THE CITY OF EDINBURG

EDINBURG CITY COUNCIL
CITY OF EDINBURG, HIDALGO COUNTY, TEXAS

Location: City of Edinburg
City Hall-Council Chambers
415 West University Dr.
Edinburg, Texas 78541
MAY 17, 2016

WORK SESSION MEETING AGENDA
5:00 P.M.

I. BUDGET

A. Presentation and Discussion of Funding Requests by Non-Profit Organizations for Budgetary Consideration for Fiscal Year 2016-2017 Budget. [Richard M. Hinojosa, City Manager]

REGULAR MEETING AGENDA
6:00 PM

I. CALL TO ORDER, ESTABLISH QUORUM

A. Prayer.

B. Pledge of Allegiance.

II. CERTIFICATION OF PUBLIC NOTICE

III. PUBLIC COMMENTS

The Mayor and City Council allow for a specific portion of the City Council Meeting to be dedicated to public comments. Public Comments are limited to three (3) minutes. If a resident desires to make a public comment, please complete the Public Comments Form which will be located outside of the City Council Chambers and submit the completed form to the City Secretary prior to the commencement of the City Council Meeting. We ask for everyone's cooperation in following this procedure.

IV. PROCLAMATIONS

A. Presentation of Proclamations Recognizing:
1. May 2016 as Elder Abuse Awareness Month.
2. May 20, 2016 as Lupus Awareness Month Put on Purple Day.
3. May 15-21, 2016 as National Public Works Week.

V. PUBLIC HEARING

A. Hold Public Hearing and Consider Approval of the Proposed Community Development Block Grant 42nd One-Year Action Plan and Proposed Use of Funds for the Period Beginning October 1, 2016 Through September 30, 2017, as Recommended by the Community Development Council. [Marissa Garza, Director of Community Development/Grants Management]

VI. ORDINANCES

A. Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III, Administration, Chapter 30, Administrative Code, Classification and Compensation Plan, Section 30.071 Classified Grades (Non-Civil Service) to Add the Automation Network Administrator Position and Section 30.072 Unclassified Grades (Non-Civil Service) to Remove the Automation Network Administrator Position. [Christina Flores, Director of Human Resources/Civil Service Director]

B. Consider Reviewing and Approving Ordinance Amending the Budget for the 2015-2016 Fiscal Year by Providing Additional Appropriations to the General Fund, Municipal Court Restricted Fund, and the Boys & Girls Club Fund. [Ascencion Alonzo, Director of Finance]

C. Consider Ordinance Providing for a Temporary Special Use Permit and a Request for Waiver of Fees for a Special Event, "Champ Returns to his Heritage Boxing Event" to be Held May 27, 2016, at the Edinburg Municipal Park, Being the South Half of Lot 11, Section 268, Texas-Mexican Railway Company Survey, Located at the Intersection of Raul Longoria Road and East Sprague Street, as Requested by Mr. Manuel Garza [Jesus R. Saenz, Director of Planning and Zoning]

VII. AWARDING OF BIDS

A. Consider Awarding Bid No. 2016-79, Crushed Wood Surfacing, to The PlayWell Group, Inc. in the Amount of $26,976.74. [Joe Filoteo Jr., Director of Parks & Recreation]

B. Consider Awarding Bid No. 2016-80, Construction Material, to Frontera Materials Inc., for their Unit Price of $80.00 Per Ton of Cold Mix, and for their Unit Price of $4.00 per Ton of Crush Caliche and to Valley Caliche Products, Inc., for their Unit Price of $47.50 Per Ton of Type "D" Hot Mix and Authorize the City Manager to Enter into an Agreement Relating Thereto. [Ponciano N. Longoria P.E. C.F.M., Director of Public Works]

C. Consider Awarding Bid No. 2016-81, Purchase of City Vehicles - Public Works to Caldwell Country Chevrolet, in the Amount of $40,640. [Ponciano N. Longoria, P.E. C.F.M., Director of Public Works]

D. Consider Authorizing the Expenditure for the Repair of Unit 464, Commercial Side Load Retriever, by Rush Truck Center of Pharr, Texas, in the Amount of $27,455.57. [Ramiro L. Gomez, Director Solid Waste Management]

VIII. CONTRACTUALS

A. Consider Approval of First Amendment to the Community Development Block Grant Subrecipient Agreement Between the City of Edinburg and CASA of Hidalgo County, Inc. to Increase Contract Amount by $3,000. [Marissa Garza, Director of Community Development/Grants Management]

B. Consider Authorizing the City Manager to Enter into a Memorandum of Understanding (MOU) Between the City of Edinburg Police Department and the Edinburg Consolidated Independent School District Police Department, [David White, Chief of Police]

C. Consider Approval of a Hold Harmless and Non-Exclusive Agreement Between Alonzo Cantu Construction, Inc. and the City of Edinburg Concerning Certain Pedestrian Improvements to the Edinburg Stub Drainage Ditch and Authorizing the City Manager to Execute Such Agreement. [Ponciano N. Longoria, P.E., C.F.M., Director of Public Works]

IX. RESOLUTIONS

A. Consider Resolution to Facilitate a Non-Recourse Loan from the City of Edinburg to Wisconsin Street Housing, LP, a Texas Limited Partnership, in the Amount of $1,275,000 in Connection with the Financing of a Multifamily Affordable Housing Community to be Known as "The Heights Apartments". [Marissa Garza, Director of Community Development/Grants Management]

B. Consider Resolution Authorizing the City Manager and/or His Designee to Act On Behalf of the City of Edinburg for Landfill Permit Application Process; Authorizing the Solid Waste Management Director to Act on Behalf of the City as Landfill Operator and Establishing Golder Associates as The Engineer of Record for The Landfill Permit Application Process. [Ramiro L. Gomez, Director Solid Waste Management]

X. EXECUTIVE SESSION

The City Council will convene in Executive Session, in accordance with the Texas Open Meetings Act, Vernon's Texas Statutes and Codes Annotated, Government Code, Chapter 551, Subchapter D, Exceptions to Requirement that Meetings be Open. The City Council May Elect To Go Into Executive Session On Any Item Whether Or Not Such Item Is Posted As An Executive Session Item At Any Time During The Meeting When Authorized By The Provisions Of The Open Meetings Act.

A. Discussion and Possible Action Regarding a 100.03 Acre Tract of Land being out of a Part or Portion of Lot Forty-One (41), lot Forty-Two (42) and Lot Fifty (50) of Santa Cruz Ranch, Situated in Hidalgo County, Texas, According to the Map or Plat Thereof Recorded in Volume "Z", Page 161, of the Deed Records of Hidalgo County, Texas; and Being out of a Part or Portion of That Certain Tract of Land as Conveyed to SKC Development, Ltd., a Texas Limited Partnership in Warranty Deed Dated May 29, 2003, as Recorded in Document Number 1205101 of the Official Records of Hidalgo County, Texas. (§551.071. Consultation with Attorney. Closed Meeting; §551.072. Deliberation Regarding Real Property; Closed Meeting; and §551.087 Deliberations Regarding Economic Development Negotiations; Closed Meeting.)

B. Discussion and Possible Action Regarding Legal Issues Concerning Amicus Brief on Behalf of City of Edinburg for Harris County Flood Control District and Harris County, Texas v. Kerr Before the State of Texas Supreme Court, Case No. 13-0303. (§551.071. Consultation with Attorney; Closed Meeting.)

C. Discussion and Possible Action Regarding Extending Injury Leave for Employees Under Texas Local Government Code, Chapter 143. MUNICIPAL CIVIL SERVICE FOR FIREFIGHTERS AND POLICE OFFICERS. (§551.071. Consultation with Attorney; Closed Meeting)

OPEN SESSION

The City Council will convene in Open Session to take necessary action, if any, in accordance with Chapter 551, Open meetings, Subchapter E, Procedures Relating to Closed Meeting, §551.102, Requirement to Vote or Take Final Action in Open Meeting.

XI. ADJOURNMENT

I hereby certify this Notice of a City Council Meeting was posted in accordance with the Open Meetings Act, at the City Offices of the City of Edinburg, located at the 415 West University entrance outside bulletin board, visible and accessible to the general public during and after regular working hours. This notice was posted on May 13, 2016 at 3:30pm.

By:_____

Myra L. Ayala Garza, City Secretary
City of Edinburg, Texas

All Matters Listed Under Consent Agenda Are Considered To Be Routine By The Governing Body And Will Be Enacted By One Motion. There Will Be No Separate Discussion Of These Items. If Discussion Is Desired, That Item Will Be Removed From The Consent Agenda And Will Be Considered Separately. With Regard To Any Item, The City Council May Take Various Actions; Including But Not Limited To Rescheduling An Item In Its Entirety For A Future Date Or Time. The City Council May Elect To Go Into Executive Session On Any Item Whether Or Not Such Item Is Posted As An Executive Session Item At Any Time During The Meeting When Authorized By The Provisions Of The Open Meetings Act.

Disability Access Statement

Persons with disabilities who plan to attend this meeting and who may need auxiliary aid or services are requested to contact the City Secretary Department at (956) 388-8204 at least two business days prior to the meeting so that appropriate arrangements can be made. The accessible entrance and accessible parking spaces are located at Edinburg City Hall, 415 West University.

WORK SESSION

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Presentation and Discussion of Funding Requests by Non-Profit Organizations for Budgetary Consideration for Fiscal Year 2016-2017 Budget. [Richard M. Hinojosa, City Manager]

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STAFF COMMENTS AND RECOMMENDATION:
Presentation of Funding Requests by Non-Profit Organizations for Budgetary Consideration for Fiscal Year 2016-2017 Budget.

RECOMMENDATION:
There will be no action taken.

REVIEWED BY: **PREPARED BY:**

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

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RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

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THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Boys & Girls Clubs of Edinburg RGV After School & Summer Programs
Agency: Boys & Girls Clubs of Edinburg RGV
Executive Director: Sabrina Walker Hernandez, Chief Executive Officer
Contact Person: Sabrina Walker Hernandez
Address: P.O. Box 1079 Edinburg, Texas 78540
Phone Number/Fax Number: 956.383.2582 956.381.9635
E-Mail of Contact Person: swalker@cityofedinburg.com or swalker@edinburgkids.com
Organizations Federal Identification No. (Tax ID#): 74-2549652
Amount Requested: $402,040.00
Proposal Due Date: FRIDAY, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

RECEIVED
APR 22 2016
BY:

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 49

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes ☒ No ☐

3. Has the agency been involved in any lawsuits? Yes ☐ No ☒

4. Are there any outstanding judgments against the agency? Yes ☐ No ☒

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☒ No ☐

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No ☒

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. The entire staff of the Boys & Girls Clubs of Edinburg RGV are employees of the city of Edinburg.

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes ☒ No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

Our budget is reviewed monthly by the board of directors and we are currently in the planning process to update/create a new 18 month strategic, resource development and marketing

plan. We have also undergone a facility audit to assist in reducing utilities cost as well as develop a cost sharing partnerships. We also utilize a club member tracking systems that enables us to monitor how many club members are in our after schools sites (5- Legacy, Brewster, San Carlos, Fountain, & Sam Risica) so that staffing hours can be reduced or increased as needed based on safety requirements.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

Since 1969, the Boys & Girls Clubs of Edinburg Rio Grande Valley has been in the forefront of youth development; with the mission of inspiring and enabling all youth especially those from disadvantage circumstance to realize their full potential as productive, caring and influential citizens. We have actively sought to enrich the lives of girls and boys whom other youth agencies have had difficulty in reaching. We are dedicated to ensuring that our community's disadvantaged youngsters have greater access to quality programs and services that will enhance their lives and shape their futures.

We have chosen to take a stand against what is happening to our children, made a commitment to help reverse the negative trends affecting kids in our communities and adopted the Success Equation focused on changing and saving young people's lives with three major areas of: Academic success, Health and Obesity, and Civic and Community Engagement.

Today, over 18,066 (5,496 registered members and 12,570 other youth served) boys and girls at risk and in need are taking advantage of the programs, activities, and services provided at the eight (8) Boys & Girls Clubs of Edinburg Rio Grande Valley Units covering 30 miles in Edinburg and the surrounding communities of Faysville, San Manuel Linn, Hargill and San Carlos. They benefit from trained, caring, professional staff and volunteers who help young people take control of their lives, envision productive futures, and reach their goals.

2. Indicate if this is a new or existing project below:

☒ Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? ☒ Yes or ☐ No

☐ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

☒ Edinburg
☒ Other

Please describe Service Areas: Edinburg & surrounding communities (see breakdown below for 2015 service year)

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation. According the latest census data 31% of the population of Edinburg is below the age of eighteen and 27% are below poverty level. A large number are from working families who need to ensure that their children are receiving affordable quality care after school and during the summer while parents are at work. Because of the need of our families, we have experienced an increase in the number club members who attend our club on a daily basis. There are many challenges associated with the increased number of club members. These include:

- Rising transportation costs and logistical challenges in making sure children have access to our programs
- Inadequate number of staff to maintain a 1:20 ratio and ensue a safe environment
- Greater severity of needs of the club members we serve; resulting in a laser focus on Academic Success, Health and Life Skills and Character & Civic engagement

Academic Success - In today's economy, graduating from high school college-ready and obtaining a postsecondary degree or credential can mean the difference between a lifetime of poverty and a secure economic future. The Club has documented a 96% graduation rate for our club members as compared to the regions at 84%. For the last 10 years we have given out over $1,000,000.00 in college scholarships to our graduating students. In 2015, 70% of our club members participated in Science Technology Engineering and Math activities and camps. We are enhancing and assisting our most challenged youth during non-school hours with a focus on education in a nontraditional environment.

Health and Life Skills - According to a 2012 Teacher Report, 80% of students come to school hungry at least once a week which impacts a child through an inability to concentrate, poor academic performance and headaches & stomach aches. The issue of hunger becomes worse for kids during the summer and school breaks because they can take advantage of school meals. The Club is addressing this issue by providing a full service cafeteria which ensures that kids of the community have a dinner and snack after school and breakfast and lunch/dinner during the school breaks. In 2015 we served 36,150 snacks and 88,224 meals. Not only do we provide the meals but we also provide needed nutrition education A 2012 Gallup poll found that 38.8% of the population of the McAllen/Edinburg/Mission metro area is obese- ranking it as the 'fattest' in the US. 40.2% of the children rated obese. This obesity rate is almost 3 times the national average for Hispanic children. Per the TX Dept. of Health, the top 2 most common health problems of school aged children reported by school nurses are obesity & Type 2 diabetes.

Character & Civic Engagement- Character influences leadership, the Club has the opportunity to engage community youth in giving back to improve their community while developing themselves and their capacity to become influential

citizens. Through their club experience youth receive knowledge on how to have a voice in public policy and planning processes to include community organizing, project management, meeting facilitation, public speaking, and professional networking. According to the results of our 2015 National Youth Outcome Initiative response from our club members 88% of them have not been arrested in the past year, 96% recognize bias, unfairness and stereotypes, 76% increased their ability to demonstrate positive attitudes and behaviors among peers, and 44% of teens volunteer once a month compared to 20% nationally.

b. Was this program funded by the City in FY 2015-2016? Yes ☒ No ☐
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? Boys & Girls Clubs of Edinburg RGV will continue to provide after school and summer programs to the youth of Edinburg and administer the Teen Court program. Growth will be strategic and will focus on academic success, health and life skills, and character & civic engagement. We will increase our outreach efforts and grow registered members by 5%; In addition with will increase our average daily attendance for the after school program by 5%, from 673 to 706.

5. Clientele

a. How many individuals will be served by this program? Individuals 18099

b. What is the estimated cost to provide services to one person? $365 per year

c. What is the target population? (Example: elderly, disabled, abused children etc.)
Youth ages 5-18

6. Performance Management (Measuring Your Goals and Objectives)

Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.
See above demand for services response.

2. Please provide the number of individuals assisted in the following fiscal years:

B. **Other Sources** **Funding Amount**

*See attached projected revenues _____

_____ _____

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$ 343,634.00
Fringe Benefits	$
Utilities	$
Travel (Professional Development)	$ 2,000.00
Capital	$
Postage	$ 250.00
Advertising	$800.00
Program Supplies	$ 55,356.00
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	$ 402,040

3. Is event/program dependent on "Other Funds"? yes

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? 0%

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. 100% The staffing will be used to provide services to and work directly with kids.

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year? The Boys & Girls Clubs of Edinburg RGV would have to close sites of services.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin 9/30 End 10/1

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter:

   Beginning October 1, 2016 and ending September 30, 2017.

   2016 Oct., Nov., & Dec.: $100,510.00 2017 Jan., Feb., March: $100,510.00

   2017 April, May, June: $100,510.00 2017 July, Aug., Sept.: $100,510.00

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017.

   2016 Oct., Nov., & Dec.: 4525 2017 Jan., Feb., March: 4524

   2017 April, May, June: 4525 2017 July, Aug., Sept.: 4525

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation *

2. Proof of tax exemption (Tax ID#) *

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws. *

7. Resume of Chief Program Administrator. *

8. Resume of Chief Fiscal Officer. * (Ascencion Alonzo)

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence

2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: _____ **Date: ___April 20, 2016_____**
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Sabrina Walker Hernandez

Title: Chief Executive Officer

citizens. Through their club experience youth receive knowledge on how to have a voice in public policy and planning processes to include community organizing, project management, meeting facilitation, public speaking, and professional networking. According to the results of our 2015 National Youth Outcome Initiative response from our club members 88% of them have not been arrested in the past year, 96% recognize bias, unfairness and stereotypes, 76% increased their ability to demonstrate positive attitudes and behaviors among peers, and 44% of teens volunteer once a month compared to 20% nationally.

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If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? Boys & Girls Clubs of Edinburg RGV will continue to provide after school and summer programs to the youth of Edinburg and administer the Teen Court program. Growth will be strategic and will focus on academic success, health and life skills, and character & civic engagement. We will increase our outreach efforts and grow registered members by 5%; In addition with will increase our average daily attendance for the after school program by 5%, from 673 to 706.

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Youth ages 5-18

6. Performance Management (Measuring Your Goals and Objectives)

Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.
See above demand for services response.

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	18,066	18,099
% OF EDINBURG RESIDENTS SERVED:	95%	95%

ALAMO	15	ALTON	30	DONNA	28
EDCOUCH-ELSA	282	EDINBURG	17181	HIDALGO	4
LA JOYA	0	LA VILLA	1	McALLEN	135
MERCEDES	1	MISSION	0	MONTE ALTO	0
PALMVIEW	27	PHARR	48	PROGRESO	6
RIO GRANDE CITY	0	ROMA	3	SAN JUAN	21
SHARYLAND	0	VALLEY VIEW	0	WESLACO	6

OTHER YOUTH SERVED Delmito 2, Hargill 152, San Manuel/Linn 48, Harlingen 4, & La Blanca 41, Penitas 1, San Benito 1, Garciasville 4, Aransas Pass 1, Falcon Heights 2, Grulla 1, Santa Elena 10, Santa Maria 1, Progreso Lakes 10,

TOTAL 18,066

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) n/a

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc. See attached Average Daily Attendance Report for our organization for the most recent quarter as well as our results from the 2015 National Youth Outcome Survey highlighted in our Annual Report.

5. Attach letter(s) of support for this event/program. See attached.

6. If this event/program is unfunded or partially funded, will the event/program be carried out? Yes- However we would have to determine which neighborhood sites to close or what programs to eliminate.

7. Is there a fee for your services? If so, please attach a fee schedule. $20 membership fee for school year. $75 cost per semester for transportation (currently, transportation is only available to 12 schools limited to 157 participants). $100 program fee for summer. We provide several forms of scholarship 1. 75 income based 2. Military dependents and 2. Driscoll Health Care Recipients.

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 402,040.00

Annual Report & Average Daily Attendance

Boys & Girls Clubs Of Edinburg

Average Daily Attendance by Week

8/24/2015 to 4/20/2016

Week of	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Average
08/23/2015		423	473	534	507	524		492
08/30/2015		563	595	546	561	474		548
09/06/2015		5	542	536	580	485		430
09/13/2015		554	581	629	535	496		559
09/20/2015		623	674	570	562	499		586
09/27/2015		562	548	586	519	488		541
10/04/2015		589	507	563	563	232		491
10/11/2015		51	582	533	493	535		439
10/18/2015		522	540	544	563	466		527
10/25/2015		519	533	514	533			525
11/01/2015		554	556	498	522	429		512
11/08/2015		526	523		521	445		504
11/15/2015		469	464	492	488	355		454
11/22/2015		91	120	78				96
11/29/2015		433	460	473	479	414		452
12/06/2015		516	475		478	468		484
12/13/2015		461	474	428	493	364		444
12/20/2015		121	136	123				127
12/27/2015		126	103	109	62			100
01/03/2016		189	204	489	480			341
01/10/2016			470	500	523	479		493
01/17/2016		84	492	541	559	447		425
01/24/2016		430	464	517	523	452		477
01/31/2016		460	429	475	603	440		481
02/07/2016		294	546	611	543	217		442
02/14/2016		206	593	604	536	445		477
02/21/2016		501	572	540	537	217		473
02/28/2016		501	576	585	619	472		551
03/06/2016		492	601	710	728	236		553
03/13/2016		191	209	189	171	204		193
03/20/2016		470	474	489	449			471
03/27/2016		500	526	540	537	440		509

Boys & Girls Clubs Of Edinburg

Average Daily Attendance by Week

8/24/2015 to 4/20/2016

Week of	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Average
04/03/2016		592	526	540	510	445		523
04/10/2016		486	497	552	543	481		512
04/17/2016		463	463					463
Daily Average:		399	472	489	510	416		458

Letter of Support

THE CITY OF EDINBURG

April 1, 2013

To Whom It May Concern,

I write in support of the Boys & Girls Clubs of Edinburg RGV as an affiliate site in the Sea Research Foundation, Inc.'s application for funding under the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention FY 2013 Multi-State Mentoring Initiative for the Immersion Mentoring Program. I recognize the program's mission to promote positive behaviors, attitudes, and outcomes of youth by delivering structured mentoring activities in the fields of science, technology, engineering, and math (STEM) as a viable force in addressing youth issues in the community. Through interaction with caring adult mentors, as well as the program's network of diverse local and national role models, the Immersion Mentoring Program will enhance the efforts of the Boys & Girls Clubs of Edinburg RGV to improve academic performance and personal development of their underserved and at-risk youth members.

