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL EXPENDITURES	**103,059**	**-**	**103,059**	**-**	**-**	**-**
					-	-
REVENUES OVER/(UNDER) EXPENDITURES	**(103,059)**	**-**	**103,059**	**-**	**-**	**-**

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44-CIP-STREET-SERIES 2015 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		-	-	-	-	-	-
INTERGOVERNMENTAL REVENUE		-	-	-	-	-	-
OTHER REVENUE		1,701	-	1,701	877	824	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES	-	1,701	-	1,701	877	824	-
EXPENDITURE SUMMARY							
EXPENDITURES							
STREETS							
CAPITAL OUTLAY	2,840	2,840.00	-	-	-	-	100.00
STREETS	2,840	2,840	-	-	-	-	100.00
LONG TERM DEBT							
TRANSFER OUT	-	-	-	-	-	-	-
LONG TERM DEBT		-	-	-	-	-	-
TOTAL EXPENDITURES	2,840	2,840	-	-	-	-	100.00
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	(2,840)	(1,139)	-	1,701	877	824	40.10

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48- Certificate of Obligation -2017 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		559	-	559	288	271	-
TOTAL REVENUES		559	-	559	288	271	-
EXPENDITURE SUMMARY							
NEW CITY HALL							
PROF/TECH SRVS	-	-	-	-	-	-	-
CAPITAL OUTLAY		-	-	-	-	-	-
NEW CITY HALL	-	-	-	-	-	-	-
TOTAL EXPENDITURES		-	-	-	-	-	-
REVENUES OVER/(UNDER) EXPENDITURES	-	559	-	559	288	271	-

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51 - TDEM FUND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
INTERGOV'T REVENUE		-	-	-	-	-	-
OTHER REVENUE		5,181	-	5,181	2,671	2,510	-
TOTAL REVENUES		5,181	-	5,181	2,671	2,510	-
POLICE DEPARTMENT							
CAPITAL OUTLAY		-	-	-	-	-	-
POLICE DEPARTMENT	-	-	-	-	-	-	-
WATER PLANT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER PLANT	-	-	-	-	-	-	-
SEWER COLLECTION							
CAPITAL OUTLAY	162,831	-	162,830	0	-	-	100.00
SEWER COLLECTION	162,831	-	162,830	0	-	-	100.00
			-		-	-	
Transfer Out		-	-	-	-	-	-
TOTAL EXPENDITURES	162,831	-	162,830	0	-	-	100.00
REVENUES OVER/(UNDER) EXPENDITURES	(162,831)	5,181	(162,830)	5,181	2,671	2,510	96.82

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54-2014 BOND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		1,970	-	1,970	1,016	954	-
TOTAL REVENUES		**1,970**	**-**	**1,970**	**1,016**	**954**	**-**
EXPENDITURE SUMMARY							
WATER DISTRIBUTION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER DISTRIBUTION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ORGANIZATIONAL							
DEBT SERVICE	-	-	-	-	-	-	-
ORGANIZATIONAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES		**-**	**-**	**-**	**-**	**-**	**-**
REVENUES OVER/(UNDER) EXPENDITURES		**1,970**	**-**	**1,970**	**1,016**	**954**	**-**

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58-CERT. OF OBLIG. SER 2023 FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		16,334	-	16,334	10,050	6,285	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES		**16,334**	**-**	**16,334**	**10,050**	**6,285**	**-**
EXPENDITURE SUMMARY							
PROF/TECH SRVS	-	-	-	-	-	-	-
COST OF ISSUANCE	-	-	-	-	-	-	-
CAPITAL OUTLAY		-	-	-	-	-	-
STREETS & ALLEYS							
CAPITAL OUTLAY	-	-	-	-	-	-	-
STREETS & ALLEYS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PARKS AND RECREATION							
CAPITAL OUTLAY	487,455	-	487,455	-	-	-	100.00
PARKS AND RECREATION	**487,455**	**-**	**487,455**	**-**	**-**	**-**	**100.00**
SANITATION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SANITATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
WATER PLANT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
WATER PLANT	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SEWER COLLECTION							
CAPITAL OUTLAY	-	-	-	-	-	-	-
SEWER COLLECTION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**487,455**	**-**	**487,455**	**-**	**-**	**-**	**100.00**
REVENUES OVER/(UNDER) EXPENDITURES	**(487,455)**	**16,334**	**(487,455)**	**16,334**	**10,050**	**6,285**	**96.65**