The funding from the U.S. Department of Justice will enable the Club to expand mentoring to young people, further address juvenile delinquency prevention, and implement enriching STEM education activities that inspire youth to pursue careers in these fields.

The Texas-Mexico border region is characterized by extreme poverty. The dichotomy of poverty and rapid growth along the border has led to high crime, easy availability of drugs and the creation of numerous gangs. In fact, the Drug Enforcement Administration (DEA) has designated the Texas-Mexico border as a "High Intensity Drug Trafficking Area". Gang activity, drug/alcohol abuse, high teen pregnancy rates, low academic rates and violence are common in these communities. Located along the border intensifies the matters more because youth at any age are able to enter Mexico at any time and purchase alcohol, tobacco, weapons and drugs without any difficulty. This behavior regularly leads to sex, crime, violence, gangs, academic failure, school dropout and death for many of our youth. Both the school and the community need the support now to intervene and provide these youth and their families with a sense of hope and opportunity. Hidalgo and Cameron Counties face a juvenile delinquency problem. Over the past four years, Hidalgo County has ranked first, and third for juvenile arrests among Texas State and youth ages 10-14 years who were arrested at a rate of 45.05 per 1,000 children, compared to the state rate of 23.12. According to the Texas Juvenile Probation Commission male offenders accounted for 73% of all referrals in 2008. Hispanic juveniles were the most populous group in the state (44%) and accounted for 48% of referrals to probation in 2008. The average age of juveniles referred in 2008 was 15 years of age. However, 16 year old youth were referred to juvenile probation more frequently than any other age group.

415 W. University Drive • P.O. Box 1079 • Edinburg, Texas 78540
Phone (956) 388-8204 • Fax (956) 383-7111

In addition there is of lack positive role models for the youth of the community. Social researchers say one of the most significant protective factors for keeping a child or teen from becoming involved in "at risk" behaviors such as alcohol or drug use, juvenile crime, poor school performance or drop out and early sexual debut with the consequences of disease or teenage pregnancy, is that an adult is truly available for that youth in a moment of crisis.

By implementing the Immersion Mentoring Program, the Boys & Girls Clubs of Edinburg RGV will give youth multiple opportunities to build academic skills while engaging them in a relationship with a positive caring adult who will reinforce the value of learning.

Sincerely,

Ramiro Garza, Jr.
City Manager

Edinburg
IDEA
Public Schools

2553 Roegiers Rd.
Edinburg, TX 78541
(956) 287-6100
www.ideapublicschools.org

October 29, 2012

Ms. Sabrina Walker Hernandez
Boys & Girls Clubs Of Edinburg RGV
702 Cullen Street
Edinburg, Texas 78541

Dear Sabrina,

On behalf of Idea Edinburg Academy, we enthusiastically support the Boys & Girls Clubs of Edinburg RGV's grant application to the Whole Kids Foundation. As a school partner, we are excited about the opportunity for the Boys & Girls Clubs of Edinburg RGV's to be a recipient because of the additional opportunities it would provide our children. So many of the children we serve need additional support and access to affordable resources. Through our partnership, IDEA and the Boys & Girls Clubs are providing a safe, stimulating environment for young children.

Idea Edinburg Academy would be an honored beneficiary of the work that the Boys & Gils Clubs of Edinburg RGV will accomplish with their community garden. In a region with such a large low-income population, additional resources would truly make a difference in the lives of the children of the Rio Grande Valley. I submit this letter in full support of Boys & Girls Clubs of Edinburg RGV's proposal to the Whole Kids Foundation.

Best Regards,

Nora Perez
Principal
Idea Edinburg Academy

THE CITY OF
EDINBURG

December 15, 2011

Sabrina Walker-Hernandez
Chief Professional Officer
P.O. Box 1079
Edinburg, Texas 78540

Dear Mrs. Walker-Hernandez,

I am writing in support of the U.S. Soccer Foundation Soccer for Success grant application. This collaborative was formed with the intent of leveraging resources and increasing the quality of afterschool youth soccer programs for at risk youth in our community.

Children in our area need safe, constructive, structured after school activities as well as the fitness boost provided by the proposed plan. Our students are most deserving because of the economic and educational barriers facing them.

As a proud community collaborator, the City of Edinburg plans to do the following:

- Provide background checks of all coaches and volunteers through our Human Resource Department and

- Track and monitor grant revenue and expenditures through our Finance Department,

I wholeheartedly endorse the plan and efforts of the Boys & Girls Clubs of Edinburg RGV. It's forward thinking, regional cooperation is the approach needed for our area and the future success of our community youth.

Respectfully,

Shawn Snider,
Acting City Manager

415 W. University Drive • P.O. Box 1079 • Edinburg, Texas 78540
Phone (956) 388-8204 • Fax (956) 383-7111

E.C.I.S.D. Athletic Department
"Home of Champions"
Cats Stadium

310 E. Palm Drive - Edinburg, Texas 78539 ☆ Phone: (956) 289-2395 ☆ Fax: (956) 316-7502

Director of Athletics
Joe Filoteo

Supervisor of Purchasing & Fields
Mario L. Lopez

Bobcats

Cougars

Jaguars

December 15, 2011

Sabrina Walker-Hernandez
Chief Professional Officer
P.O. Box 1079
Edinburg, Texas 78540

Dear Mrs. Walker-Hernandez,

I am writing in support of the U.S. Soccer Foundation Soccer for Success grant application. The collaboration between the Boys & Girls Clubs of Edinburg RGV and Edinburg Consolidated Independent School District was formed with the intent of leveraging resources and increasing the quality of afterschool youth soccer programs for at risk youth in our community.

Children in our area need safe, constructive, structured after school activities as well as the fitness boost provided by the proposed plan. Our students are most deserving because of the economic and educational barriers facing them.

As a proud community collaborator, the Edinburg Consolidated Independent School District plans to do the following:

- Provide fields & space at designated sites for the program activities,
- Will provide transportation as needed per school request
- Knowledge & expertise from the ECISD athletic department

I wholeheartedly endorse the plan along with the support and approval of our Administration and efforts of the Boys & Girls Clubs of Edinburg RGV. It's forward thinking, regional cooperation is the approach needed for our area and the future success of our community youth.

Respectfully,

Joe Filoteo Jr.

Joe Filoteo, Jr., Director of Athletics
Edinburg CISD

It is the policy of Edinburg C.I.S.D. Not to discriminate on the basis of sex, age, handicap, religion, race, color, or national origin in its educational programs
Eito Escolar de Edinburg el no discriminar por razones con base en sexo, edad, religión, raza, color, origen nacional, ni por descapacidad dentro de sus programas educacionales,s póliza [illegible]

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	18,066	18,099
% OF EDINBURG RESIDENTS SERVED:	95%	95%

ALAMO	15	ALTON	30	DONNA	28
EDCOUCH-ELSA	282	EDINBURG	17181	HIDALGO	4
LA JOYA	0	LA VILLA	1	McALLEN	135
MERCEDES	1	MISSION	0	MONTE ALTO	0
PALMVIEW	27	PHARR	48	PROGRESO	6
RIO GRANDE CITY	0	ROMA	3	SAN JUAN	21
SHARYLAND	0	VALLEY VIEW	0	WESLACO	6

OTHER YOUTH SERVED Delmito 2, Hargill 152, San Manuel/Linn 48, Harlingen 4, & La Blanca 41, Penitas 1, San Benito 1, Garciasville 4, Aransas Pass 1, Falcon Heights 2, Grulla 1, Santa Elena 10, Santa Maria 1, Progreso Lakes 10,
TOTAL 18,066

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) n/a

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc. See attached Average Daily Attendance Report for our organization for the most recent quarter as well as our results from the 2015 National Youth Outcome Survey highlighted in our Annual Report.

5. Attach letter(s) of support for this event/program. See attached.

6. If this event/program is unfunded or partially funded, will the event/program be carried out? Yes- However we would have to determine which neighborhood sites to close or what programs to eliminate.

7. Is there a fee for your services? If so, please attach a fee schedule. $20 membership fee for school year. $75 cost per semester for transportation (currently, transportation is only available to 12 schools limited to 157 participants). $100 program fee for summer. We provide several forms of scholarship 1. 75 income based 2. Military dependents and 2. Driscoll Health Care Recipients.

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 402,040.00

Projected Revenue
2016-2017

Boys & Girls Clubs of Edinburg RGV				
2016-2017 Working Budget Projected Revenues				
A. Recreation Fees	4088-08306-00		$30,000.00	2.0%
Concessions		$18,529.00		
Rental Income	4088-08304-00			
GYMS, MEETING ROOMS		$8,721.00		
EQUIPMENT		$2,750.00		
B. INTERGOVERNMENTAL REVENUE			$327,794.00	21.7%
b-8 hidalgo urban county sc	4098-09314-00	$40,000.00		
b-12 hidalgo urban county hargil	4098-09315-00	$0.00		
b-9 hidalgo urban county br	4098-09316-00	$0.00		
Hidalgo urban county FY	4098-09319-00	$0.00		
IDEA REIMBURSEMENT	4098-09340-00	$37,044.00		
Child and Adult Care Food Program	4098-09351-00	$250,750.00		
		$327,794.00		
C. MISCELLANEOUS REVENUE			$1,710.00	0.1%
C-1 INTEREST EARNED	4118-11301	$1,710.00		
C-2 REC OF WPRKERS COMP	4118-11311	$0.00		
C-3 MISCELLANEOUS REVENUE	4118-11312	$0.00		
C-4 CASH SHORT OR OVER	4118-11315	$0.00		
		$1,710.00		
D. CONTRIBUTIONS			$148,500.00	9.8%
D-1 UNITED WAY	4128-12311-00	$148,500.00		
UW Outcomes				
		$148,500.00		
D-2 CONT-OTHER	4128-12312-00	$2,000.00	$2,000.00	0.1%
		$2,000.00		
D-3 CONT-SPECIAL EVENTS	4128-12313-00		$158,500.00	10.5%
Golf Classic		$47,000.00		
Steak in Your Community		$91,000.00		
Fall Festival		$500.00		
Community Event		$20,000.00		
		$158,500.00		
D-4 CONT CITY OF EDINBURG	4128-12315-00		$402,040.00	26.6%
City of Edinburg		$337,040.00		
Teen Services		$65,000.00		
		$402,040.00		
D-5 CONT-GRANTS	4128-12316-00		$189,000.00	12.5%
Foundation Proposals		$100,000.00		
BGA pass through grants		$50,000.00		
BGCA Training		$2,000.00		
Texas Alliance		$17,000.00		
Texas Aim		$20,000.00		
		$189,000.00		
D-6 CONT-PROGRAM FEES	4128-12317-00		$69,992.00	4.6%
Sunshine (summer) Program 600 KIDS)		$60,000.00		
Shine Program (135 KIDS)		$9,992.00		
		$69,992.00		
D-7 CONT SALES TO MEMBERS	4128-12318-00		$7,000.00	0.5%
Sales to Members (466 Summer Camp Kits)		$7,000.00		
		$7,000.00		
D-8 CC ONE CAMPAIGN	4128-12322-00		$81,239.00	5.4%
One Campaign		$81,239.00		
		$81,239.00		
D-9 CONT- CORPORATIONS	4128-12320-00		$50,462.00	3.3%
CPL		$1,000.00		
Other		$3,000.00		
Combination		$46,462.00		
		$50,462.00		
D-10 CONT-MEMBERSHIP	4128-12321-00		$42,000.00	2.8%
Fountain		$1,000.00		
Legacy School Year		$28,000.00		
Legacy Summer		$10,000.00		
Teen Court		$3,000.00		
		$42,000.00		
D-11 CON'T SERVICE CLUBS	4128-12323-00		$1,750.00	0.1%
Kiwanis		$500.00		
Rotary		$1,000.00		
Church Women United		$250.00		
		$1,750.00		
	Revenue		$1,511,987.00	
	Expenditures		$1,490,251.00	
	Rev over Exp		$21,736.00	
	Board Generate		$239,239.00	

B. **Other Sources** **Funding Amount**

*See attached projected revenues _____

_____ _____

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$ 343,634.00
Fringe Benefits	$
Utilities	$
Travel (Professional Development)	$ 2,000.00
Capital	$
Postage	$ 250.00
Advertising	$800.00
Program Supplies	$ 55,356.00
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	$ 402,040

3. Is event/program dependent on "Other Funds"? yes

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? 0%

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. 100% The staffing will be used to provide services to and work directly with kids.

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year? The Boys & Girls Clubs of Edinburg RGV would have to close sites of services.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin 9/30 End 10/1

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter:

   Beginning October 1, 2016 and ending September 30, 2017.

   2016 Oct., Nov., & Dec.: $100,510.00 2017 Jan., Feb., March: $100,510.00

   2017 April, May, June: $100,510.00 2017 July, Aug., Sept.: $100,510.00

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017.

   2016 Oct., Nov., & Dec.: 4525 2017 Jan., Feb., March: 4524

   2017 April, May, June: 4525 2017 July, Aug., Sept.: 4525

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation *

2. Proof of tax exemption (Tax ID#) *

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws. *

7. Resume of Chief Program Administrator. *

8. Resume of Chief Fiscal Officer. * **(Ascencion Alonzo)**

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence

2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: _____ **Date:** ___**April 20, 2016**_____
[must be Authorized Representative]

Please print or type name and title of signer:

Name: **Sabrina Walker Hernandez**

Title: **Chief Executive Officer**

Articles of Incorporation

FILED
In the Office of the
Secretary of State of Texas
JUL 25 1989
Corporations Section

ARTICLES OF INCORPORATION

OF

BOYS' AND GIRLS' CLUB OF EDINBURG, INC.

We, the undersigned natural persons of the age of 18 years, or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation of such corporation:

ARTICLE I.

The name of the corporation is Boys' and Girls' Club of Edinburg, Inc.

ARTICLE II.

The corporation is a non-profit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The purpose or purposes for which the corporation is organized are: charitable, benevolent, civic, educational and scientific, or any one or more of them, including without limitation to provide behavioral guidance and to promote the health, social, educational, vocational and character development of boys and girls and to receive, invest and disburse funds and to hold property for the purposes of the corporation.

ARTICLE V.

The street address of the initial registered office of the corporation is 315 East Palm Drive, Edinburg, Texas, and the name of its initial registered agent at such address is Frank X. Garza.

ARTICLE VI.

The number of directors constituting the intitial Board of Directors of the corporation is nine (9), and the names and addresses of the persons who are to serve as the initial directors are:

Clementina Cantu
Route 6, Box 458
Edinburg, TX 78540

Joe L. Cantu
1509 McKee Drive
Edinburg, TX 78539

Nick Cantu
914 South 16th St.
Edinburg, TX 78539

Consuelo Carrales
1021 Susan
Edinburg, TX 78539

Richard Evins
P. O. Box 518
Edinburg, TX 78540

Peter de la Garza
2609 Tallow Court
Edinburg, TX 78539

Roger Luna
P. O. Box 3218
Edinburg, Tx 78540

Socorro Sandoval
1708 Ann St.
Edinburg, TX 78539

Oscar Trevino, Jr.
1023 South 14th St.
Edinburg, TX 78539

ARTICLE VII.

The name and street address of each incorporator is:

Richard Evins
P. O. 518
Edinburg, TX 78540

Roger Luna
P. O. Box 3218
Edinburg, Tx 78540

Oscar Trevino, Jr.
1023 South 14th St.
Edinburg, TX 78539

ARTICLE VIII.

No part of the income or principal of the funds or property of the corporation shall ever inure to the benefit of any shareholder, member, director, trustee, or officer of the corporation, or to any other individual within the meaning of the tax exemption provisions of the laws of the United States of America and the State of Texas. No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office, nor shall the corporation engage in any activities which are unlawful under the laws of the United States of America or the State of Texas or any other state of the United States; nor shall it engage in any transaction which at the time is defined to be a "prohibited transaction" under the Internal Revenue laws (codified or otherwise) of the United

States of America pertaining to charitable corporations; nor shall it engage in activities which in themselves are not in furtherance of one or more of its exempt purposes.

Upon dissolution of the corporation, all assets of the corporation, after satisfaction or provision for satisfaction of debts and claims, shall be distributed, transferred and delivered as soon as practicable to or for the benefit of one or more like organizations which are organized and operated exclusively for charitable, religious, scientific or educational purposes and which are exempt under Section 501(c)(3) of the Internal Revenue Code of 1954, or other corresponding provisions of the Internal Revenue Code of 1954, or other corresponding provisions or later revisions of the same provisions of the United States law, to be used for the exempt purposes of such organization or organizations.

IN WITNESS WHEREOF, we have hereunto set our hands this 21st day of July, A. D., 1989.

Richard Evins

Roger Luna

Oscar Treviño, Jr.

JRMIII/co\2.1.54
6/89

FILED
in the Office of the
Secretary of State of Texas
FEB 16 1990
Corporations Section

ARTICLES OF AMENDMENT
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.

BOYS' AND GIRLS' CLUB OF EDINBURG, INC., a Texas nonprofit corporation subject to the Texas Non-Profit Corporation Act, has adopted the amendments to its Articles of Incorporation filed on July 26, 1989 as stated in these Articles of Amendment.

ARTICLE 1
NAME

The name of the Corporation is BOYS' AND GIRLS' CLUB OF EDINBURG, INC.

ARTICLE 2
SUBSTANCE OF AMENDMENT

Article IV of the Articles of Incorporation is amended to read as follows:

"ARTICLE IV

Said corporation is organized exclusively for charitable, religious, educational and scientific purposes, or any one or more of them, including without limitation to provide behavioral guidance and to promote the health, social, educational, vocational and character development of boys and girls and to receive, invest and disburse funds to hold property for the purposes of the corporation."

Article VIII of the Articles of Incorporation is amended to read as follows:

"ARTICLE VIII

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation

for services rendered and to make payments and disbursements in furtherance of the purposes set forth in Article Four hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law); or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law)."

Article IX of the Articles of the of Incorporation is amended to read as follows:

"ARTICLE IX

Upon dissolution of the corporation, the Board of Trustees shall, after paying or making provision of the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such a manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the court of the county in which the principal office of the corporation is than located, exclusively for such purposes or to such Organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes."

ARTICLE 3

PROCEDURE OF ADOPTION OF AMENDMENT

The Corporation has no members entitled to vote on these Articles of Amendment. The amendment of the Articles of Incorporation was adopted at a meeting of the Board of Directors held on February 8, 1990. The amendment received the vote of a majority of the directors in office.

I am an officer of the Corporation and I hereby execute these Articles of Amendment on behalf of the Corporation on this 8th day of February, 1990.

BOYS' AND GIRLS' CLUB OF EDINBURG INC.

BY: ROGER LUNA
PRESIDENT

The State of Texas

Secretary of State

MAY 5, 1999

CITY OF EDINBURG - MARY FLORES
P.O. BOX 1079
EDINBURG ,TX 78540-1079

RE:
BOYS AND GIRLS CLUBS OF EDINBURG RIO GRANDE VALLEY, INC.
CHARTER NUMBER 01122001-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR ARTICLES OF AMENDMENT.

THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES AND THE ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.

Elton Bomer, Secretary of State

The State of Texas

Secretary of State

CERTIFICATE OF AMENDMENT

FOR

BOYS AND GIRLS CLUBS OF EDINBURG RIO GRANDE VALLEY, INC.

FORMERLY

BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
CHARTER NUMBER 01122001

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF AMENDMENT FOR THE ABOVE NAMED ENTITY HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF AMENDMENT.

DATED MAY 3, 1999

EFFECTIVE MAY 3, 1999

Elton Bomer, Secretary of State

FILED
In the Office of the
Secretary of State of Texas

MAY 03 1999

Corporations Section

ARTICLES OF AMENDMENT

Boys and Girls Club of Edinburg, Inc.

Boys and Girls Club of Edinburg, Inc., a Texas nonprofit corporation subject to the Texas Non-Profit Corporation Act, has adopted the amendment to its Articles of Incorporation filed on July 25, 1989 as stated in these Articles of Amendment.

ARTICLE 1
NAME

The Corporation's name is Boys and Girls Club of Edinburg, Inc.

ARTICLE 2
SUBSTANCE OF AMENDMENT

Article 1 of the Articles of Incorporation is amended to read as follows: The name of the corporation is **Boys and Girls Clubs of Edinburg Rio Grande Valley, Inc.**

ARTICLE 3
PROCEDURE USED IN ADOPTING AMENDMENT

The amendment was adopted as follows:

The Corporation has no members entitled to vote on these Articles of Amendment. The amendment of the Articles of Incorporation was adopted at a meeting of the Board of Directors held on February 8, 1999. The amendment received the vote of a majority of the directors in office.

I am officer of the Corporation and I execute these Articles of Amendment on the Corporation's behalf on February 8, 1999.

Boys and Girls Club of Edinburg, Inc.

By: _____
Elias Longoria, Jr.
President

IRS 501 (c) 3
Non Profit Exemption

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: DEC 13 1993

Employer Identification Number:
74-2549652
Case Number:
753313195
Contact Person:
SHARI FLOWERS
Contact Telephone Number:
(214) 767-6023
Our Letter Dated:
March 7, 1990
Addendum Applies:
No

BOYS AND GIRLS CLUB OF EDINBURG INC
315 EAST PALM DRIVE
EDINBURG, TX 78539

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Gary O. Booth

Gary O. Booth
District Director

Audited Financial Statement

THE CITY OF

EDINBURG

Comprehensive Annual Financial Report

Year Ended September 30, 2015

GREAT FUTURES START HERE.

BOYS & GIRLS CLUBS
OF EDINBURG
RIO GRANDE VALLEY

Texas

415 W. University • P.O. Box 1079 • Edinburg, Texas 78540
Phone: (956) 388-8204 • Fax: (956) 383-7111

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS
LONG CHILTON, LLP
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS AND INDIVIDUALS

Members - Division of Firms,
American Institute of CPAs

4100 N. 23rd
McAllen, Texas 78504
(956) 686-3701
Fax (956) 686-6830
www.longchilton.com

Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Edinburg, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edinburg, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Edinburg Economic Development Corporation, which represents 87 percent, 78 percent, and 89 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Edinburg Economic Development Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edinburg, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2015, the City implemented new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions and* GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedule of changes in net pension liability and related ratios – Texas Municipal Retirement System, schedule of the City's proportionate share of the net pension liability – Texas Emergency Services Retirement System (TESRS), schedule of City's contributions for all pension plans, and the schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Edinburg, Texas' basic financial statements. The introductory section, other supplementary information section, capital assets used in the operation of governmental funds section, and statistical section, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information section, capital assets used in the operation of governmental funds section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information section, capital assets used in the operation of governmental funds section, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016, on our consideration of the City of Edinburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The City of Edinburg, Texas' internal control over financial reporting and compliance.

Long Chilton, LLP

LONG CHILTON, LLP
Certified Public Accountants

McAllen, Texas
March 30, 2016

COMPONENT UNIT

The Boys' and Girls' Club of Edinburg, Inc. provides for improved services to the community which are to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible, and caring citizens.

CITY OF EDINBURG, TEXAS
BALANCE SHEET
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONENT UNIT
SEPTEMBER 30, 2015

Assets	
Cash and cash equivalents	$ 632,254
Receivables, net:	
Intergovernmental	137,734
Due from primary government	28,297
Investments	239,365
Prepaid items	4,443
Total Assets	$ 1,042,092
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	71,398
Accrued liabilities	48,581
Due to primary government	72,473
Total Liabilities	192,451
Fund Balance:	
Nonspendable:	
Permanent endowment	239,365
Unassigned	610,276
	849,641
Total Liabilities and Fund Balance	$ 1,042,092
Total fund balances- component unit balance sheet	$ 849,641
Amounts reported for component units in the statement of net position ("SNP") are different because:	
Capital assets used in component unit activities are not reported in the fund.	5,051,838
Payables for TMRS pension liability and OPEB obligations, which are not due in the current period are not reported in the fund.	(418,238)
Deferred outflows and inflows related to TMRS pension plan are not reported in the funds.	46,589
Payables for compensated absences, which are not due in the current period are not reported in the fund.	(46,838)
Payables for note principal, which are not due in the current period are not reported in the fund.	(441,721)
Some amounts reported for component units in the SNP are different because certain internal service fund assets and liabilities are included with the component units.	40,881
Net position of component unit- statement of net position	$ 5,082,150

CITY OF EDINBURG, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Revenues:	
Contributions	$ 701,401
Intergovernmental	799,210
Concession sales and other	33,686
Investment income	(1,919)
Total Revenues	1,532,378
Expenditures:	
Current:	
Culture and recreation	1,333,607
Debt service:	
Principal retirements	59,070
Interest and other charges	16,925
Total Expenditures	1,409,603
Excess (Deficiency) of Revenues Over (Under) Expenditures	122,775
Net Change in Fund Balance	122,775
Fund Balance at Beginning of Year	726,866
Fund Balance at End of Year	$ 849,641
Net change in fund balance- component unit	$ 122,775
Amounts reported for component units in the statement of activities ("SOA") are different because:	
Depreciation on capital assets is reported as an expense in the SOA.	(118,219)
Changes in the net pension liability for retirement are not recognized in the funds, but are in the SOA.	(5,889)
Repayment of note principal is an expenditure in the funds, but is not an expense in the SOA.	59,070
Some amounts reported for component units in the SOA are different because the net revenue (expense) of the internal service fund are reported with the component units.	1,174
Compensated absenses are reported as the amount is incurred in the SOA, but as the amount is paid in the fund.	(31,501)
Change in net position of component unit-statement of activities	$ 27,410

CITY OF EDINBURG, TEXAS
BUDGETARY COMPARISON SCHEDULE
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Contributions	$ 726,505	$ 776,505	$ 701,401	$ (75,104)
Intergovernmental	658,132	708,132	799,210	91,078
Concession sales and other	24,029	24,029	33,686	9,657
Investment income	1,710	1,710	(1,919)	(3,629)
Total Revenues	1,410,376	1,510,376	1,532,378	22,002
Expenditures:				
Culture and Recreation:				
Personnel services	958,673	872,806	761,934	110,872
Supplies	194,025	282,973	285,317	(2,344)
Materials	5,500	5,500	5,518	(18)
Maintenance	15,003	27,703	29,505	(1,802)
Contractual	140,343	225,462	226,595	(1,133)
Other	20,836	20,836	24,737	(3,901)
Debt service:				-
Prinicipal retirements	59,070	59,070	59,070	-
Interest and other charges	16,926	16,926	16,925	1
Total Expenditures	1,410,376	1,435,280	1,333,607	101,673
Excess (Deficiency) of Revenues Over Expenditures	-	75,096	198,771	123,675
Net Change in Fund Balance	-	75,096	198,771	123,675
Fund Balance at Beginning of Year	726,866	726,866	726,866	-
Fund Balance at End of Year	$ 726,866	$ 801,962	$ 925,636	$ 123,675

Most Recent 990 Tax Return

CLIENT 520467

LONG CHILTON, LLP
4100 N. 23RD STREET
MCALLEN, TX 78504-4105
(956) 686-3701

April 16, 2015

BOYS AND GIRLS CLUB OF EDINBURG
RIO GRANDE VALLEY, INC.
702 CULLEN ST.
EDINBURG, TX 78541

Dear Client:

Enclosed for your review:

Form 990	2013 Return of Organization Exempt from Income Tax

Each tax return or form listed above should be filed in accordance with the enclosed filing instructions.

Please be sure to call us if you have any questions.

Sincerely,

Georgia

Georgia L. Loidl

FEDERAL FILING INSTRUCTIONS

BOYS AND GIRLS CLUB OF EDINBURG
RIO GRANDE VALLEY, INC.

ELECTRONICALLY FILED:

FORM 990 - 2013 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX

THE ABOVE TAX RETURN WILL BE ELECTRONICALLY FILED WITH THE INTERNAL REVENUE SERVICE UPON RECEIPT OF A SIGNED FORM 8879-EO - IRS E-FILE SIGNATURE AUTHORIZATION.

PAYMENT:

NO PAYMENT IS REQUIRED.

Form **8868**
(Rev January 2014)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.
▶ Information about Form 8868 and its instructions is at *www.irs.gov/form8868*.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extention on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions. BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.	Employer identification number (EIN) or 74-2549652
File by the due date for filing your return. See instructions.	Number, street, and room or suite number. If a P.O. box, see instructions. 702 CULLEN ST.	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. EDINBURG, TX 78541	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ SABRINA WALKER HERNANDEZ

  Telephone No. ▶ (956) 383-2582 Fax No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 5/15, 20 15, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [ ] calendar year 20 ____ or
▶ [X] tax year beginning 10/01, 20 13, and ending 9/30, 20 14.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	$ 0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	$ 0.
c **Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	$ 0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev 1-2014)
FIFZ0501L 12/31/13

Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS *e-file* Signature Authorization for an Exempt Organization

For calendar year 2013, or fiscal year beginning 10/01, 2013, and ending 9/30, 2014.

► **Do not send to the IRS. Keep for your records.**

► **Information about Form 8879-EO and its instructions is at *www.irs.gov/form8879eo.***

OMB No. 1545-1878

2013

Name of exempt organization: BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.

Employer identification number: 74-2549652

Name and title of officer: SABRINA WALKER-HERNANDEZ CPO

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ►	[X]	**b Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	**1b** 1,415,477.
2a Form 990-EZ check here ►	[ ]	**b Total revenue,** if any (Form 990-EZ, line 9)	**2b**
3a Form 1120-POL check here ►	[ ]	**b Total tax** (Form 1120-POL, line 22)	**3b**
4a Form 990-PF check here ►	[ ]	**b Tax based on investment income** (Form 990-PF, Part VI, line 5)	**4b**
5a Form 8868 check here ►	[ ]	**b Balance Due** (Form 8868, Part I, line 3c or Part II, line 8c)	**5b**

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize LONG CHILTON, LLP (ERO firm name) to enter my PIN 52046 (Enter five numbers, but do not enter all zeros) as my signature

on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ► _____ Date ► _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN ..... 74038974115 (do not enter all zeros)

I certify that the above numeric entry is my PIN, which is my signature on the 2013 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ► Joyce Todd CPA Date ► 5/6/15

ERO Must Retain This Form – See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

BAA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2013)

TEEA7401L 10/07/13

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

► Do not enter Social Security numbers on this form as it may be made public.
► Information about Form 990 and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10/01 , 2013, and ending 9/30 , 2014

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C
BOYS AND GIRLS CLUB OF EDINBURG
RIO GRANDE VALLEY, INC.
702 CULLEN ST.
EDINBURG, TX 78541

D Employer Identification Number: 74-2549652

E Telephone number: (956) 383-2582

G Gross receipts $ 1,464,060.

F Name and address of principal officer: SAME AS C ABOVE

H(a) Is this a group return for subordinates? [ ] Yes [X] No

H(b) Are all subordinates included? [ ] Yes [ ] No
If 'No,' attach a list. (see instructions)

I Tax-exempt status [X] 501(c)(3) [ ] 501(c) ( ) ◄ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ► HTTP://WWW.EDINBURGKIDS.COM/

H(c) Group exemption number ►

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ►

L Year of formation: 1969

M State of legal domicile: TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO PROVIDE OPPORTUNITY TO ALL YOUTH IN A POSITIVE CARING ENVIRONMENT TO ENABLE THEM TO BECOME PRODUCTIVE, RESPONSIBLE, INFLUENTIAL CITIZENS.

2 Check this box ► [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	57
6	Total number of volunteers (estimate if necessary)	6	159
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	1,221,851.	1,267,537.
	9	Program service revenue (Part VIII, line 2g)		
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	315.	9,559.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	147,921.	138,381.
	12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,370,087.	1,415,477.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	88,209.	82,252.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	35,000.	14,000.
	b	Total fundraising expenses (Part IX, column (D), line 25) ► 14,738.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,268,631.	1,244,465.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,391,840.	1,340,717.
	19	Revenue less expenses. Subtract line 18 from line 12	-21,753.	74,760.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	6,002,757.	6,046,690.
	21	Total liabilities (Part X, line 26)	740,287.	704,769.
	22	Net assets or fund balances. Subtract line 21 from line 20	5,262,470.	5,341,921.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

► Signature of officer — Date 5/6/15

► SABRINA WALKER-HERNANDEZ CPO
Type or print name and title.

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
GEORGIA L. LOIDL	Georgia Loidl CPA	5/6/15		P00011173

Firm's name ► LONG CHILTON, LLP
Firm's address ► 4100 N. 23RD STREET
MCALLEN, TX 78504-4105
Firm's EIN ► 74-1154721
Phone no. (956) 686-3701

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

BAA For Paperwork Reduction Act Notice, see the separate instructions. TEEA0113L 11/08/13 Form **990** (2013)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

TO PROVIDE OPPORTUNITY TO ALL YOUTH IN A POSITIVE CARING ENVIRONMENT TO ENABLE THEM TO BECOME PRODUCTIVE, RESPONSIBLE, INFLUENTIAL CITIZENS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 1,211,088. including grants of $) (Revenue $)

THE BOYS AND GIRLS CLUB PROVIDES CORE PROGRAMS BASED ON PHYSICAL, EMOTIONAL, CULTURAL AND SOCIAL NEEDS AND INTERESTS OF GIRLS AND BOYS TO DEVELOP THE QUALITIES TO BECOME RESPONSIBLE CITIZENS AND LEADERS. THE BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY HAS ACTIVELY SOUGHT TO ENRICH THE LIVES OF GIRLS AND BOYS TYPICALLY UNDERSERVED BY OTHER YOUTH AGENCIES. ALL PROGRAMS ARE STRUCTURED AROUND A SET OF CORE BELIEFS, WHICH ARE: PROVIDING CLUB MEMBERS WITH A SAFE PLACE TO LEARN; ONGOING RELATIONSHIPS WITH CARING, ADULT PROFESSIONALS; LIFE ENHANCING PROGRAMS AND CHARACTER DEVELOPMENT EXPERIENCES; HOPE AND OPPORTUNITY.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ► 1,211,088.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If 'Yes,' complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If 'Yes,' complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If 'Yes,' complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If 'Yes,' complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If 'Yes,' complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If 'Yes,' complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If 'Yes,' complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If 'Yes,' complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If 'Yes,' complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings and equipment in Part X, line 10? *If 'Yes,' complete Schedule D, Part VI*	11 a	X	
b	Did the organization report an amount for investments – other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VII*	11 b		X
c	Did the organization report an amount for investments – program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VIII*	11 c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part IX*	11 d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If 'Yes,' complete Schedule D, Part X*	11 e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If 'Yes,' complete Schedule D, Part X*	11 f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If 'Yes,' complete Schedule D, Parts XI, and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If 'Yes,' complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If 'Yes,' complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If 'Yes,' complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If 'Yes,' complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If 'Yes,' complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If 'Yes,' complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If 'Yes,' complete Schedule G, Part III*	19	X	
20 a	Did the organization operate one or more hospital facilities? *If 'Yes,' complete Schedule H*	20		X
b	If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?	20 b		

Part IV Checklist of Required Schedules *(continued)*

		Yes	No
21 Did the organization report more than $5,000 of grants or other assistance to any domestic organizations or government on Part IX, column (A), line 1? *If 'Yes,' complete Schedule I, Parts I and II.*	21		X
22 Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If 'Yes,' complete Schedule I, Parts I and III.*	22		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If 'Yes,' complete Schedule J.*	23		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,'go to line 25a.*	24a		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?	24d		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If 'Yes,' complete Schedule L, Part I*	25a		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If 'Yes,' complete Schedule L, Part I*	25b		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II.	26		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If 'Yes,' complete Schedule L, Part III.*	27		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a A current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV.*	28a		X
b A family member of a current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV.*	28b		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If 'Yes,' complete Schedule L, Part IV.*	28c		X
29 Did the organization receive more than $25,000 in non-cash contributions? *If 'Yes,' complete Schedule M.*	29		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If 'Yes,' complete Schedule M.*	30		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? *If 'Yes,' complete Schedule N, Part I.*	31		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If 'Yes,' complete Schedule N, Part II*	32		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If 'Yes,' complete Schedule R, Part I*	33		X
34 Was the organization related to any tax-exempt or taxable entity? *If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If 'Yes,' complete Schedule R, Part V, line 2*	35b		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? *If 'Yes,' complete Schedule R, Part V, line 2*	36		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If 'Yes,' complete Schedule R, Part VI*	37		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	201			
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	57			
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)					
3a Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		X
b If 'Yes' has it filed a Form 990-T for this year? *If 'No' to line 3b, provide an explanation in Schedule O*			3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b If 'Yes,' enter the name of the foreign country: ►					
See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7 Organizations that may receive deductible contributions under section 170(c).					
a Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		X
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?			7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d If 'Yes,' indicate the number of Forms 8282 filed during the year	7d				
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9 Sponsoring organizations maintaining donor advised funds.					
a Did the organization make any taxable distributions under section 4966?			9a		
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10 Section 501(c)(7) organizations. Enter:					
a Initiation fees and capital contributions included on Part VIII, line 12	10a				
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11 Section 501(c)(12) organizations. Enter:					
a Gross income from members or shareholders	11a				
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b				
12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year	12b				
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a Is the organization licensed to issue qualified health plans in more than one state?			13a		
Note. See the instructions for additional information the organization must report on Schedule O.					
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c Enter the amount of reserves on hand	13c				
14a Did the organization receive any payments for indoor tanning services during the tax year?			14a		X
b If 'Yes,' has it filed a Form 720 to report these payments? *If 'No,' provide an explanation in Schedule O*			14b		

Part VI Governance, Management and Disclosure *For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI ..... [X]

Section A. Governing Body and Management

			Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year ..... If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1 a	12		
b Enter the number of voting members included in line 1a, above, who are independent	1 b	12		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?	2			X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6 Did the organization have members or stockholders?	6			X
7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? SEE SCHEDULE O	7 a		X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?	7 b			X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?	8 a		X	
b Each committee with authority to act on behalf of the governing body?	8 b		X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If 'Yes,' provide the names and addresses in Schedule O.*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

		Yes	No
10 a Did the organization have local chapters, branches, or affiliates?	10 a		X
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10 b		
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11 a	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O			
12 a Did the organization have a written conflict of interest policy? *If 'No,' go to line 13*	12 a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12 b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? *If 'Yes,' describe in Schedule O how this was done*	12 c	X	
13 Did the organization have a written whistleblower policy?	13	X	
14 Did the organization have a written document retention and destruction policy?	14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official	15 a	X	
b Other officers of key employees of the organization SEE SCHEDULE O	15 b	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16 a		X
b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16 b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

[ ] Own website [X] Another's website [X] Upon request [ ] Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. SEE SCHEDULE O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

► SABRINA WALKER-HERNANDEZ 702 CULLEN ST. EDINBURG TX 78541 (956) 383-2582

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) CRISTINA GUERRA	3									
DIRECTOR	0	X						0.	0.	0.
(2) ROMULUS FROST	3									
DIRECTOR	0	X						0.	0.	0.
(3) EDUARDO VILLANUEVA	3									
1ST VP	0	X						0.	0.	0.
(4) ELLA DE LA ROSA	3									
DIRECTOR	0	X						0.	0.	0.
(5) JUDI FLOWERS	3									
CVO	0	X						0.	0.	0.
(6) BRENDA MCKENDRICK	3									
DIRECTOR	0	X						0.	0.	0.
(7) KRISHNA CHARY	3									
TREASURER	0	X						0.	0.	0.
(8) SIXTO GARZA	3									
2ND VP	0	X						0.	0.	0.
(9) JUAN DELGADO	3									
DIRECTOR	0	X						0.	0.	0.
(10) TOMAS SAENZ	3									
SECRETARY	0	X						0.	0.	0.
(11) JESSE OZUNE	3									
3RD VP	0	X						0.	0.	0.
(12) CELESTE CABRERA	3									
DIRECTOR	0	X						0.	0.	0.
(13) SABRINA WALKER-HERNANDE	40									
CPO	0			X				82,252.	0.	0.
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organiza - tions below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1 b Sub-total ►								82,252.	0.	0.
c Total from continuation sheets to Part VII, Section A ►								0.	0.	0.
d Total (add lines 1b and 1c) ►								82,252.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ► 0

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If 'Yes,' complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If 'Yes' complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If 'Yes,' complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ► 0

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	3,680.			
	d Related organizations	1d				
	e Government grants (contributions)	1e	815,365.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	448,492.			
	g Noncash contributions included in lines 1a-1f: $					
	h Total. Add lines 1a-1f ►		1,267,537.			
PROGRAM SERVICE REVENUE		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ►					
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts) ►		9,559.			9,559.
	4 Income from investment of tax-exempt bond proceeds ►					
	5 Royalties ►					
		(i) Real / (ii) Personal				
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ►					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ►					
	8a Gross income from fundraising events (not including $ 3,680. of contributions reported on line 1c). See Part IV, line 18	a	132,780.			
	b Less: direct expenses	b	25,583.			
	c Net income or (loss) from fundraising events ►		107,197.			
	9a Gross income from gaming activities. See Part IV, line 19	a	21,479.			
	b Less: direct expenses	b	23,000.			
	c Net income or (loss) from gaming activities ►		-1,521.			-1,521.
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory ►					
	Miscellaneous Revenue	Business Code				
	11a CONCESSION SALES		32,705.	32,705.		
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d ►		32,705.			
	12 Total revenue. See instructions ►		1,415,477.	32,705.	0.	8,038.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX. ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	82,252.	16,450.	65,802.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	589.		589.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17	14,000.			14,000.
f Investment management fees				
g Other. (If line 11g amt exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12 Advertising and promotion				
13 Office expenses	12,508.	12,045.	463.	
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	39,086.	34,890.	4,196.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	18,812.	18,624.	188.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	118,219.	117,037.	1,182.	
23 Insurance	18,841.		18,841.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a CONTRACTED SERVICES	644,711.	635,111.	9,600.	
b FOOD	151,734.	151,734.		
c UTILITIES	59,857.	59,857.		
d RECREATION AND EDUCATION	49,441.	49,441.		
e All other expenses	130,667.	115,899.	14,030.	738.
25 Total functional expenses. Add lines 1 through 24e	1,340,717.	1,211,088.	114,891.	14,738.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
ASSETS	1	Cash – non-interest-bearing	10,129.	1	102,237.
	2	Savings and temporary cash investments	630,486.	2	665,471.
	3	Pledges and grants receivable, net	6,082.	3	41,591.
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	1,053.	9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a 5,497,842.			
	b	Less: accumulated depreciation — 10b 327,785.	5,288,277.	10c	5,170,057.
	11	Investments – publicly traded securities		11	
	12	Investments – other securities. See Part IV, line 11		12	
	13	Investments – program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	66,730.	15	67,334.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	6,002,757.	16	6,046,690.
LIABILITIES	17	Accounts payable and accrued expenses	106,490.	17	120,413.
	18	Grants payable		18	
	19	Deferred revenue	6,000.	19	4,000.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties	557,975.	24	500,791.
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	69,822.	25	79,565.
	26	**Total liabilities.** Add lines 17 through 25	740,287.	26	704,769.
NET ASSETS OR FUND BALANCES		**Organizations that follow SFAS 117 (ASC 958), check here ► ☐ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets		27	
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ► ☒ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds	5,262,470.	32	5,341,921.
	33	Total net assets or fund balances	5,262,470.	33	5,341,921.
	34	Total liabilities and net assets/fund balances	6,002,757.	34	6,046,690.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,415,477.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,340,717.
3	Revenue less expenses. Subtract line 2 from line 1	3	74,760.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	5,262,470.
5	Net unrealized gains (losses) on investments	5	4,691.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,341,921.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____			
	If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
	☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
	☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		X
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► **Attach to Form 990 or Form 990-EZ.**

► **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.

Employer identification number 74-2549652

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 [ ] A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 [ ] An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a [ ] Type I **b** [ ] Type II **c** [ ] Type III – Functionally integrated **d** [ ] Type III – Non-functionally integrated

e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box. [ ]

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11 g (i)**		
(ii) A family member of a person described in (i) above?	**11 g (ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11 g (iii)**		

h Provide the following information about the supported organization(s).