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59-Cert. of Oblig. Ser. 2024 BOND FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		26,608	-	26,608	19,767	6,841	-
OTHER FINANCING SOURCES		-	-	-	-	-	-
TOTAL REVENUES		**26,608**	**-**	**26,608**	**19,767**	**6,841**	**-**
EXPENDITURE SUMMARY							
POLICE DEPARTMENT							
CAPITAL OUTLAY	168,065	-	168,065	-	-	-	100.00
POLICE DEPARTMENT	**168,065**	**-**	**168,065**	**-**	**-**	**-**	**100.00**
FIRE DEPARTMENT							
CAPITAL OUTLAY	-	-	-	-	-	-	-
FIRE DEPARTMENT	**-**	**-**	**-**	**-**	**-**	**-**	**-**
STREETS DEPARTMENT							
CAPITAL OUTLAY	922,267	817,496	(559,369)	664,140	581,063	236,433	27.99
STREETS DEPARTMENT	**922,267**	**817,496**	**(559,369)**	**664,140**	**581,063**	**236,433.09**	**27.99**
ADMINISTRATION							
PURCHASED PROF/TECH SRVS	-	-	-	-	-	-	-
DEBT SERVICE	-	-	-	-	-	-	-
ADMINISTRATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**1,090,332**	**817,496**	**(391,304)**	**664,140**	**581,063**	**236,433**	**39.09**
			-			-	
REVENUES OVER/(UNDER) EXPENDITURES	**(1,090,332)**	**(790,888)**	**391,304**	**690,748**	**(561,296)**	**(243,274)**	**36.65**

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24 -SAN JUAN E. D. C. FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
SALES TAX REVENUE	1,865,517	168,926	-	(1,696,591)	1,359	167,567	9.06
OTHER REVENUE	107,766	24,381	-	(83,385)	11,892	12,489	22.62
OTHR FINANCING SOURCES/U	(92,734)	(17,673)	-	75,061	(8,836)	(8,836)	19.06
TOTAL REVENUES	**1,880,549**	**175,634**	**-**	**(1,704,915)**	**4,415**	**171,219**	**9.34**
EXPENDITURE SUMMARY							
SAN JUAN ECONOMIC DEV							
SALARIES & WAGES/BENEFIT	295,435	48,913	-	246,522	30,390	18,524	16.56
PURCHASED PROF/TECH SRVS	293,765	8,864	-	284,901	4,206	4,658	3.02
PUR PROP SRVS & OTH SRVS	92,009	2,727	-	89,282	1,888	839	2.96
SUPPLIES	20,150	(230)	-	20,380	(354)	124	(1.14)
DEBT SERVICE	255,658	-	-	255,658	-	-	-
MISCELLANEOUS	923,442	151,600	-	771,842	8,373	143,228	16.42
SAN JUAN ECONOMIC DEV	**1,880,459**	**211,874**	**-**	**1,668,585**	**44,503**	**167,372**	**11.27**
OTHER PROJECTS							
MISCELLANEOUS	-	-	-	-	-	-	-
RETAIL INCENTIVES		-		-	-	-	-
OTHER PROJECTS		**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**1,880,459**	**211,874**	**-**	**1,668,585**	**-**	**167,372**	**11.27**
REVENUES OVER/(UNDER) EXPENDITURES	**90**	**(36,240)**	**-**	**(36,330)**	**-**	**3,847**	**-**

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29 -SAN JUAN ECONIMIC DEPNT. CORP FINANCIAL SUMMARY	BUDGET 2025-2026	YEAR-TO-DATE REV./EXP.	ENCUMBRANCE	BALANCE REMAINING	Oct-25	Nov-25	Budget Target 17% % RECEIV. EXPENDED
REVENUE SUMMARY							
OTHER REVENUE		307	-	307	147	160	-
OTHR FINANCING SOURCES/U	83,233	17,673	-	(65,560)	8,836	8,836	21.23
TOTAL REVENUES	83,233	17,980	-	(65,253)	8,983	8,997	21.60
ORGANIZATIONAL EXPENSES							
DEBT SERVICE	83,233	-	-	83,233	-	-	-
ORGANIZATIONAL EXPENSES	83,233	-	-	83,233	-	-	-
TOTAL EXPENDITURES	83,233	-	-	83,233	-	-	-
					-	-	
					-	-	
REVENUES OVER/(UNDER) EXPENDITURES	-	17,980	-	17,980	8,983	8,997	-