	(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document? Yes	No	(v) Did you notify the organization in column (i) of your support? Yes	No	(vi) Is the organization in column (i) organized in the U.S.? Yes	No	(vii) Amount of monetary support
(A)										
(B)										
(C)										
(D)										
(E)										
Total										

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule **A** (Form 990 or 990-EZ) 2013

TEEA0401L 06/28/13

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants.')	3,766,170.	1,401,475.	1,400,227.	1,338,600.	1,373,213.	9,279,685.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 **Total.** Add lines 1 through 3	3,766,170.	1,401,475.	1,400,227.	1,338,600.	1,373,213.	9,279,685.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1,214,230.
6 **Public support.** Subtract line 5 from line 4						8,065,455.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	3,766,170.	1,401,475.	1,400,227.	1,338,600.	1,373,213.	9,279,685.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,460.	665.	149.	315.	9,559.	13,148.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) SEE PART IV		27,060.	48,096.	31,172.	32,705.	139,033.
11 **Total support.** Add lines 7 through 10						9,431,866.

12 Gross receipts from related activities, etc (see instructions) ..... 12 0.

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) ..... 14 85.51 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 ..... 15 87.95 %

16a **33-1/3% support test – 2013.** If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☒

b **33-1/3% support test – 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

17a **10%-facts-and-circumstances test – 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ► ☐

b **10%-facts-and-circumstances test – 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ► ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include any 'unusual grants.')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total Support.** (Add lns 9,10c, 11 and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33-1/3% support tests – 2013.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b **33-1/3% support tests – 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

PART II, LINE 10 - OTHER INCOME

NATURE AND SOURCE	2013	2012	2011	2010	2009
CONCESSION SALES	$ 32,705.	$ 29,512.	$ 39,899.	$ 21,249.	
MISCELLANEOUS		1,660.	8,197.	5,811.	
TOTAL	$ 32,705.	$ 31,172.	$ 48,096.	$ 27,060.	$ 0.

Schedule B
(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, Form 990-EZ, or Form 990-PF**
► Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at ***www.irs.gov/form990.***

OMB No. 1545-0047

2013

Name of the organization	Employer identification number
BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.	74-2549652

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[ ] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules

[X] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of $5,000 or more during the year. ..... ► $ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.

Schedule **B** (Form 990, 990-EZ, or 990-PF) (2013)

TEEA0701L 12/27/13

Name of organization: BOYS AND GIRLS CLUB OF EDINBURG

Employer identification number: 74-2549652

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	UNITED WAY P.O. BOX 187 MCALLEN, TX 78505	$ 151,262.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2	CITY OF EDINBURG P.O. BOX 1079 EDINBURG, TX 78539	$ 331,510.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
3	URBAN COUNTY 1916 TESORO BLVD. PHARR, TX 78577	$ 69,950.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
4	TEXAS ALLIANCE 100 COMMONS RD, SUITE 7 #206 DRIPPING SPRINGS, TX 78620	$ 46,764.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
5	MORIN'S NUTRITION SERVICE 1005 LIZ RIOS DR EDINBURG, TX 78542	$ 254,880.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
6	OFFICE OF JUSTICE PROGRAMS 1275 PEACHTREE ST. ATLANTA, GA 30309-3506	$ 35,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: BOYS AND GIRLS CLUB OF EDINBURG

Employer identification number: 74-2549652

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A	$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization: BOYS AND GIRLS CLUB OF EDINBURG

Employer identification number: 74-2549652

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8) or (10) organizations that total more than $1,000 for the year.** Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ► $ N/A

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
► Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.

Employer identification number: 74-2549652

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ►$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ►$

(ii) Assets included in Form 990, Part X ►$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ►$

b Assets included in Form 990, Part X ►$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2 a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explantion has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance	226,914.	233,631.	210,598.	208,443.	80,189.
b Contributions	35,964.		22,822.	2,000.	138.
c Net investment earnings, gains, and losses	9,415.	-6,717.	211.	155.	
d Grants or scholarships					
e Other expenditures for facilities and programs				0.	
f Administrative expenses					208,443.
g End of year balance	272,293.	226,914.	233,631.	210,598.	208,443.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ► 100.00 %
b Permanent endowment ► _____ %
c Temporarily restricted endowment ► _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)	X	
(ii) related organizations	3a(ii)		X
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds. SEE PART XIII

Part VI Land, Buildings, and Equipment.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land		407,573.		407,573.
b Buildings		4,877,487.	198,508.	4,678,979.
c Leasehold improvements				
d Equipment				
e Other		212,782.	129,277.	83,505.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ►				5,170,057.

Part VII Investments – Other Securities. N/A

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, column (B) line 12.)* ►		

Part VIII Investments – Program Related. N/A

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, column (B) line 13.)* ►		

Part IX Other Assets. N/A

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, column (B), line 15.)* ►	

Part X Other Liabilities.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO CITY OF EDINBURG	985.
(3) NET PENSION OBLIGATIONS	78,580.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, column (B) line 25.)* ►	79,565.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	1,445,751.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a 4,691.		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.) SEE PART XIII	2d 25,583.		
e	Add lines 2a through 2d		2e	30,274.
3	Subtract line 2e from line 1		3	1,415,477.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*		5	1,415,477.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	1,366,300.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.) SEE PART XIII	2d 25,583.		
e	Add lines 2a through 2d		2e	25,583.
3	Subtract line 2e from line 1		3	1,340,717.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*		5	1,340,717.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4 - INTENDED USES OF ENDOWMENT FUND

THE INCOME GENERATED BY THE ENDOWMENT FUNDS WILL BE USED TO COVER OPERATING EXPENSES.

SCHEDULE D, PART XI, LINE 2D
OTHER REVENUE INCLUDED IN F/S BUT NOT INCLUDED ON FORM 990

SPECIAL EVENT REVENUE	$	25,583.
TOTAL	$	25,583.

SCHEDULE D, PART XII, LINE 2D
OTHER EXPENSES AND LOSSES PER AUDITED F/S

SPECIAL EVENT EXPENSES	$	25,583.
TOTAL	$	25,583.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered 'Yes' to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.
► Information about Schedule G (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.

Employer identification number: 74-2549652

Part I **Fundraising Activities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a [X] Mail solicitations
b [X] Internet and email solicitations
c [X] Phone solicitations
d [X] In-person solicitations
e [X] Solicitation of non-government grants
f [X] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ..... [X] Yes [ ] No

b If 'Yes,' list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in column (i)	(vi) Amount paid to (or retained by) organization
1 MARY FLORES 15832 SOUTH GAS EDINBURG TX 78542			X		12,000.	
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ..... ►					12,000.	0.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered 'Yes' to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 DINNER AND AUC (event type)	(b) Event #2 HEARTS OF HOPE (event type)	(c) Other events 1 (total number)	(d) Total events (add column (a) through column (c))
REVENUE	1 Gross receipts	84,505.	34,900.	17,055.	136,460.
	2 Less: Charitable contributions	3,680.			3,680.
	3 Gross income (line 1 minus line 2)	80,825.	34,900.	17,055.	132,780.
DIRECT EXPENSES	4 Cash prizes			1,800.	1,800.
	5 Noncash prizes	11,100.			11,100.
	6 Rent/facility costs				
	7 Food and beverages	279.	300.	5,250.	5,829.
	8 Entertainment				
	9 Other direct expenses	953.	953.	4,948.	6,854.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ►				25,583.
	11 Net income summary. Subtract line 10 from line 3, column (d) ►				107,197.

Part III Gaming. Complete if the organization answered 'Yes' to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add column (a) through column (c))
REVENUE	1 Gross revenue			21,479.	21,479.
DIRECT EXPENSES	2 Cash prizes				
	3 Noncash prizes			23,000.	23,000.
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes 0 % ☒ No	☐ Yes 0 % ☒ No	☒ Yes 100 % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ►				23,000.
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) ►				-1,521.

9 Enter the state(s) in which the organization operates gaming activities: TX

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☒ No

b If 'No,' explain:

THE BOYS AND GIRLS CLUB MEETS THE EXEMPTION REQUIREMENT FOR NONPROFIT ORGANIZATIONS IN THE STATE OF TEXAS. THEREFORE, IT DOES NOT REQUIRE A LICENSE.

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☒ No

b If 'Yes,' explain:

11 Does the organization operate gaming activities with nonmembers? [X] Yes [ ] No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? [ ] Yes [X] No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	100.0 %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► SABRINA WALKER-HERNANDEZ

Address ► 702 CULLEN ST, EDINBURG, 78541

15a Does the organization have a contact with a third party from whom the organization receives gaming revenue? [ ] Yes [X] No

b If 'Yes,' enter the amount of gaming revenue received by the organization ► $ _____ and the amount of gaming revenue retained by the third party ► $ _____.

c If 'Yes,' enter name and address of the third party:

Name ►

Address ►

16 Gaming manager information:

Name ► SABRINA WALKER-HERNANDEZ

Gaming manager compensation ► $ _____.

Description of services provided ► COORDINATED OVERALL RAFFLE OPERATIONS

[X] Director/officer [ ] Employee [ ] Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? [ ] Yes [X] No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► $

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
► Attach to Form 990 or 990-EZ.
► Information about Schedule O (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.

Employer identification number: 74-2549652

FORM 990, PART V, LINE 1A - NUMBER REPORTED IN BOX 3 OF FORM 1096

THE CITY OF EDINBURG TAKES CARE OF THE PROCESSING OF THE PAYMENT OF VENDORS FOR THE BOYS AND GIRLS CLUB. ALL 1099'S ARE ISSUED FROM THE CITY OF EDINBURG.

FORM 990, PART VI, LINE 7A - HOW MEMBERS OR SHAREHOLDERS ELECT GOVERNING BODY

THE CITY OF EDINBURG, THROUGH AGREEMENT, APPOINTS ONE MEMBER TO THE BOARD.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

THE BOARD REVIEWS AND APPROVES THE AUDITED FINANCIALS WHICH ARE USED TO PREPARE THE 990. ONCE THE 990 IS COMPLETE AND FILED, THE 990 IS PRESENTED TO THE BOARD WITHIN 30 DAYS.

FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS - OFFICERS & KEY EMPLOYEES

COMPENSATION AND COMPARATIVE STUDIES ARE CONDUCTED ANNUALLY.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

GOVERNING DOCUMENTS, POLICIES, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST. THE PERSON TO CONTACT FOR SUCH DOCUMENTS, POLICIES, AND FINANCIAL STATEMENTS IS SABRINA WALKER-HERNANDEZ AT (956)383-2582.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

► Complete if the organization answered 'Yes' on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BOYS AND GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.

Employer identification number: 74-2549652

Part I **Identification of Disregarded Entities** Complete if the organization answered 'Yes' on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					

Part II **Identification of Related Tax-Exempt Organizations** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity? Yes	No
(1) CITY OF EDINBURG 415 W. UNIVERSITY DRIVE EDINBURG, TX 78541 74-6000714	CITY GOVERNMENT	TX			N/A		X
(2)							
(3)							
(4)							

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

TEEA5001L 06/26/13

Schedule R (Form 990) 2013

Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Sec 512(b)(13) controlled entity? Yes	(i) No
(1)									
(2)									
(3)									

Part V Transactions With Related Organizations Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o	X	
p	Reimbursement paid to related organization(s) for expenses	1p		X
q	Reimbursement paid by related organization(s) for expenses	1q		X
r	Other transfer of cash or property to related organization(s)	1r		X
s	Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	CITY OF EDINBURG	C	331,510.	CITY BUDGET
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered 'Yes' on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 Form (1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

PART VII - SUPPLEMENTAL INFORMATION

TRANSACTION EXPLANATIONS

LINE 1 O. THE BOYS AND GIRLS CLUB RECEIVES SERVICES IN THE FORM OF MAINTAINING THE ACCOUNTING RECORDS, PERFORMING PAYROLL SERVICES, PAYING ACCOUNTS PAYABLE, AND OTHER ADMINISTRATIVE FUNCTIONS FROM THE CITY OF EDINBURG. THE BOYS AND GIRLS CLUB IS TREATED AS AN INDIVIDUAL FUND WITHIN THE CITY AS A MEANS OF ACCOUNTING CONTROL. THESE SERVICES ARE PERFORMED BY EMPLOYEES OF THE CITY OF EDINBURG. THE VALUE OF THESE SERVICES HAS NOT BEEN DETERMINED OR ESTIMATED.

Current Annual Operating Budget

THE CITY OF

EDINBURG

FISCAL YEAR 2015 - 2016

CITY MANAGER'S
REVISED PROPOSED BUDGET

GREAT FUTURES START HERE.

BOYS & GIRLS CLUBS
OF EDINBURG
RIO GRANDE VALLEY

CITY OF EDINBURG
ANNUAL BUDGET

72 - BOYS AND GIRLS CLUB FUND
FINANCIAL SUMMARY

	ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	AMENDED BUDGET 2014-2015	ESTIMATED REV./EXP. 2014-2015	PROPOSED BUDGET BY DEPARTMENT 2015-2016	CITY MANAGER RECOMMENDED 2015-2016
REVENUE SUMMARY						
RECREATION FEES	32,735.77	24,029.00	24,029.00	33,000.00	24,029.00	24,029.00
INTERGOVERNMENTAL REVENUE	483,855.48	310,046.00	450,687.00	422,964.00	340,794.00	340,794.00
MISCELLANEOUS REVENUE	14,219.16	1,710.00	1,710.00	(8.22)	1,710.00	1,710.00
CONTRIBUTIONS	914,816.17	1,074,591.00	1,074,591.00	948,581.00	1,104,834.00	1,104,834.00
TOTAL REVENUES	1,445,626.58	1,410,376.00	1,551,017.00	1,404,536.78	1,471,367.00	1,471,367.00
EXPENDITURE SUMMARY						
537 - BOYS AND GIRLS CLUB	1,205,238.95	1,313,544.00	1,414,444.00	1,414,444.00	1,407,738.00	1,387,780.00
580 - NON-DEPARTMENTAL	99,023.84	96,832.00	96,832.00	96,832.00	115,841.00	102,471.00
TOTAL EXPENDITURES	1,304,262.79	1,410,376.00	1,511,276.00	1,511,276.00	1,523,579.00	1,490,251.00
REVENUES OVER (UNDER) EXPENDITURES	141,363.79	0.00	39,741.00	(106,739.22)	(52,212.00)	(18,884.00)

CITY OF EDINBURG
ANNUAL BUDGET

72 -BOYS AND GIRLS CLUB FUND

REVENUES		ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	AMENDED BUDGET 2014-2015	ESTIMATED REV./EXP. 2014-2015	PROPOSED BUDGET BY DEPARTMENT 2015-2016	CITY MANAGER RECOMMENDED 2015-2016
RECREATION FEES							
72-4088-08304-00	RENTAL CENTERS	8,976.65	5,500.00	5,500.00	10,500.00	5,500.00	5,500.00
72-4088-08306-00	CONCESSION SALES	23,759.12	18,529.00	18,529.00	22,500.00	18,529.00	18,529.00
TOTAL		32,735.77	24,029.00	24,029.00	33,000.00	24,029.00	24,029.00
INTERGOVERNMENTAL REVENUE							
72-4098-09301-00	URBAN COUNTY-FAYSVILLE	16,264.89	0.00	0.00	0.00	0.00	0.00
72-4098-09303-00	TEEN SUPREME	303.40	0.00	0.00	0.00	0.00	0.00
72-4098-09307-00	LRGVDC BREWSTER	0.00	0.00	0.00	0.00	0.00	0.00
72-4098-09311-00	BGCA - OJP LEGACY	43,446.41	0.00	0.00	0.00	0.00	0.00
72-4098-09312-00	STATE INITIATIVE (5)UN	0.00	0.00	0.00	0.00	0.00	0.00
72-4098-09313-00	HIDALGO URBAN CO FY	0.00	20,000.00	20,000.00	8,774.00	15,000.00	15,000.00
72-4098-09314-00	HIDALGO URBAN CO SAN C	28,247.15	20,000.00	20,000.00	36,000.00	15,000.00	15,000.00
72-4098-09315-00	HIDALGO URBAN CO BREWS	17,535.47	20,000.00	20,000.00	13,928.00	15,000.00	15,000.00
72-4098-09316-00	HIDALGO URBAN CO HARGI	7,902.94	8,000.00	8,000.00	8,681.00	8,000.00	8,000.00
72-4098-09322-00	TEXAS AIM	22,313.70	0.00	18,641.00	18,641.00	0.00	0.00
72-4098-09327-00	TEXAS ALLIANCE	26,850.00	0.00	22,000.00	22,000.00	0.00	0.00
72-4098-09340-00	IDEA REIMBURSEMENT	42,076.32	37,044.00	37,044.00	46,938.00	37,044.00	37,044.00
72-4098-09351-00	CHILD & ADULT CARE FOOD PRG	254,880.20	205,002.00	205,002.00	205,002.00	250,750.00	250,750.00
72-4098-09356-00	BGCA-OJP SAM RISICA	10,000.00	0.00	0.00	0.00	0.00	0.00
72-4098-09358-00	BGCA-OJP FOUNTAIN	14,035.00	0.00	50,000.00	13,000.00	0.00	0.00
72-4098-09365-00	EDINBURG FOLKLORIC DANCE	0.00	0.00	0.00	0.00	0.00	0.00
72-4098-09366-00	HEB FOUNDATION GRANT	0.00	0.00	50,000.00	50,000.00	0.00	0.00
TOTAL		483,855.48	310,046.00	450,687.00	422,964.00	340,794.00	340,794.00
MISCELLANEOUS REVENUE							
72-4118-11300-00	INT EARNED ENDOWMENT INTER	0.00	0.00	0.00	0.00	0.00	0.00
72-4118-11301-00	INTEREST EARNED	143.97	1,710.00	1,710.00	0.00	1,710.00	1,710.00
72-4118-11303-00	INTEREST EARNED ENDOWM	14,106.11	0.00	0.00	0.00	0.00	0.00
72-4118-11312-00	MISCELLANEOUS REVENUE	9.86	0.00	0.00	7.00	0.00	0.00
72-4118-11315-00	CASH SHORT OR OVER	-40.78	0.00	0.00	-15.22	0.00	0.00
TOTAL		14,219.16	1,710.00	1,710.00	(8.22)	1,710.00	1,710.00
CONTRIBUTIONS							
72-4128-12311-00	UNITED WAY	162,938.93	148,500.00	148,500.00	157,388.00	148,500.00	148,500.00
72-4128-12312-00	CONTRIBUTION OTHER	7,911.73	1,500.00	1,500.00	5,000.00	2,000.00	2,000.00
72-4128-12313-00	CONTR-SPECIAL EVENTS	134,938.98	167,500.00	167,500.00	137,365.00	158,500.00	158,500.00
72-4128-12314-00	CONTRIBUTION ENDOWMENT	3,785.90	0.00	0.00	63,558.00	0.00	0.00
72-4128-12315-00	CONTR-CITY OF EDINBURG	331,510.00	348,086.00	348,086.00	348,086.00	365,491.00	365,491.00
72-4128-12316-00	CONTRIBUTION-GRANTS	58,080.44	189,000.00	189,000.00	30,265.00	189,000.00	189,000.00
72-4128-12317-00	CONTR-PROGRAM FEES	74,445.00	65,125.00	65,125.00	68,290.00	59,992.00	59,992.00
72-4128-12318-00	CONTR-SALES TO MEMBERS	7,481.50	5,900.00	5,900.00	7,652.00	5,900.00	5,900.00
72-4128-12320-00	CONTR-CORPORATIONS	66,860.75	40,462.00	40,462.00	55,000.00	50,462.00	50,462.00

72 -BOYS AND GIRLS CLUB FUND

REVENUES		ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	AMENDED BUDGET 2014-2015	ESTIMATED REV./EXP. 2014-2015	PROPOSED BUDGET BY DEPARTMENT 2015-2016	CITY MANAGER RECOMMENDED 2015-2016
72-4128-12321-00	CONTR-MEMBERSHIPS	40,694.00	25,529.00	25,529.00	45,000.00	42,000.00	42,000.00
72-4128-12322-00	CONTR ONE CAMPAIGN	23,208.94	81,239.00	81,239.00	23,192.00	81,239.00	81,239.00
72-4128-12323-00	CONTR-SERVICE CLUBS	2,960.00	1,750.00	1,750.00	7,785.00	1,750.00	1,750.00
TOTAL		914,816.17	1,074,591.00	1,074,591.00	948,581.00	1,104,834.00	1,104,834.00
TOTAL REVENUES		1,445,626.58	1,410,376.00	1,551,017.00	1,404,536.78	1,471,367.00	1,471,367.00

CITY OF EDINBURG
ANNUAL BUDGET

72 - BOYS & GIRLS CLUB FUND
DEPT 537: BOYS & GIRLS CLUB
DEPARTMENT EXPENDITURES

	ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	AMENDED BUDGET 2014-2015	ESTIMATED REV./EXP. 2014-2015	PROPOSED BUDGET BY DEPARTMENT 2015-2016	CITY MANAGER RECOMMENDED 2015-2016
CAT 1: PERSONNEL SERVICES						
72-5371-04010-00 SALARIES	318,852.14	429,120.00	453,181.00	453,181.00	427,262.00	440,080.00
72-5371-04020-00 LONGEVITY	4,459.00	6,552.00	6,552.00	6,552.00	6,552.00	6,552.00
72-5371-04040-00 GROUP INSURANCE	51,699.72	60,780.00	60,780.00	60,780.00	68,780.00	66,996.00
72-5371-04080-00 DISABILITY INSURANCE	711.23	834.00	834.00	834.00	1,457.00	1,416.00
72-5371-04100-00 TAXES	47,725.38	65,928.00	67,734.00	67,734.00	59,121.00	57,406.00
72-5371-04110-00 RETIREMENT	46,095.36	64,836.00	64,836.00	64,836.00	104,956.00	109,618.00
72-5371-04130-00 PART-TIME WAGES	230,008.95	301,980.00	280,946.00	280,946.00	326,652.00	295,171.00
72-5371-04140-00 VEHICLE ALLOWANCE	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
72-5371-04160-00 WORKERS COMPENSATION INS	22,895.00	25,043.00	25,043.00	25,043.00	33,253.00	30,836.00
Total for CAT 1: PERSONNEL SERVICES	726,046.78	958,673.00	963,506.00	963,506.00	1,031,633.00	1,011,675.00
CAT 2: SUPPLIES						
72-5372-04300-00 OFFICE SUPPLIES	6,930.53	8,311.00	8,311.00	8,311.00	8,311.00	8,311.00
72-5372-04310-00 WEARING APPAREL	8,973.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
72-5372-04340-00 RECREATION & EDUCATION	49,441.44	41,282.00	100,230.00	100,230.00	41,282.00	41,282.00
72-5372-04350-00 FOOD	157,563.48	111,632.00	111,632.00	111,632.00	111,632.00	111,632.00
72-5372-04360-00 MOTOR VEHICLE FUEL,OIL,ETC	8,010.66	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00
72-5372-04370-00 JANITORIAL	11,806.27	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
72-5372-04380-00 CHEMICALS-MEDICAL & LAB	567.50	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00
72-5372-04390-00 OTHER SUPPLIES	168.72	0.00	0.00	0.00	0.00	0.00
72-5372-04400-00 OFFICE EQUIP & FURNITURE	-105.00	0.00	0.00	0.00	0.00	0.00
Total for CAT 2: SUPPLIES	243,356.60	194,025.00	252,973.00	252,973.00	194,025.00	194,025.00
CAT 3: MATERIALS						
72-5373-04450-00 BUILDING	2,513.08	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00
Total for CAT 3: MATERIALS	2,513.08	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00
CAT 4: MAINTENANCE						
72-5374-04550-00 OFFICE EQUIP/FURNITURE	5,406.63	5,223.00	5,223.00	5,223.00	5,223.00	5,223.00
72-5374-04570-00 MOTOR VEHICLES	5,648.05	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
72-5374-04640-00 BUILDINGS & STRUCTURES	5,201.17	7,280.00	7,280.00	7,280.00	7,280.00	7,280.00
Total for CAT 4: MAINTENANCE	16,255.85	15,003.00	15,003.00	15,003.00	15,003.00	15,003.00
CAT 5: CONTRACTUAL						
72-5375-04750-00 COMMUNICATIONS	23,742.34	21,282.00	21,282.00	21,282.00	11,736.00	11,736.00
72-5375-04760-00 UTILITIES	59,857.43	57,000.00	57,000.00	57,000.00	57,000.00	57,000.00
72-5375-04770-00 TRAVEL,TRAINING,MEETINGS	39,085.89	23,500.00	25,235.00	25,235.00	23,500.00	23,500.00
72-5375-04780-00 MEMBERSHIP DUES, SUBSCR	37,062.25	14,789.00	14,939.00	14,939.00	14,789.00	14,789.00
72-5375-04790-00 PRINTING	8,351.39	3,900.00	7,200.00	7,200.00	3,900.00	3,900.00
72-5375-04800-00 PROFESSIONAL SERVICES	48,967.34	19,872.00	20,772.00	20,772.00	50,652.00	50,652.00
72-5375-04810-00 RENTS & CONTRACTUALS	0.00	0.00	31,034.00	31,034.00	0.00	0.00
Total for CAT 5: CONTRACTUAL	217,066.64	140,343.00	177,462.00	177,462.00	161,577.00	161,577.00

72 - BOYS & GIRLS CLUB FUND
DEPT 537: BOYS & GIRLS CLUB
DEPARTMENT EXPENDITURES

	ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	AMENDED BUDGET 2014-2015	ESTIMATED REV./EXP. 2014-2015	PROPOSED BUDGET BY DEPARTMENT 2015-2016	CITY MANAGER RECOMMENDED 2015-2016
Total for DEPT 537: BOYS & GIRLS CLUB	1,205,238.95	1,313,544.00	1,414,444.00	1,414,444.00	1,407,738.00	1,387,780.00

CITY OF EDINBURG
2015-16 DETAIL ESTIMATED BUDGET
CITY MANAGER'S RECOMMENDATION

REPORT DATE 9/22/15

[72] BOYS AND GIRLS CLUB FUND
DIVISION [5370] BOYS AND GIRLS CLUB

ACCOUNT NUMBER	DESCRIPTION		APPROPRIATION	
CATEGORY--PERSONNEL SERVICES				
5371-04010-00	SALARIES			
1	CHIEF PROFESSIONAL OFFICER	(1)	84,719.00	
2	COMMUNITY RELATIONS SUPERVISOR	(1)	33,000.00	
3	COMPLIANCE & OUTCOME SUPERVISOR	(1)	31,340.00	
4	DIR OF RESOURCE DEVELOP & MRKT	(1)	52,888.00	
5	EBGC DIRECTOR OF OPERATIONS	(1)	49,440.00	
6	PROGRAM SUPERVISOR 1	(3)	83,805.00	
7	PROGRAM SUPERVISOR 2	(2)	62,680.00	
8	PRP-PROGRAM COORDINATOR 1	(1)	20,400.00	
9	PRP-UPGRADES		8,990.00	
10	PRP-PAY PLAN ADJUSTMENT		12,818.00	
				440,080.00
5371-04020-00	LONGEVITY			
1	LONGEVITY		6,552.00	
				6,552.00
5371-04040-00	GROUP INSURANCE			
1	GROUP INSURANCE		52,852.00	
2	GROUP INSURANCE RETIREES		8,522.00	
3	DENTAL INSURANCE		900.00	
4	PROPOSED GROUP INSURANCE		4,632.00	
5	PROPOSED DENTAL INSURANCE		90.00	
				66,996.00
5371-04080-00	DISABILITY INSURANCE			
1	DISABILITY INSURANCE		775.00	
2	PART-TIME DISABILITY INSURANCE		544.00	
3	PROPOSED DISABILITY INSURANCE		56.00	
4	PRP-PPA DISABILITY INSURANCE		41.00	
				1,416.00
5371-04100-00	TAXES			
1	FICA		31,214.00	
2	TWF		90.00	
3	PART-TIME FICA		21,923.00	
4	PART-TIME TWF		252.00	
5	PROPOSED FICA		2,248.00	
6	PROPOSED TWF		18.00	
7	PRP-PPA FICA TAXES		1,661.00	
				57,406.00

CITY OF EDINBURG
2015-16 DETAIL ESTIMATED BUDGET
CITY MANAGER'S RECOMMENDATION

REPORT DATE 9/22/15

[72] BOYS AND GIRLS CLUB FUND
DIVISION [5370] BOYS AND GIRLS CLUB

ACCOUNT NUMBER	DESCRIPTION		APPROPRIATION	
CATEGORY--PERSONNEL SERVICES				
5371-04110-00	RETIREMENT			
1	RETIREMENT		59,979.00	
2	PART-TIME RETIREMENT		42,126.00	
3	PROPOSED RETIREMENT		4,320.00	
4	PRP-PPA RETIREMENT		3,193.00	
				109,618.00
5371-04130-00	PART-TIME WAGES			
1	PROGRAM COORDINATOR 1	(6)	62,415.00	
2	PROGRAM LEADER 1	(20)	197,435.00	
3	PROGRAM LEADER 1(BUS DRIVER)	(2)	26,724.00	
4	PRP-PAY PLAN ADJUSTMENT		8,597.00	
				295,171.00
5371-04140-00	VEHICLE ALLOWANCE			
1	VEHICLE ALLOWANCE		3,600.00	
				3,600.00
5371-04160-00	WORKER'S COMPENSATION			
1	WORKER'S COMPENSATION INSURANCE		17,178.00	
2	PART-TIME WORKER'S COMPENSATION INS		13,526.00	
3	PROPOSED WORKER'S COMPENSATION INS		132.00	
				30,836.00
TOTAL - PERSONNEL SERVICES				1,011,675.00
CATEGORY--SUPPLIES				
5372-04300-00	OFFICE SUPPLIES			
1	OFFICE SUPPLIES-ADM		3,712.00	
2	OFFICE SUPPLIES-PROGRAM		2,553.00	
3	TEEN COURT SUPPLIES		2,046.00	
				8,311.00
5372-04310-00	WEARING APPAREL			
1	YOUTH T-SHIRTS(CAMP)		5,000.00	
2	GOLF SHIRTS		4,000.00	
				9,000.00

CITY OF EDINBURG
2015-16 DETAIL ESTIMATED BUDGET
CITY MANAGER'S RECOMMENDATION

REPORT DATE 9/22/15

[72] BOYS AND GIRLS CLUB FUND
DIVISION [5370] BOYS AND GIRLS CLUB

ACCOUNT NUMBER	DESCRIPTION		APPROPRIATION
CATEGORY--SUPPLIES			
5372-04340-00	RECREATION & EDUCATION		
1	BREWSTER PROGRAM SUPPLIES	13,836.00	
2	SAN CARLOS PROGRAM SUPPLIES	12,836.00	
3	FOUNTAIN PROGRAM SUPPLIES	400.00	
4	SAM RISICA/MONTE CRISTO PROG SUPPL	500.00	
5	HARGILL SUPPLIES	500.00	
6	LEGACY CTR & SUMMER SUPPLIES	12,010.00	
7	N/MONTE CRISTO PROG SUPPLIES	600.00	
8	ZAVALA YOUTH SUPPLIES	300.00	
9	TRUMAN YOUTH SUPPLIES	300.00	
			41,282.00
5372-04350-00	FOOD		
1	CONCESSIONS	5,000.00	
2	FOOD BANK	700.00	
3	YOUTH EVENT PIZZA	500.00	
4	GOLFER MEALS	1,792.00	
5	CACFP FOOD	103,640.00	
			111,632.00
5372-04360-00	MOTOR VEHICLES FUEL/OIL		
1	TEEN/YDP/SCHOOL TRANSPORTATION FUEL	14,400.00	
			14,400.00
5372-04370-00	JANITORIAL		
1	TEEN/LEGACY SITES JANITORIAL SUPP	5,000.00	
2	SAM RISICA JANITORIAL SUPPLIES	500.00	
3	SAN CARLOS JANITORIAL SUPPLIES	500.00	
4	FOUNTAIN JANITORIAL SUPPLIES	500.00	
5	CACFP JANITORIAL SUPPLIES	1,500.00	
			8,000.00
5372-04380-00	CHEMICALS-MEDICAL & LAB		
1	YDP FIRST AID SUPPLIES	800.00	
2	TEEN COURT FIRST AID SUPPLIES	600.00	
			1,400.00
TOTAL - SUPPLIES			194,025.00

CITY OF EDINBURG
2015-16 DETAIL ESTIMATED BUDGET
CITY MANAGER'S RECOMMENDATION

REPORT DATE 9/22/15

[72] BOYS AND GIRLS CLUB FUND
DIVISION [5370] BOYS AND GIRLS CLUB

ACCOUNT NUMBER	DESCRIPTION	APPROPRIATION	
CATEGORY--MATERIALS			
5373-04450-00	BUILDING & STRUCTURES		
1	YDP BUILDING MAINTENANCE	5,500.00	
			5,500.00
TOTAL - MATERIALS			5,500.00
CATEGORY--MAINTENANCE			
5374-04550-00	OFFICE EQUIP/FURNITURE		
1	YDP COPIER	5,223.00	
			5,223.00
5374-04570-00	MOTOR VEHICLES		
1	BUS/CAN REPAIRS	2,000.00	
2	SUV REPAIRS	500.00	
			2,500.00
5374-04640-00	BUILDING & STRUCTURES		
1	ELECTRICAL WORK	1,000.00	
2	LEGACY CTR COMMERCIAL KITCHEN INSP	980.00	
3	LEGACY CTR STATE HANDICAP LIFT INSP	300.00	
4	GUTTER LINER & COATING	5,000.00	
			7,280.00
TOTAL - MAINTENANCE			15,003.00
CATEGORY--CONTRACTUAL			
5375-04750-00	COMMUNICATIONS		
1	SC PHONE BILLS	1,332.00	
2	TEEN COURT POSTAGE	250.00	
3	LEGACY CENTER PHONE	2,496.00	
4	FEDERAL EXPRESS	200.00	
5	CELL PHONE	4,710.00	
6	DSL LINES	648.00	
7	FAX MACHINE	250.00	

CITY OF EDINBURG
2015-16 DETAIL ESTIMATED BUDGET
CITY MANAGER'S RECOMMENDATION

REPORT DATE 9/22/15

[72] BOYS AND GIRLS CLUB FUND
DIVISION [5370] BOYS AND GIRLS CLUB

ACCOUNT NUMBER	DESCRIPTION	APPROPRIATION	
CATEGORY--CONTRACTUAL			
5375-04750-00	COMMUNICATIONS		
8	PHONE REPAIRS	250.00	
9	CLUB POSTAGE	300.00	
10	LEGACY CENTER LONG DISTANCE	1,300.00	
			11,736.00
5375-04760-00	UTILITIES		
1	SC WATER	600.00	
2	LEGACY CTR UTILITIES(WTR,GAS,ELECT)	56,400.00	
			57,000.00
5375-04770-00	TRAVEL		
1	STAFF TRAINING & DEVELOPMENT YDP	10,500.00	
2	TEEN COURT TRAINING	2,000.00	
3	NATIONAL CONFERENCE	11,000.00	
			23,500.00
5375-04780-00	DUES AND SUBSCRIPTIONS		
1	YDP ACADEMY/ABGCP DUES	550.00	
2	NATIONAL DUES	5,500.00	
3	AREA COUNCIL DUES	150.00	
4	CHAMBER DUES	280.00	
5	TX ALLIANCE DUES	3,500.00	
6	SERVICE CLUB DUES	690.00	
7	VISION PROGRAM ANNUAL DUES	625.00	
8	CASCADE DATA SOLUTIONS ANNUAL DUES	499.00	
9	THE MONITOR	135.00	
10	SAMS CLUB	60.00	
11	GOLF FEES	2,800.00	
			14,789.00
5375-04790-00	PRINTING		
1	NEWSPAPER ADVERT GOLF,SUMMER,STEAK	600.00	
2	TEEN COURT PRINTING	800.00	
3	PROGRAM PROMOTIONS	2,500.00	
			3,900.00
5375-04800-00	PROFESSIONAL SERVICES		
1	ALARM SYSTEM-FOUNTAIN	150.00	
2	ALARM SYSTEM-LEGACY CENTER	700.00	
3	ALARM SYSTEM-SC	150.00	
4	ALARM SYSTEM REPAIR	600.00	
5	STORAGE FACILITY	2,892.00	

CITY OF EDINBURG
2015-16 DETAIL ESTIMATED BUDGET
CITY MANAGER'S RECOMMENDATION

REPORT DATE 9/22/15

[72] BOYS AND GIRLS CLUB FUND
DIVISION [5370] BOYS AND GIRLS CLUB

ACCOUNT NUMBER	DESCRIPTION	APPROPRIATION	
CATEGORY--CONTRACTUAL			
5375-04800-00	PROFESSIONAL SERVICES		
6	SCHOOL REGISTRATION INCENTIVE PROG	900.00	
7	STEAK DINNER EXPENSES	1,500.00	
8	SECURITY GUARDS	7,380.00	
9	STEM INSTRUCTORS	10,800.00	
10	AMERICORP 10 SCHOOL YR/10 SUMMER	25,580.00	
			50,652.00
TOTAL - CONTRACTUAL			161,577.00
TOTAL - BOYS AND GIRLS CLUB			1,387,780.00

CITY OF EDINBURG
ANNUAL BUDGET

72 - BOYS & GIRLS CLUB FUND
DEPT 580: NON-DEPARTMENTAL
DEPARTMENT EXPENDITURES

		ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	AMENDED BUDGET 2014-2015	ESTIMATED REV./EXP. 2014-2015	PROPOSED BUDGET BY DEPARTMENT 2015-2016	CITY MANAGER RECOMMENDED 2015-2016
OTHER EXPENSES							
72-5807-04200-00	AUDIT	588.88	711.00	711.00	711.00	800.00	800.00
72-5807-04210-00	BANK SERVICE CHARGE	3,598.80	1,275.00	1,275.00	1,275.00	2,315.00	2,315.00
72-5807-04292-00	NOTE PAYMENT-FNB	57,183.62	75,996.00	75,996.00	75,996.00	75,996.00	75,996.00
72-5807-04306-00	NOTE PAYMENT INTEREST	18,811.78	0.00	0.00	0.00	0.00	0.00
72-5807-04331-00	GENERAL INSURANCE	18,840.76	18,850.00	18,850.00	18,850.00	20,948.00	23,360.00
72-5807-06000-00	PROPOSED PAY PLAN ADJUSTMENT	0.00	0.00	0.00	0.00	15,782.00	0.00
Total for DEPT 580: NON-DEPARTMENTAL		99,023.84	96,832.00	96,832.00	96,832.00	115,841.00	102,471.00
TOTAL EXPENDITURES		1,304,262.79	1,410,376.00	1,511,276.00	1,511,276.00	1,523,579.00	1,490,251.00

CITY OF EDINBURG
2015-16 DETAIL ESTIMATED BUDGET
CITY MANAGER'S RECOMMENDATION

REPORT DATE 9/22/15

[72] BOYS AND GIRLS CLUB FUND
DIVISION [5800] BOYS CLUB DONATION NON-DEPT

ACCOUNT NUMBER	DESCRIPTION	APPROPRIATION	
CATEGORY--NON-DEPARTMENTAL			
5807-04200-00	AUDIT		
1	AUDIT SERVICES	800.00	
			800.00
5807-04210-00	BANK SERVICE CHARGES		
1	MONTHLY BANK CHARGES	2,315.00	
			2,315.00
5807-04292-00	NOTE PAYMENTS		
1	LOAN PAYMENT FOR THE LEGACY CENTER	75,996.00	
			75,996.00
5807-04331-00	GENERAL INSURANCE		
1	GENERAL INSURANCE	23,360.00	
			23,360.00
5807-06000-00	PROPOSED PAY PLAN ADJ		
1	PRP-PAY PLAN ADJUSTMENT	0.00	
2	PRP-PAY PLAN ADJ(NEW EMP & UPGR)	0.00	
3	PROPOSED PART-TIME PPA	0.00	
TOTAL - NON-DEPARTMENTAL			102,471.00
TOTAL - BOYS CLUB DONATION NON-DEPT			102,471.00
TOTAL - APPROPRIATIONS			1,490,251.00

By-Laws

BYLAWS
PURPOSE

BOYS & GIRLS CLUBS OF EDINBURG RGV, INC.

The purpose of the corporation shall be to provide behavior guidance and to promote the health, social, educational, vocational, and character development of boys and girls, irrespective of race, color, creed or national origin; to receive, invest and disburse funds; and to hold property for the purposes of the corporation.

BYLAWS

ARTICLE I

Board of Directors

Section 1. Regular meetings of the Board of Directors shall be held monthly at such places and times as the Board of Directors shall designate.

Section 2. Special meeting may be held at the call of the Chief Volunteer Officer of one-third of the members of the Board of Directors providing a notice of the time and purpose of the meeting is given to each member at least 72 hours in advance.

Section 3. The business, property and affairs of the corporation shall be managed by the Board of Directors, which shall have the power to: initiate and approve plans and programs for the welfare of the Boys and Girls Club members; have custody and management of the land, buildings, equipment, securities and all other properties of the corporation; adopt the annual budget of the corporation; borrow money; raise and disburse funds; invest and reinvest funds of the corporation; sell, buy and exchange properties and securities of the corporation; make contracts; appoint the Chief Executive Officer and appoint, or delegate the power to appoint, other employees of the corporation; perform all other duties and have such other powers as may be necessary to carry out the purpose the corporation.

Section 4. The number of members of the Board of Directors, who shall be members of the corporation, shall be fixed by the members of the corporation at their first meeting, and this number may be changed at any Annual Meeting, provided, however, there shall not be less than nine (9) members of the Board of Directors, exclusive of any officers of the corporation who may be ex-officio members of the Board of Directors.

Section 5. At the first meeting of the members of the corporation, one-third (1/3) of the members of the Board of Directors shall be elected for one year, one-third (1/3) for two years and one-third (1/3) for three years, from among the members of the corporation. At each Annual Meeting, the additional members shall be elected for three (3) years terms. If the number of the members of the Board of Directors is increased at any Annual Meeting, the additional members shall be elected in equal number for one, two and three year terms. and if the number of members is reduced at any Annual Meeting, the terms of the remaining members shall be adjusted, as may be necessary to provide an equal number serving one, two and three year terms.

Section 6. All Officers of the corporation shall be ex-officio members of the Board of Directors during their respective terms of office.

Section 7. Any member who is absent from three consecutive meetings of the corporation shall be dropped from membership unless reelected. At least thirty (30) days before the date of the next annual meeting, the secretary shall furnish to the nominating committee the names of persons who were dropped from membership subsequent to the last annual meeting. In the event of three (3) un-excused absences, the Board

of Directors may remove a Board Member from his/her respective position by a two-thirds vote of the members present and voting at any special, regular or annual meeting.

Section 8. The Board of Directors shall have the power to fill vacancies in its own membership. Such new members shall hold office until the next Annual Meeting of the members of the corporation.

Section 9. A majority of the members of the Board of Directors shall constitute a quorum at any regular or special meeting of the Board of Directors.

Section 10. At least thirty (30) days before the date of an Annual Meeting, the Secretary shall furnish the Nominating Committee with the names of the members of the Board of Directors whose terms will expire at such Annual Meeting.

Section 12. A Board Member can consist of a Husband/Wife team and will be designated one Board Membership and vote.

Section 13. A Board Member can consist of a Corporate team comprised of two (2) members from the same business or company and will be designated one Board Membership and vote.

Section 14. A Husband/Wife team is limited to no more than three (3) Board Member positions.

Section 16. The City of Edinburg will appoint one board member to the Board of Directors.

Section 17. The Edinburg Consolidated Independent School District will appoint one board member to the Board of Directors.

Section 18. Ex-Officio Members. The following individuals shall be ex-officio members of the Board of Trustees, but do not have the power to vote at meetings of the Board of Trustees: The Board of Directors, at its discretion, may elect one or more former Board member(s) to serve as Honorary Trustee(s). These Honorary Trustees may attend meetings with the Board and be nonvoting members of committees. Honorary Trustees must have made a significant contribution of resources.

ARTICLE II

OFFICERS

Section 1. The officers of the corporation shall be a Chief Volunteer Officer, and three Vice Presidents, a Treasurer, and a Secretary, who shall be elected annually by the Board of Directors. All officers shall serve for one (1) year term or until their successors are elected.

Section 2. The Board of Directors shall have the power to fill vacancies among the officers at any time and officers so elected to fill such vacancies shall serve until the next Annual Meeting of the Board of Directors or until their successors are elected.

ARTICLE III

CHIEF VOLUNTEER OFFICER

The Chief Volunteer Officer of the Boys & Girls Clubs of Edinburg Rio Grande Valley shall preside at all meetings of the members of the corporation and of the Board of Directors; shall appoint the members of all committees with the consent of a majority of the members of the Board of Directors, and shall be an ex-officio members of all such committees; shall sign such papers as may be required by his/her office or as may be directed by the Board of Directors; shall make such reports and recommendations to the Board of Directors and to the members of the corporation, as in his/her judgment may be necessary for their information and guidance; may require such reports from Treasurer, Secretary, Vice Presidents, and Chief Executive Officer, as in his/her judgment are necessary, and shall perform such other duties as may be incidental to the office.

ARTICLE IV

VICE -PRESIDENTS

The vice-presidents, in the order named by the board of directors, shall be elected by the Board of Directors and shall perform the duties of the Chief Volunteer Officer in case of his/her absence, resignation or inability to act.

There shall be three (3) vice presidents, each responsible for one of the following general areas: operations, resource development and support services. Each general area will be assigned committees and sub-committees related to the work of that area. The 1st vice president of support services will oversee and facilitate the board development, marketing and public relations, strategic planning, and budget and finance. The 2nd vice president of resource development will oversee and facilitate the special events, annual campaign, individual contributions, corporate contributions, public sector grants, planned giving, endowment campaign and private sector grants and sub-committees. The 3rd vice president of operations will oversee and facilitate the functions of the human resource management program, program services, facilities, and transportation.

The 1st Vice President will serve as the next Chief Volunteer Officer upon completion of the Chief Volunteer Officer's term. The second and third vice presidents will move up in succession at the recommendation of the board nomination committee.

ARTICLE V

SECRETARY

The Secretary shall issue in writing all notices of meetings to members of the corporation and Board of Directors; notify individuals elected to office or to membership in the corporation and to the Board of Directors; keep complete records of the meetings of the members of the corporation and of the Board of Directors, including an accurate record of attendance of members, notify the Nominating Committee of persons who are dropped from membership in the corporation for nonattendance or other cause; furnish the Nominating Committee with a list of officers and member of the Board of Directors, whose terms shall expire at the next Annual Meeting; shall mail or hand deliver such other notices as may be directed by the Board of Directors; shall be custodian of all records of the corporation, except such records and papers as shall be kept by the Treasurer as herein provided by the Board of Directors; and shall perform such other duties as may be incidental to the office. The Secretary may delegate the performance of his/her or her duties, but shall remain personally responsible for their execution.

ARTICLE VI

TREASURER

The Treasurer shall oversee all monies of the corporation. The Treasurer shall insure that the funds are deposited utilizing City of Edinburg Policies and procurement procedures. The Treasurer shall oversee the deposit of funds of the corporation as deemed necessary through City of Edinburg policies in one or more banks selected by the City of Edinburg bidding process to be disbursed in accordance with the directions of, and upon the signatures of persons designated by the Board of Directors. He/she shall keep a full account of all monies received and paid out and shall make such reports thereof to the Chief Volunteer Officer and Board of Directors, as they may require. He/she shall receive and have custody of all deeds, securities, notes, contracts and other financial papers of the corporation and shall place them for safekeeping in the safe deposit vaults of a bank designated by the Board of Directors through the City of Edinburg and under such rules as to access as such the Board of Directors shall determine. He/she shall cause the books of account of the corporation to be audited at least once annually by a public account through the City of Edinburg approved by the Board of Directors, and shall cause to be prepared, and shall present at each Annual Meeting of the members of the corporation, a comprehensive financial statement, including the report of the accountant. He/she shall sign such papers, as may be required by his/her office or as may be directed by the Board of Directors, and shall perform such other duties as may be incidental to the office. He/she may be required by the Board of Directors to give such bonds as they shall determine for the faithful performance of his/her duties.

The Treasurer will serve as member of the Support Service Committee and Resource Development Committee.

ARTICLE VII

CHIEF EXECUTIVE OFFICER

Section 1. The Chief Executive Officer shall manage the affairs, direct the work and employees of the corporation, subject to and in accordance with, the direction of the Board of Directors; shall prepare budgets of expense for the approval of the Finance Committee and shall be authorized to incur expenses, in accordance with the approved budget or as directed by the Board of Directors.

Section 2. The Chief Executive Officer shall attend all meeting of the Board of Directors, unless otherwise directed by the Board of Directors, and shall be an ex-officio member of all committees.

Section 3. The Chief Executive Officer shall from time to time make reports of the work and affairs of the organization to the Chief Volunteer Officer, Board of Directors and to the members of the corporation at their Annual and Special meetings.

ARTICLE VIII.

CORPORATE ADVISORY BOARD

Section 1 Appointment. The Corporate Advisory Board shall be composed of persons nominated by the Board Development Committee and elected by the Board of Directors for a term of two (2) years. While there shall be no attendance requirement, members shall be invited and encouraged to attend and participate in all Board meetings as non-voting members. The Corporate Advisory Board may consist of persons who have previously served on the Board as well as persons whom the Board feels may have a keen interest in working with the C orporation in the future. Corporate Advisory Board members may be invited to serve on Board committees and shall be classified as non-voting members of those committees. The Chairperson of the Corporate Advisory Board shall be the Chairman of the Board of Directors. Corporate Advisory Board members may not be members of the Board of Directors.

Section 2 General Powers. The Corporate Advisory Board shall generally advise the Board of Directors on the programs and operations of the Corporation, but as a body shall have no powers of management.

Section 3 Vacancies. Any vacancy occurring in the Corporate Advisory Board and any membership to be filled by reason of an increase in the number of members, shall be filled by the Board of Directors. A member elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4 Meetings. The Corporate Advisory Board may meet with the Executive Committee and the Director at least once a year at a meeting called by the Chairman of the Board.

ARTICLE IX

COMMITTEES

Section 1. The Chief Volunteer Officer may create such committees as he/she may deem necessary to direct and carry on the activities of the corporation.

Section 2. The Chief Volunteer Officer and the Chief Executive Officer of the corporation shall be ex-officio members of all committees.

Section 3. There shall be an Executive Committee, Operations Committee which will oversee Facilities, Human Resource Management, Program Services and Transportation. The Support Services Committee will oversee Marketing and Public Relations, Budget and Finance, Board Development and Strategic Planning. The Resource Development Committee will oversee the Special Events, Annual Campaigns, Individuals Contributions, Corporate Contributions, Public Sector Grants, Planned Giving, Endowment Campaigns and Private Sector Grants.

Section 4. The executive committee shall consist of the officers of the corporation, the Chief Volunteer Officer, The 1st Vice President, 2nd Vice President, 3rd Vice President, Secretary, and Treasurer. The committee meets on-call between regular meetings of the board of directors and assumes such duties and powers as are delegated to it by the board of directors.

Section 5. The board development committee shall consist of at least three (3)

members, exclusive of ex-officio members, of the corporation and board of directors. The chairperson shall be a member of the board of directors. It shall be the duty of the board development committee to report and make recommendations to the board of directors concerning all matters of board development, including: selection, recruitment, orientation, education, recognition, rotation and separation.

Section 6. The financial development committee shall consist of at least three (3) members, exclusive of ex-officio members, of the corporation and board of directors and shall include the treasurer. The chairperson shall be a member of the board of directors. It shall be the duty of the financial development committee to report and make recommendations to the board of directors concerning all the financial affairs of the corporation, including charging sub-committees to plan, direct and lead in the areas of resource development and budget & finance. The financial development committee shall appoint a secretary from among its members who shall keep an accurate record of its meetings.

Section 7. The human resource committee shall consist of at least three (3) members, exclusive of ex-officio members, of the corporation and board of directors. The chairperson shall be a member of the board of directors. It shall be the duty of the human resource committee to report and make recommendations to the board of directors concerning all matters of human resources. The human resource committee shall appoint a secretary from among its members who shall keep an accurate record of its meetings.

Section 8 The program committee shall consist of at least three (3) members, exclusive of ex-officio members, of the corporation and board of directors. The chairperson shall be a member of the board of directors. It shall be the duty of the program committee to report and make recommendations to the board of directors concerning the programs of the corporation, their relative healthfulness, safety and adequacy of supervision. The program committee shall appoint a secretary from among its members who shall keep an accurate record of its meetings.

Section 9. The property management committee shall consist of at least three (3) members, exclusive of ex-officio members, of the corporation and board of directors. The chairperson shall be a member of the board of directors. It shall be the duty of the property management committee to report and make recommendations to the board of directors concerning the maintenance of the building and other properties of the corporation including the retention of adequate limits of property and casualty insurance and the provision of safety and loss prevention programs for the guidance of staff. The property management committee shall appoint a secretary from among its members who shall keep an accurate record of its meetings.

Section 10. The marketing committee shall consist of at least three (3) members, exclusive of ex-officio members, of the corporation and board of directors. The chairperson shall be a member of the board of directors. It shall be the duty of the marketing committee to report and make recommendations to the board of directors concerning all matters of the development and execution of an annual marketing plan. The marketing committee shall appoint a secretary from among its members who shall keep an accurate record of its meetings.

Section 11. The planning committee shall consist of at least three (3) members, exclusive of ex-officio members, of the corporation and board of directors. The chairperson shall be a member of the board of directors. It shall be the duty of the planning committee to report and make recommendations to the board of directors concerning

all matters of planning, including the implementation of a strategic planning process. The planning committee shall appoint a secretary from among its members who shall keep an accurate record of its meetings.

Section 12. The planned giving committee shall consist of at least three (3) members, exclusive of ex-officio members, of the corporation and board of directors. The committee shall include the services of competent legal and financial counsel. The chairperson shall be a member of the board of directors. It shall be the duty of the planned giving committee to report and make recommendations to the board of directors concerning all matters of the development and execution of a comprehensive planned giving program. The planned giving committee shall appoint a secretary from among its members who shall keep an accurate record of its meetings.

BYLAWS
ARTICLE X

MEETINGS

Section 1. The first meeting of the members of the corporation shall be held at a time and place to be fixed by those who have associated themselves together to form the corporation.

Section 2. The Annual Meeting of the members of the corporation shall be held in December of each year, at a time and place to be fixed by the Board of Directors, for the purpose of receiving reports from officers, committees and the Chief Executive Officer; to elect members of the Board of Directors and members of the corporation; and to act on any other matters that may properly come before the Annual Meeting. Notices of such meeting shall be mailed or delivered by the Secretary to the members of the corporation at least thirty (30) days before the date of the meeting.

Section 3. Special meetings of the corporation may be held at the call of the Board of Directors or of at least over 51% percent of the members of the corporation. The Secretary shall notify all the members at least 72 hours before the date of the meeting, and the notice shall contain the purpose of the meeting.

Section 4. Over 51% percent of the members of the corporation present in person constitute a quorum at any meeting of the corporation. However, in the absence of a quorum, a majority of those present at the time and place set for a meeting may take an adjournment from time to time until a quorum shall be present.

Section 5. Committee meetings of the corporation may be held at the call of the Board of Directors, Board Chief Volunteer Officer and Chief Executive Officer. The Secretary shall mail or e-mail notices of such meetings to all the members at least 72 hours before the date of the meetings, and these notices shall contain the purposes of the meeting.

Section 6. The Board of Directors shall only meet in the absence of the Chief Executive Officer when it concerns human resource issues regarding the Chief Executive Officer.

Section 7. Meetings by Electronic Means of Communication - Members of the Board or any committee of the Board may conduct any regular or special meeting by use of videoconference or teleconference provided all participating Directors may hear and speak to

each other simultaneously. Before the commencement of any business at a meeting at which any Directors do not participate in person, all participating Directors shall be informed that a meeting is taking place at which official business may be transacted. Participation in such manner shall constitute presence in person at such meeting for the purposes of these Bylaws. Each member who does not participate in person must sign a written consent for action taken during the videoconference or teleconference. The Board members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

ARTICLE XI

NOMINATING COMMITTEE

Section 1. At each Annual Meeting of the members of the corporation, they shall elect, or authorize the appointment by the Chief Volunteer Officer of a Nominating Committee of at least three (3) members and not more than five (5) members. Their duty shall be to present at the next Annual Meeting of the members of the corporation nominations for membership in the corporation, slate of officers, and nominations for members of the board of directors. If the appointment of a Nomination committee by the Chief Volunteer Officer is authorized, the appointment shall be made at least thirty (30) days before the date of the next Annual Meeting. The nominating committee shall exercise its responsibilities under the auspices of the board development committee and adhering to the board development process approved by the corporate board of directors.

Section 2. Any members of the corporation may, at any Annual Meeting, nominate candidates for members of the corporation and members of the Board of Directors.

ARTICLE XII

FISCAL YEAR

The fiscal year of the corporation shall be from October 1st of each year to September 30th of the following year.

ARTICLE XIII

AMENDMENTS

These bylaws may be amended by a majority vote of the members of the entire Board of Directors at the December annual meeting provided notice of the proposed change is given in the notice of the meeting, mailed to each Board of Director by Certified Mail, postage prepaid, Return Receipt Request, or e-mail with e-mail delivery notification at least thirty (30) days prior to the meeting or provided notice of the proposed change and notice of the meeting is hand delivered to each Board of Director at a place designated by each director at least five (5) days prior to the meeting provided that a signature is received at upon delivery of proposed change.

ARTICLE XIV

REGISTERED OFFICE

The registered office of the corporation shall be at 702 Cullen Street, Edinburg, Texas 78541 (P.O. Box 1079, Edinburg, Texas 78540).

Revised by the Board of Directors on this 9th day of December 2015.

BOYS & GIRLS CLUBS OF EDINBURG RGV, INC.

Chief Volunteer Officer

Attest:

1st Vice President

Resume of Chief Program Administrator

Sabrina D. Walker-Hernandez

3742 Los Lagos Drive, Edinburg, Texas 78539 (956) 383-8898

EDUCATION

Kennedy Western University, PhD Business Administration, Attended Classes
University of Texas Pan-American, M.P.A., May 2000
University of Texas Pan-American, B.A. Political Science, May 1997

EXPERIENCE

Chief Professional Officer/Executive Director
Boys & Girls Clubs of Edinburg Rio Grande Valley (1/06-Present)
Responsible for providing leadership and direction in overseeing strategic planning and operation of the organization in support of organizational mission and goals. The CPO provides leadership, direction and support to the board of directors in developing organizational goals, attaining/allocating and managing resources, and establishing policies; provides leadership and direction to staff management and partnership development in carrying out key roles.

Director of Operations
Boys & Girls Clubs of Edinburg Rio Grande Valley (7/00 – 1/06)
Responsible for working with the Director to advance the mission and growth of the Boys & Girls Clubs of Edinburg RGV and to oversee operations 16 Club Units and programs with the primary concern for program development and implementation; staff development; supervision of assigned staff; facilities; and budget management. Also work with the Board of Directors to promote the Boys & Girls Clubs while cultivating the connections between City of Edinburg, United Way of South Texas and other partnering agencies.

Teen Court Coordinator
Boys & Girls Clubs of Edinburg Rio Grande Valley (4/99 – 7/00)
Responsible for overseeing the development and implementation of the Edinburg Teen Court program. Establish relationship with community organization and conduct presentation on services provided by the program. Promote and market program to the public (i.e. city hall, school district, and other organizations). Manage all aspects of administering the program in compliance with Criminal Justice Division's grant.

Community Development Block Grant Program Coordinator
The County of Hidalgo Urban County Program (8/97 - 4/99)
Monitored contractor/subrecipient performance for compliance with federal and state requirements including follow-up monitoring for corrective action. Provided technical assistance to others (i.e. city administrators, contractors, other organizations) on policies, procedures, rules, regulations, standards, or requirements. Serve as a liaison for assigned area with city staff or outside entities on complex issues. Assist in competitive procurement including establishing need, developing procurement instrument, coordinating evaluating offers, and awarding contracts.

Data Conversion Operator
Envisions/United States Postal Service (5/94 - 8/97)
Performed data conversion keying functions and used computer terminal to prepare mail for automated sorting equipment.

Housing Law Advocate, Internship
Advocacy Resource Center for Housing (2/96 - 8/96)
Mediated and negotiated landlord/tenant disputes for low-income tenants and organized community education about landlord/tenant law. Utilized Texas Property Code, performed intake, and monitored case status. Planned and developed presentations, displays and model workshop for landlords. Coordinated with Texas Rural Legal Aid, volunteer attorneys, and Attorney General's Office to develop and implement new volunteer opportunities for attorneys to conduct pro bono work.

Sabrina D. Walker-Hernandez

3742 Los Lagos Drive, Edinburg, Texas 78539, (956) 383-8898

Administrative Specialist
United States Army Reserve (1/93 - 1/96)
Unit administrator for 16 personnel. Classified and assigned new members of the organization. Created business correspondence from general ideas. Managed the various administrative, secretarial, human resource, and clerical duties.

Record Telecommunications Operator
United States Army (5/91 - 11/92)
Acted as intermediary between individual team members and command elements in the matters of pay, commendation, and personal affairs. In absence of the commander, supervised other personnel that were assigned to the office. Sorted and filed military records by automated filing systems. Prepared reports, assisted with the office's budget, and prepared and tracked purchase orders and requisitions.

Shift Manager
Taco Bell (2/90 - 4/91)
Supervised a staff of 23 personnel. Developed and implemented effective incentive award programs. Supervised management development and selected key individuals for advancement. Monitored the effectiveness of employee appraisal systems, counseled workers, and conducted training. Recorded general ledger journal entries. Prepared weekly payroll and management reports from raw data and computed accounting documents for completeness, accuracy, and consistency.

HONORS
2014 Leadership Texas Graduate
2011 Rotary Paul Harris Fellow
2009 SW Herman S. Prescott Award Recipient
2009 South Texas Administrator of the Year
2007 Rotarian of the Year – Edinburg Rotary Club
2006 Golden Fire Hydrant Recipient – Edinburg Volunteer Fire Department
2006 Graduate of Leadership Texas-Power Pipeline
Academy of Boys & Girls Club Professionals– Distinguished Member Executive Level
Academy of Boys & Girls Club Professionals– Distinguished Member Management Level
Academy of Boys & Girls Club Professionals – Distinguished Member Youth Development Level
Boys & Girls Clubs of America Management Program Graduate 2000
Member of Phi Kappa Phi Honor Society
1997, Cum Laude

ACTIVITIES
Board Member (2009-2014), Rotary Club of Edinburg (President 2012-13)
National Board Member, Boys & Girls Clubs of America Professional Association (2nd VP 2014-present)
Association of Boys & Girls Clubs Professionals RGV Chapter (President 2006 & 1st Vice President 2011)
Academy of Boys & Girls Clubs Professionals National Assessor
Member, BGCA Southwest Training and Professional Development Advisory Council
Member, BGCA Southwest Diversity Committee
Advisory Board Member, Clear Channel Radio
State Board Member, TXPOST- Texas Partnership for Out of School Time
Secretary, South Texas Area Council (2008- Present)

SPECIAL SKILLS
Working knowledge of most office machines including Mircrosoft applications.

List of Board of Directors

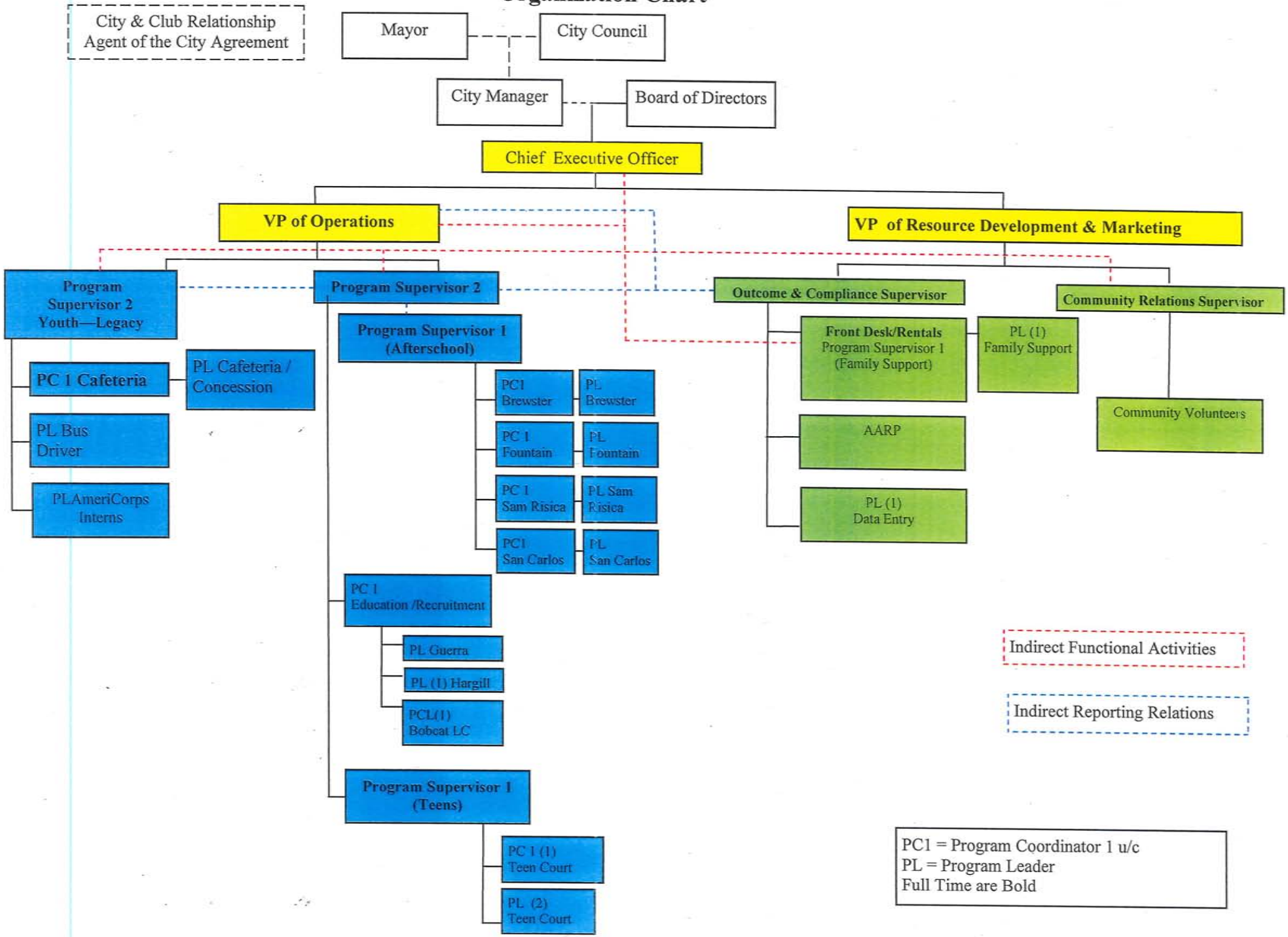
Boys & Girls Clubs of Edinburg RGV
Board of Director Roster
As of February 2016

	Name	Years of Service	Year Term	Company	Home Address	Contact Numbers	Email Address
1	**Dustin Garza** DOB 1/8/88	Installed 8/22/15	1 year Expires Dec. 2016	Voya 1524 S. 7th Ave Edinburg, Texas 78539	3607 Stratosphere Edinburg, Texas 78539+	(o) 956.380.6475 (f) 956.380.6479 (m) 956.330.7065	dcgarza1988@icloud.com dustingarza1988@gmail.com
2	**Judi Flowers**	11 years Installed 12/8/04 1st VP 2012 & 13 CVO 2014	3 year Expires Dec. 2017	Wells Fargo Bank Branch Manager 2808 West Trenton Road Edinburg, TX 78539	3807 Bridgett Edinburg, Texas 78539	(m) 956.562.5183 (o) 956.664.4420 (f) 956 (h) 956	Judith.Y.Flowers@wellsfargo.com
3	**Jesse Deleon** DOB 11/3/66	1 year Installed 10/8/14 Replaced Tina Guera	2 year Expires Dec. 2017	Tierra Dulce Owner 410 Ash Ave. McAllen, Texas 78501		(c) 956.984.9733 (o) (f) (h)	myamigosimports@sbcglobal.net
4	**Juan Delgado** DOB 11/14/76	5 years Installed 12/8/2010 2nd VP 2012	2 year Expires Dec. 2017	SpawGlass Engineer 4909 E. Grimes, Ste 116 Harlingen, Texas 78550	14909 N. 23rd St. Edinburg, Texas 78541	(m)956.535.3965 (o)956.412.9880 (f)956.412.3581 (h)956.878.7654	Juan.delgado@spawglass.com
	Duane Guzman TEAM Member SpawGlass	1 year Installed 3/10/14	2 year Expires Dec. 2017	SpawGlass Engineer 4909 E. Grimes, Ste 116 Harlingen, Texas 78550	2801 Pelican Ave McAllen, Texas 78504	(m) 956.873.3800 (o)956.412.9880 (f)956.412.3581 (h)956.223.5271	duane.guzman@spawglass.com
5	**Sixto Garza** DOB 7/30/64	6 years Installed 3/12/09 Treasurer 2010-12 3rd VP 2013 2nd VP 14 1st Vp 15 7 16	3 year Expires Dec. 2018	Edinburg Children Hospital Director of Radiology 1102 W. Trenton Edinburg, Texas 78539	208 E Emory Ave McAllen, Texas 78504	(m)956. 878.9698 (o)956. 388.6831 (f)956. 289.5318 (h)956. 878.9698	sixto.garza@uhsrgv.com
	Krishna Chary	3 years Installed 12/12/12	3 year Expires Dec. 2018	Edinburg Children Hospital Director of Pharmacy 1102 W. Trenton Edinburg, Texas 78539	2700 Santa Olivia Mission, Texas 78572	(m) 956.249.0701 (o)956. 388.6676 (f)956. 289.5490	kmchary@yahoo.com
6	**Joe Quirogo** Texas National Bank	Installed 12/9/15	2 year Expires Dec. 2016	Texas National Bank President 4908 S Jackson Rd Edinburg Texas	319 Quartz Streeet Edinburg, Texas 78539	(m) 956.212.1600 (o)956. (f)956.	jquiroga@texasnational.com
	Leo Trevino Texas National Bank	Installed 3/15	2 year Expires Dec. 2016	Texas National Bank Credit Analyst 4908 S Jackson Rd Edinburg Texas	1304 Nora Drive Edinburg, Texas	956.207.0412 (h) 956.217-7115 (m)	ltrevino101@texasnational.com
7	**Ellie Torres** **School Appointment**	Installed 8/22/15	1 year Expires Dec. 2016	At Home Health Care 117 E. Loeb St Edinburg Torres Bail Bond Edinburg	3901 W Schunior Edinburg, Texas 78541	(m) 956.279.4874	jlredball@yahoo.com
8	**Abraham Quiroga**	Installed 10/13/15	2 year Expires Dec. 2016	Magic Valley Electric Coop P.O. Box 267 Mercedes, Texas 78570	2601 W. Mille 17 1/2 Eidnburg, Texas 78541	(m) 537-7612 (956) 975-7833	[illegible]
9	**Eduardo "Eddy" Villanueva** **City Appointment** DOB 5/20/78	5 years Appt by council April 4, 2010	3 year Expires Dec. 2016 moved from 1 to 3 12/13	Hidalgo Co. Adult Probation Dept Sentencing Officer 275th District Court Edinburg, Texas	907 S. 19th Street Edinburg, Texas 78539	(m) 956.655.9587 (o) 956.318.2772 (f)956 (h) 956.655.9587	edyv.78@gmail.com
	4. Vacant Husband/wife or corporate team	1 Year	1 year Expires Dec. 2016				
10	**Gerado 'Jerry" Salazar**	Installed 10/15/15 3rd VP	1 year Expires Dec. 2015	Elsa State Bank Asst. Vice President 621 W. University Drive Edinburg, Texas 78539	316 Hollyhood Drive Edinburg, Texas 78539	(m) 956-900-1956	[illegible]
11	**Michelle Y. Garza** DOB 10/9/70	1 year Installed 3/12/14	2 year Expires Dec 2016	Inter National Bank 1801 S. 2nd Street McAllen Texas 78505	807 Crown Circle Edinburg, Tx	(m) 956.534.7591 (o) 956.664.8400 (f) 956.632.5820 (h) 956.287.4933	michelleg@inbweb.com
	George Cardenas	Installed 8/22/15	2 year Expires Dec 2016	Inter National Bank 1801 S. 2nd Street McAllen Texas 78505	3718 Danubio Drive Edinburg, Texas 78539	(o) (f) 956.632.5820 (h) 956.491-8654	GCardenas@inbweb.com
12	**Luis G. Alamia**	1 year Installed 5/7/14	3 year Expires Dec. 2016	Marquez Orthopedics 2302 Cornerstone Boulevard Edinburg, Texas 78539	2508 Vance Street Edinburg, Texas 78539	(m) 214.600-9177 (o) (f) (h)	louiea_20@yahoo.com
13	**Richard Gonzales**	1 year Installed 5/7/14	3 year Expires Dec. 2016	Garza & Gonzales, PLLC 5429 N. 23rd St., Ste D McAllen, Texas 78504	210 E. Ramseyer Edinburg, Texas 78542	(m) 956.207.3909 (o)956.627.2724 (f)210.568.6115 (h)	richard@gg-attorneys.com
14	**Daniel Rivera**	1 year Installed 5/7/14	1 year Expires Dec. 2016	Edinburg North High School 3101 North Closner Blvd Edinburg, Texas 78541	3704 Timberwood Dr. Edinburg, Texas 78542	(m) 956.605.4321 (o)956.289.2500 (f)	daniel.rivera@yahoo.com
15	**Millie Smith** **Team Member** Texas National Bank DOB 8/12/54	Installed 12/10/2014 returning Member Treasure 2015	2 year Expires Dec. 2016	Texas National Bank BSA 3122 Center Point Dr	2309 Pheasant Drive Edinburg, Texas	(m) 956.289.6794	(m) 956-289-6794 msmith@texasnational.com

2 SLOTS FROM 21 GOAL

Organization Chart

Boys & Girls Clubs of Edinburg RGV
Organization Chart



Documentation of non-profit status State & Federal

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: DEC 13 1993

Employer Identification Number:
74-2549652
Case Number:
753313195
Contact Person:
SHARI FLOWERS
Contact Telephone Number:
(214) 767-6023
Our Letter Dated:
March 7, 1990
Addendum Applies:
No

BOYS AND GIRLS CLUB OF EDINBURG INC
315 EAST PALM DRIVE
EDINBURG, TX 78539

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Gary O. Booth
District Director

Letter 1050 (DO/CG)

Reports Unit
P.O. Box 12028
Austin, Texas 78711-2028

Phil Wilson
Secretary of State

Office of the Secretary of State

August 01, 2007

Sabrina Walker-Hernandez
BOYS AND GIRLS CLUBS OF EDINBURG RIO GRANDE VALLEY, INC.
702 South 18th. Street
Edinburg, TX 78539

RE: BOYS AND GIRLS CLUBS OF EDINBURG RIO GRANDE VALLEY, INC.
File Number: 112200101

This is to advise you that the above referenced corporation's report required by article 1396-9.01, Texas Non-Profit Corporation Act, has been filed in this office. This letter may be used as evidence of the filing and payment of the filing fee.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 475-2705

Enclosure

Franchise Tax Account Status

As of: 03/01/2016 03:20:28 PM

This Page is Not Sufficient for Filings with the Secretary of State

BOYS AND GIRLS CLUBS OF EDINBURG RIO GRANDE VALLEY	
Texas Taxpayer Number	30113493479
Mailing Address	PO BOX 1079 EDINBURG, TX 78540-1079
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	07/25/1989
Texas SOS File Number	0112200101
Registered Agent Name	SABRINA WALKER-HERNANDEZ
Registered Office Street Address	702 CULLEN ST EDINBURG, TX 78541

Authorized Official

April 20, 2016

Richard Hinojosa
City Manager's Office
P.O. Box 1079
Edinburg, Texas 78540

Mr. Hinojosa,

Please accept this letter as the official designation of he Chief Executive Officer to enter into contract with the City of Edinburg as it relates to the 2016-2017 request for funding application.

Sincerely,

Jesse Deleon
Chief Volunteer Officer
Boys & Girls Clubs of Edinburg RGV

GREAT FUTURES START HERE.

BOYS & GIRLS CLUBS OF EDINBURG RIO GRANDE VALLEY

P.O. Box 1079
Edinburg, TX. 78540
(956) 383-CLUB (2582),
(956) 381-9635 Fax
email: swalker@edinburgkids.com
www.edinburgkids.com

Sabrina Walker-Hernandez
Chief Executive Officer

Adriana Rendon
Vice President of Operations

Monica Pena
Vice President of Marketing & Resource Development

Board of Directors
Chief Volunteer Officer
Jesse Deleon

Vice Presidents
1st Sixto Garza
2nd Krishna Chary
3rd Jerry Salazar

Secretary
Michelle Y. Garza

Treasurer
Millie Smith

Louie Alamia
George Cardenas
Juan Delgado
Judi Flowers
Dustin Garza
Duane Guzman
Richard Gonzalez
Abraham Quiroga
Joe Quiroga
Daniel Rivera
Ellie Torres
Leo Trevino
Eddy Villanueva

The Legacy Center
& Administrative Offices
702 Cullen Street

Club Sites
Fountain Center Annex Unit
Sam Risica Unit
San Carlos Unit

School Sites:
Bobcat Learning Center–
Edinburg High School
Brewster School
Faysville Unit – Guerra Elementary
Hargill Elementary School

Text "CLUB" to 20222 to Donate **$5.00**

MOBILE GIVING FOUNDATION

A one-time donation of $5.00 will be added to your mobile phone bill or deducted from your prepaid balance. Donor must be age 18+ and all donations must be authorized by the account holder (e.g. parents). By texting YES, the user agrees to the terms and conditions. All charges are billed by and payable to your mobile service provider. Service is available on most carriers. Donations are collected for the benefit of the "BOYS & GIRLS CLUBS OF EDINBURG RGV"

THE CITY OF EDINBURG

GIVE. ADVOCATE. VOLUNTEER. LIVE UNITED.

GREAT FUTURES START HERE.

Certificate of Liability/Insurance

TML
INTERGOVERNMENTAL RISK POOL

Certificate of Coverage

TMLIRP Contract Number:	9460

Member:	Company Affording Coverage:
Edinburg Ms. Sonia Marroquin Assistant City Manager PO Box 1079 Edinburg, Texas 78540-1079	Texas Municipal League Intergovernmental Risk Pool (TMLIRP) PO Box 149194 Austin, TX 78714-9194 (512) 491-2300 or (800) 537-6655 Fax: (512) 491-2404

Certificate Holder:

Boys & Girls Club of America
1275 West Peachtree Street, N.E.
Atlanta, Georgia 30309

This is to certify that the coverages listed below have been provided to the member and are in effect at this time. Notwithstanding any requirements, terms, or conditions of any other contract or agreement with respect to which this certificate may be issued or may pertain, the coverage afforded by TMLIRP described herein is subject only to the terms, exclusions and additions of TMLIRP's coverage contracts between TMLIRP and its member(s). Coverage is continuous until canceled.

General Liability	Effective Date:	10/1/2014	**Real & Personal Property**	Effective Date:	
	Anniversary Date:	10/1/2015		Anniversary Date:	
Limits of Liability (Each Occurrence):		$2,000,000	Limits of Coverage:		
Sudden Events Involving Pollution (Each Occurrence):		$2,000,000	Deductible per Occurrence:		
Annual Aggregate:		$4,000,000	**Mobile Equipment**	Effective Date:	
Deductible per Occurrence:		$5,000		Anniversary Date:	
Law Enforcement Liability	Effective Date:		Limits of Coverage:		
	Anniversary Date:		Deductible per Occurrence:		
Limits of Liability (Each Occurrence):			**Boiler & Machinery - Broad Form**	Effective Date:	
Annual Aggregate:				Anniversary Date:	
Deductible per Occurrence:			Per Accident Limit:		
Errors and Omissions Liability	Effective Date:	10/1/2014	Deductible per Occurrence:		
	Anniversary Date:	10/1/2015		Yes	No
Limits of Liability(Each Wrongful Act):		$2,000,000	Mortgagee		
Annual Aggregate:		$4,000,000	Loss Payee		
Deductible per Occurrence:		$10,000	Loan Number:		
Auto Liability	Effective Date:		**Year/Make/Model**	**VIN**	**Value**
	Anniversary Date:				
Limits of Liability (Each Occurrence):					
Deductible per Occurrence:					
Auto Physical Damage	Effective Date:				
	Anniversary Date:				
Limits of Liability:					
Collision Deductible:					
Comprehensive Deductible:					
	Yes	No			
Loss Payee:			Loan Number:		

DESCRIPTION:
Confirmation of coverage for the Boys & Girls Clubs of Edinburg, Inc., an "Additional Covered Party - Non-Profit Organization". General Liability/Errors & Omissions Liability Coverages are primary.

Cancellation: Should any of the above described coverages be canceled before the anniversary date thereof, TMLIRP will endeavor to mail 30 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon TMLIRP.

Authorized Representative — [signature]

Date Issued 10/14/2014

INDEMNIFICATION UNDER CONTRACT

This endorsement forms a part of the **Declarations** to which attached, effective on the inception date of the coverage unless otherwise stated herein, and clarifies such coverage as is afforded by the provisions of the coverage shown below:

- ☒ **GENERAL LIABILITY**
- ☐ **AUTOMOBILE LIABILITY**
- ☐ **LAW ENFORCEMENT LIABILITY**
- ☐ **AIRPORT (GENERAL LIABILITY HAZARDS) PREMISES LIABILITY**

Entity Name : Edinburg
Entity ID : 9460
Effective Date : 10/1/14

It is agreed that coverage is provided for the liability assumed by the **Fund Member** to indemnify the person or organization named below under a contract between such person or organization and the **Fund Member**, but such coverage shall not exceed the limits of coverage set forth in the **Declarations**.

Person or Organization	:	Boys & Girls Club of America
Address	:	1275 West Peachtree Street, N.E.
City, State & Zip Code	:	Atlanta, Georgia 30309

Description

With respect to the Boys & Girls Club of Edinburg, Inc., an "Additional Covered Party – Non-Profit Organization". General Liability Coverage is primary. "As Their Interest May Appear".

Clarification

City of Edinburg (Boys & Girls Club of Edinburg, Inc.)

Additional Insured:

The Boys & Girls Club of America cannot be named as an "Additional Insured". The City of Edinburg is a member of a self-insurance program known as the Texas Municipal League Intergovernmental Risk Pool, which is created solely by Texas political subdivisions under the Interlocal Cooperation Act. Local governments are authorized under the Interlocal Cooperation Act to enter into contracts with other local governments to provide services or functions that each local government could have performed individually. Since local governments can self-insure individually, they can self-insure together under the Interlocal Cooperation Act. Approximately 3,000 local governments have come together to create this self-insurance program. Under the provisions of the Interlocal Cooperation Act, only political subdivisions of the State of Texas can be Members of the self-insurance program and their liabilities covered. It is not possible for a private organization to become a Member of the self-insurance program.

Therefore, ***endorsement #EL217-Indemnification Under Contract has been issued since this indemnification is a liability assumed by the City of Ednburg under your agreement.*** The coverage provided by the TML Intergovernmental Risk Pool to the City of Edinburg, as set forth in its Declarations of Coverage, applies to the indemnification from the City of Edinburg to the Boys & Girls Club of America. In the event that a claim or lawsuit is brought against the City of Edinburg, which falls under this indemnification and the coverage provided to the City of Edinburg, the TML Intergovernmental Risk Pool will provide a defense for the Boys & Girls Club of America, and pay damages.

Sexual Abuse and Molestation

The TMLIRP Liability Coverage Document previously contained exclusion for sexual molestation. This specific exclusion was removed because it was not necessary since such acts fall outside the scope of an employee's duties. The Pool only provides coverage for conduct within the scope of duties assigned to an employee. The Pool will not have a duty to defend or pay claims for a covered party who is not acting within the scope of their duties or employment. Although the Pool will not have a duty to defend or pay claims for the employee, the Pool will have a duty to defend or pay claims for the Pool Member. The Pool will have the duty to defend or pay claims of the Pool Member for the Sexual Molestation.

TML
INTERGOVERNMENTAL RISK POOL

Certificate of Coverage

TML-IRP Contract Number:	9460

Member:
Edinburg
Ms. Sonia Marroquin
Assistant City Manager
PO Box 1079
Edinburg,Texas 78540-1079

Company Affording Coverage:
Texas Municipal League Intergovernmental Risk Pool
PO Box 149194
Austin, TX 78714-9194
(512) 491-2300 or (800) 537-6655
Fax: (512) 491-2404

Certificate Holder:

County of Hidalgo
Purchasing Dept/Admin Bldg
101 E Cano, 5th Floor
Edinburg, Texas 78539

This is to certify that the coverages listed below have been provided to the member and are in effect at this time. Notwithstanding any requirements, terms, or conditions of any other contract or agreement with respect to which this certificate may be issued or may pertain, the coverage afforded by the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) described herein is subject only to the terms, exclusions and additions of TML-IRP's coverage contracts between TML-IRP and its member(s). Coverage is continuous until canceled.

General Liability	
Effective Date:	10/1/2014
Anniversary Date:	10/1/2015
Limits of Liability (Each Occurrence):	$2,000,000
Sudden Events Involving Pollution (Each Occurrence):	$2,000,000
Annual Aggregate:	$4,000,000
Deductible per Occurrence:	$5,000
Law Enforcement Liability	
Effective Date:	
Anniversary Date:	
Limits of Liability (Each Occurrence):	
Annual Aggregate:	
Deductible per Occurrence:	
Errors and Omissions Liability	
Effective Date:	
Anniversary Date:	
Limits of Liability(Each Wrongful Act):	
Annual Aggregate:	
Deductible per Occurrence:	
Auto Liability	
Effective Date:	10/1/2014
Anniversary Date:	10/1/2015
Limits of Liability (Each Occurrence):	$2,000,000
Deductible per Occurrence:	$0
Auto Physical Damage	
Effective Date:	
Anniversary Date:	
Limits of Liability:	
Collision Deductible:	
Comprehensive Deductible:	

	Yes	No
Loss Payee:	X	

Real & Personal Property	
Effective Date:	
Anniversary Date:	
Limits of Coverage:	
Deductible per Occurrence:	
Mobile Equipment	
Effective Date:	
Anniversary Date:	
Limits of Coverage:	
Deductible per Occurrence:	
Boiler & Machinery - Broad Form	
Effective Date:	
Anniversary Date:	
Per Accident Limit:	
Deductible per Occurrence:	

	Yes	No
Mortgagee		
Loss Payee		
Loan Number:		

Year/Make/Model	VIN	Value
Loan Number:		

DESCRIPTION:
Confirmation of coverage as respects to the Boys and girls Club of Edinburg, Inc.'s as additional Covered Party, use of the County of Hidalgo Non-Profit Center, located at 6th St. (East Side), 100 feet north of State Hwy 107, in San Carlos, Texas 78539.

Cancellation: Should any of the above described coverages be canceled before the anniversary date thereof, TML-IRP will endeavor to mail 30 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon TML-IRP.

Authorized Representative

Louis R. Carranza Jr.

Date Issued
10/6/2014

X102
10/15/08

INDEMNIFICATION UNDER CONTRACT

This endorsement forms a part of the **Declarations** to which attached, effective on the inception date of the coverage unless otherwise stated herein, and clarifies such coverage as is afforded by the provisions of the coverage shown below:

- ☒ **GENERAL LIABILITY**
- ☒ **AUTOMOBILE LIABILITY**
- ☐ **LAW ENFORCEMENT LIABILITY**
- ☐ **AIRPORT (GENERAL LIABILITY HAZARDS) PREMISES LIABILITY**

Entity Name :Edinburg
Entity ID :9460
Effective Date :10/1/14

It is agreed that coverage is provided for the liability assumed by the **Fund Member** to indemnify the person or organization named below under a contract between such person or organization and the **Fund Member**, but such coverage shall not exceed the limits of coverage set forth in the **Declarations**.

Person or Organization	:	County of Hidalgo Purchasing Department / Administration Building
Address	:	101 E Cano 5th Floor
City, State & Zip Code	:	Edinburg, Texas 78539

Description

As respects the Boys & Girls Club of Edinburg, Inc.'s,
an additional Covered Party, use of the County of Hidalgo Non-Profit Center,
located at 6th St (East Side), 100 feet North of Hwy 107,
San Carlos, Texas 78539.

Certificate of Coverage

TML INTERGOVERNMENTAL RISK POOL

TMLIRP Contract Number:	9460

Member:

Edinburg
Ms. Sonia Marroquin
Assistant City Manager
PO Box 1079
Edinburg,Texas 78540-1079

Company Affording Coverage:

Texas Municipal League Intergovernmental Risk Pool (TMLIRP)
PO Box 149194
Austin, TX 78714-9194
(512) 491-2300 or (800) 537-6655
Fax: (512) 491-2404

Certificate Holder:

Edinburg Public Housing Authority
900 S Sugar Rd.
Edinburg, Texas 78539

This is to certify that the coverages listed below have been provided to the member and are in effect at this time. Notwithstanding any requirements, terms, or conditions of any other contract or agreement with respect to which this certificate may be issued or may pertain, the coverage afforded by TMLIRP described herein is subject only to the terms, exclusions and additions of TMLIRP's coverage contracts between TMLIRP and its member(s). Coverage is continuous until canceled.

General Liability	
Effective Date:	10/1/2014
Anniversary Date:	10/1/2015
Limits of Liability (Each Occurrence):	$2,000,000
Sudden Events Involving Pollution (Each Occurrence):	$2,000,000
Annual Aggregate:	$4,000,000
Deductible per Occurrence:	$5,000
Law Enforcement Liability	
Effective Date:	
Anniversary Date:	
Limits of Liability (Each Occurrence):	
Annual Aggregate:	
Deductible per Occurrence:	
Errors and Omissions Liability	
Effective Date:	
Anniversary Date:	
Limits of Liability(Each Wrongful Act):	
Annual Aggregate:	
Deductible per Occurrence:	
Auto Liability	
Effective Date:	10/1/2014
Anniversary Date:	10/1/2015
Limits of Liability (Each Occurrence):	$2,000,000
Deductible per Occurrence:	$0
Auto Physical Damage	
Effective Date:	
Anniversary Date:	
Limits of Liability:	
Collision Deductible:	
Comprehensive Deductible:	

	Yes	No
Loss Payee:	X	

Real & Personal Property	
Effective Date:	
Anniversary Date:	
Limits of Coverage:	
Deductible per Occurrence:	
Mobile Equipment	
Effective Date:	
Anniversary Date:	
Limits of Coverage:	
Deductible per Occurrence:	
Boiler & Machinery - Broad Form	
Effective Date:	
Anniversary Date:	
Per Accident Limit:	
Deductible per Occurrence:	

	Yes	No
Mortgagee		
Loss Payee		
Loan Number:		

Year/Make/Model	VIN	Value

Loan Number:

DESCRIPTION:
Confirmation of coverage as respects to the Boys & Girls Club of Edinburg, Inc., an "Additional Covered Party - Non-Profit Organization", use of the Sam Risca Community Center and outdoor areas, located at 900 South Sugar Road, Edinburg, Texas, for the purpose of conducting Youth Development and Prevention Programs during after-school hours, Monday-Thursday, between the hours of 3:30 p.m.-7:30 p.m., and Saturday, 9:00 a.m..-5:00 p.m., as scheduled.During designated days, the program will be conducted from Monday-Saturday, 9:00 a.m.-9:00 p.m. General Liability Coverage is primary.

Cancellation: Should any of the above described coverages be canceled before the anniversary date thereof, TMLIRP will endeavor to mail 30 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon TMLIRP.

Authorized Representative

Louis B. Carrale, Jr.

Date Issued

10/6/2014

INDEMNIFICATION UNDER CONTRACT

This endorsement forms a part of the **Declarations** to which attached, effective on the inception date of the coverage unless otherwise stated herein, and clarifies such coverage as is afforded by the provisions of the coverage shown below:

- ☒ **GENERAL LIABILITY**
- ☒ **AUTOMOBILE LIABILITY**
- ☐ **LAW ENFORCEMENT LIABILITY**
- ☐ **AIRPORT (GENERAL LIABILITY HAZARDS) PREMISES LIABILITY**

Entity Name : Edinburg
Entity ID : 9460
Effective Date : 10/1/14

It is agreed that coverage is provided for the liability assumed by the **Fund Member** to indemnify the person or organization named below under a contract between such person or organization and the **Fund Member**, but such coverage shall not exceed the limits of coverage set forth in the **Declarations**.

Person or Organization	:	Edinburg Public Housing Authority
Address	:	900 S Sugar Rd.
City, State & Zip Code	:	Edinburg, Texas 78539

Description

As respects the Boys & Girls Club of Edinburg, Inc's., an Additional Covered Party, use of the San Carlos Community Resource Center, located at 230 N 86th St in Edinburg, Texas, for the purpose of conducting Youth Development and Prevention Programs and the Kids Café Program during after-school hours, Monday through Friday, between the hours of 3:30 pm to 7:30 pm, and Saturday, 9:00 am – 5:0 0 pm as scheduled. During designated days the programs will be conducted from Monday – Saturday, 9:00 am – 8:00 pm.

TML
INTERGOVERNMENTAL RISK POOL

Certificate of Coverage

TMLIRP Contract Number:	9460	
Member: Edinburg Ms. Sonia Marroquin Assistant City Manager PO Box 1079 Edinburg,Texas 78540-1079		**Company Affording Coverage:** Texas Municipal League Intergovernmental Risk Pool (TMLIRP) PO Box 149194 Austin, TX 78714-9194 (512) 491-2300 or (800) 537-6655 Fax: (512) 491-2404

Certificate Holder:

San Carlos Community Center
230 North 86th Street
Edinburg, Texas 78539

This is to certify that the coverages listed below have been provided to the member and are in effect at this time. Notwithstanding any requirements, terms, or conditions of any other contract or agreement with respect to which this certificate may be issued or may pertain, the coverage afforded by TMLIRP described herein is subject only to the terms, exclusions and additions of TMLIRP's coverage contracts between TMLIRP and its member(s). Coverage is continuous until canceled.

General Liability	Effective Date:	10/1/2014
	Anniversary Date:	10/1/2015
Limits of Liability (Each Occurrence):	$2,000,000	
Sudden Events Involving Pollution (Each Occurrence):	$2,000,000	
Annual Aggregate:	$4,000,000	
Deductible per Occurrence:	$5,000	
Law Enforcement Liability	Effective Date:	
	Anniversary Date:	
Limits of Liability (Each Occurrence):		
Annual Aggregate:		
Deductible per Occurrence:		
Errors and Omissions Liability	Effective Date:	
	Anniversary Date:	
Limits of Liability(Each Wrongful Act):		
Annual Aggregate:		
Deductible per Occurrence:		
Auto Liability	Effective Date:	10/1/2014
	Anniversary Date:	10/1/2015
Limits of Liability (Each Occurrence):	$2,000,000	
Deductible per Occurrence:	$0	
Auto Physical Damage	Effective Date:	
	Anniversary Date:	
Limits of Liability:		
Collision Deductible:		
Comprehensive Deductible:		
	Yes	No
Loss Payee:	X	

Real & Personal Property	Effective Date:	
	Anniversary Date:	
Limits of Coverage:		
Deductible per Occurrence:		
Mobile Equipment	Effective Date:	
	Anniversary Date:	
Limits of Coverage:		
Deductible per Occurrence:		
Boiler & Machinery - Broad Form	Effective Date:	
	Anniversary Date:	
Per Accident Limit:		
Deductible per Occurrence:		
	Yes	No
Mortgagee		
Loss Payee		
Loan Number:		

Year/Make/Model	VIN	Value
Loan Number:		

DESCRIPTION:
Confirmation of coverage as respects to the Boys & Girls Club of Edinburg, Inc., an "Additional Covered Party - Non-Profit Organizataion", use of the San Carlos Community Resource Center located at 230 North 86th Street, Edinburg, Texas, for the purpose of conducting Youth Development and Prevention Programs and the Kids Cafe Program during after-school hours, Monday-Friday, between the hours of 3:30 p.m. to 7:30 p.m., and Saturday, 9:00 a.m.-5:00 p.m., as scheduled. During designated days the programs will be conducted from Monday-Saturday, 9:00 a.m.-8:00 p.m. General Liability Coverage is primary.

Cancellation: Should any of the above described coverages be canceled before the anniversary date thereof, TMLIRP will endeavor to mail 30 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon TMLIRP.

Authorized Representative

Louis B. Canales

Date Issued

10/6/2014

X102
01/08

INDEMNIFICATION UNDER CONTRACT

This endorsement forms a part of the **Declarations** to which attached, effective on the inception date of the coverage unless otherwise stated herein, and clarifies such coverage as is afforded by the provisions of the coverage shown below:

- ☒ **GENERAL LIABILITY**
- ☒ **AUTOMOBILE LIABILITY**
- ☐ **LAW ENFORCEMENT LIABILITY**
- ☐ **AIRPORT (GENERAL LIABILITY HAZARDS) PREMISES LIABILITY**

Entity Name : Edinburg
Entity ID : 9460
Effective Date : 10/1/14

It is agreed that coverage is provided for the liability assumed by the **Fund Member** to indemnify the person or organization named below under a contract between such person or organization and the **Fund Member**, but such coverage shall not exceed the limits of coverage set forth in the **Declarations**.

Person or Organization	:	San Carlos Community Resource Center
Address	:	230 N 86th St
City, State & Zip Code	:	Edinburg, Texas 78539

Description

As respects the Boys & Girls Club of Edinburg, Inc's., an Additional Covered Party, use of the San Carlos Community Resource Center, located at 230 N 86th St in Edinburg, Texas, for the purpose of conducting Youth Development and Prevention Programs and the Kids Café Program during after-school hours, Monday through Friday, between the hours of 3:30 pm to 7:30 pm, and Saturday, 9:00 am – 5:0 0 pm as scheduled. During designated days the programs will be conducted from Monday – Saturday, 9:00 am – 8:00 pm.

TML
INTERGOVERNMENTAL RISK POOL

Certificate of Coverage

TMLIRP Contract Number:	9460

Member:
Edinburg
Ms. Sonia Marroquin
Assistant City Manager
PO Box 1079
Edinburg,Texas 78540-1079

Company Affording Coverage:
Texas Municipal League Intergovernmental Risk Pool (TMLIRP)
PO Box 149194
Austin, TX 78714-9194
(512) 491-2300 or (800) 537-6655
Fax: (512) 491-2404

Certificate Holder:

Edinburg Consolidated Independent School District
Drawer 990
Edinburg, Texas 78540

This is to certify that the coverages listed below have been provided to the member and are in effect at this time. Notwithstanding any requirements, terms, or conditions of any other contract or agreement with respect to which this certificate may be issued or may pertain, the coverage afforded by TMLIRP described herein is subject only to the terms, exclusions and additions of TMLIRP's coverage contracts between TMLIRP and its member(s). Coverage is continuous until canceled.

General Liability	
Effective Date:	10/1/2014
Anniversary Date:	10/1/2015
Limits of Liability (Each Occurrence):	$2,000,000
Sudden Events Involving Pollution (Each Occurrence):	$2,000,000
Annual Aggregate:	$4,000,000
Deductible per Occurrence:	$5,000
Law Enforcement Liability	
Effective Date:	
Anniversary Date:	
Limits of Liability (Each Occurrence):	
Annual Aggregate:	
Deductible per Occurrence:	
Errors and Omissions Liability	
Effective Date:	
Anniversary Date:	
Limits of Liability(Each Wrongful Act):	
Annual Aggregate:	
Deductible per Occurrence:	
Auto Liability	
Effective Date:	
Anniversary Date:	
Limits of Liability (Each Occurrence):	
Deductible per Occurrence:	
Auto Physical Damage	
Effective Date:	
Anniversary Date:	
Limits of Liability:	
Collision Deductible:	
Comprehensive Deductible:	

	Yes	No
Loss Payee:	X	

Real & Personal Property	
Effective Date:	
Anniversary Date:	
Limits of Coverage:	
Deductible per Occurrence:	
Mobile Equipment	
Effective Date:	
Anniversary Date:	
Limits of Coverage:	
Deductible per Occurrence:	
Boiler & Machinery - Broad Form	
Effective Date:	
Anniversary Date:	
Per Accident Limit:	
Deductible per Occurrence:	

	Yes	No
Mortgagee		
Loss Payee		
Loan Number:		

Year/Make/Model	VIN	Value
Loan Number:		

DESCRIPTION:
Confirmation of coverage as respects to the Boys & Girls Club of Edinburg, Inc., an "Additional Covered Party - Non-Profit Organization", use of the Edinburg Consolidated Independent School District's Travis, Brewster, Monte Cristo, Guerra, Kennedy, Zavala, Cano, Truman, Hargil Elementary and Edinburg High School - Gymnasiums, Classrooms, Computer Rooms, Libraries, and Outdoor Fields, for the purpose of conducting Youth Development & Prevention Programs, Monday-Friday, 8:00 a.m.-8:00 p.m., & Saturday, 9:00 a.m.-5:00 p.m. General Liability Coverage is primary.

Cancellation: Should any of the above described coverages be canceled before the anniversary date thereof, TMLIRP will endeavor to mail 30 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon TMLIRP.

Authorized Representative

Louis R. Canaley [signature]

Date Issued

10/6/2014

X102
10/1/08

INDEMNIFICATION UNDER CONTRACT

This endorsement forms a part of the **Declarations** to which attached, effective on the inception date of the coverage unless otherwise stated herein, and clarifies such coverage as is afforded by the provisions of the coverage shown below:

- ☒ **GENERAL LIABILITY**
- ☒ **AUTOMOBILE LIABILITY**
- ☐ **LAW ENFORCEMENT LIABILITY**
- ☐ **AIRPORT (GENERAL LIABILITY HAZARDS) PREMISES LIABILITY**

Entity Name : Edinburg
Entity ID : 9460
Effective Date : 10/1/14

It is agreed that coverage is provided for the liability assumed by the **Fund Member** to indemnify the person or organization named below under a contract between such person or organization and the **Fund Member**, but such coverage shall not exceed the limits of coverage set forth in the **Declarations**.

Person or Organization	:	Edinburg Consolidated Independent School District
Address	:	Drawer 990
City, State & Zip Code	:	Edinburg, Texas 78540

Description

As respects the Boys & Girls Club of Edinburg, Inc's., an Additional Covered Party, use of Edinburg Consolidated Independent School District's Travis, Brewster, Monte Cristo, Guerra, Kennedy, Zavala, Cano, Truman, Hargil Elementary and Edinburg High School Gymnasiums, Classrooms, Computer Rooms, Libraries, and Outdoor Fields for the purpose of conducting Youth Development and Prevention Programs.

MUSEUM OF SOUTH TEXAS HISTORY

Founded in 1967 as the
Hidalgo County Historical Museum

Mr. Richard Hinojosa
City of Edinburg
P. O. Box 1079
Edinburg, Texas 78540-1079

Dear Richard:

Our budget request for FY2016-17 is enclosed. We are deeply grateful for the FY2015-16 funding that enabled the museum to continue its services to the community. For FY2016-17, we hope you can find a way to fully fund our request ***so our staffing to generate contributions and financial support from the private sector can continue and we can add and retain personnel to strengthen the museum for the staffing transition that will take place over the next few years.*** This step is vitally important to the museum's future. And, frankly, since we have completed our capital campaign to renovate the City-owned jail, we have exhausted our options for this kind of funding from outside resources. City support is greatly needed, and *it is critical to the museum's future existence.*

For FY 2016-2017 we are requesting support from the Hotel Occupancy Tax Fund ($100,000) and the General Fund ($300,000--$250,000 for general operations, and $50,000 for the sixth year of the six-year commitment to fund the jail renovation).

OUR STORY
Founded in 1967 as the Hidalgo County Historical Museum, MOSTHistory provides a home for our history that touches current generations and will shape the future. We preserve and share a regional history that is largely un-documented. Without the work that is being done at the museum, our history, our stories, might be lost.

OUR HISTORY
Why is this important? History is to a nation (and a region) what memory is to an individual. It's how we know who we are. Studies show that knowing our history gives us a sense of personal identity, an understanding of our place in the world, and skills and information important to our decision-making for the future. *We believe it is critical to formation of our identity, development of our critical thinking skills, our civic engagement and our building of communities that can face the challenges of the future.* It is well established that children who visit museums early in life develop a life-long love of learning that is the foundation for their future success.

MOSTHistory
MOSTHistory preserves and presents our history and heritage through the conservation of significant artifacts and archival materials, the exhibition of these items, and the promotion of appreciation of regional history through special events, education, research, and publication. It provides the professional staffing needed to execute these programs, to promote tourism, to serve visitors, and to serve as a resource for communities throughout the region. Free Saturday mornings provide the opportunity for every family in our region to visit the museum. *Annual support from the City is critical for successful operation and enables the museum to sustain the staffing and conditions to fulfill these roles.*

OUR PROGRESS
MOSTHistory met a long-range goal in 2013 achieved by only 3% of the 35,000 museums in the U. S.—becoming accredited by the American Alliance of Museums. City support was a key factor in putting the museum on this national map, as the accreditation review team evaluates the strength of local support.

The museum's campaign to raise the $3.35 million needed to renovate the City-owned jail ($2.8 million) and create an endowment ($500,000) dedicated to maintenance of museum facilities is complete! We are currently negotiating the

200 N. CLOSNER BLVD. • EDINBURG, TEXAS 78541 • 956 383-6911 • *fax* 956 381-8518 • www.mosthistory.org

contract with the architect and look forward to starting renovation. We are also eagerly looking forward to restoring the jail to service as the museum's changing exhibit space--visitor comments strongly convey a desire to visit the jail.

OUR NEEDS

To assure the museum's long-term future, the museum must increase overall fundraising capacity and prepare for succession of staff nearing retirement age. This will be impossible to achieve without adding staff—NOW. To that end, we have requested an additional $150,000 from the General Fund to apply to personnel. By using reserve funds, an Assistant Development Officer has been added to strengthen the museum's financial future by increasing fundraising capacity—but there will be a period of transition that the museum needs help to cover. City assistance is needed to maintain the existing part-time Archive Assistant position to enable the museum to retain essential skills needed for management of the museum archive and collection—and outreach into the community. This staff member is applying for on-line graduate school to become an archivist and represents another person in the pipeline for the future. And finally, additional funding will help the museum in its efforts to provide for succession in senior leadership positions. We sincerely hope the City can find a way to provide the stable revenue source to support these staffing needs. The City's partnership is critically important to maintain a secure future for the museum.

We have also included a request for additional Hotel Occupancy Tax funding ($5,000). This increase is particularly targeted toward the special events and advertising expenditures that bring people into the community. During the past few years, the museum has piloted several new events, without any increase in funding. To expand these programs, additional designated funding is essential. It should be noted that, in the event more dollars are available from that category, Hotel Occupancy Tax funding could be used for the Archive Assistant position as it falls into the historic preservation category.

YOUR CONTRIBUTION

Without the City's annual funding support, eliminating museum services becomes a real possibility. The City has partnered with the Museum every step of the way since its founding, and **its increased support at critical junctures in the museum's development has been a key factor in fueling past growth and keeping the Museum in its current location.** We are particularly proud of the fact that the Museum has been featured in national news stories, books and magazines. Surveys of visitors reveal that most plan to have a meal and/or shop in Edinburg at the time of their visit. **Museum visitors are aiding the economy of Edinburg!** Together, we are leveraging government and private funds for a greater good than either entity could achieve alone.

Your contribution to MOSTHistory is vitally important to the museum's future. **The level of City funding is evidence of the pride in, and commitment of, city leadership to the museum, and this is a strong indicator to outside funders of the value which is placed on the role of the museum within the community.** We are deeply grateful for the City's assistance, and we will be deeply grateful for the City's continued generous support of the efforts to maintain and expand the Museum as we build together for the future. Please support the funding of our request in full—by doing so, you can ensure that our history doesn't become history.

With best wishes, I am

Sincerely yours,

(Mrs.) Shan Rankin
Executive Director

Enclosures

THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Museum of South Texas History (MOSTHistory)
Agency: Museum of South Texas History
Executive Director: Shan Rankin
Contact Person: Shan Rankin
Address: 200 N. Closner Blvd.
Phone Number/Fax Number: 956/383-6911 and 956/381-8518
E-Mail of Contact Person: srankin@mosthistory.org
Organizations Federal Identification No. (Tax ID#): 23-7080936
Amount Requested: $400,000
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of

Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 49

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes X No ☐

3. Has the agency been involved in any lawsuits? Yes ☐ No X

4. Are there any outstanding judgments against the agency? Yes ☐ No X

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☐ No X

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No X

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. N/A

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes X* No ☐

*Visitor comment book, Sunday program surveys, teacher surveys, event surveys.

7. What steps have been taken in the past year to make the agency more cost effective?

The museum continues to operate under a multi-year energy contract that generated a savings. The Exhibits position remains unfilled (but needs to be filled). Members of the

museum staff have had only one small raise in six years. Community Service volunteers are used for maintenance and landscaping. BETA students serve as school tour docents. Little more can be done to cut costs without cutting staff/services.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

Brief History and Background of the Organization:

After years of careful planning in coordination with the Texas Historical Commission, the Hidalgo County Historical Museum opened its doors to the public in 1970. From its inception, its leadership was determined to create a quality institution that could provide the community with exhibits on regional history, educational programs, archives for historical documents and photographs, a local history library, and a properly housed collection of artifacts.

The 1910 Hidalgo County Jail building was selected as the museum's first home because of the historic building, its central location in the county seat, and the city and county support that would be made available. The jail, which is owned by the City of Edinburg, is leased to Hidalgo County and from the county to the museum in a 99-year lease. The museum has made multiple improvements throughout its occupancy and recently completed a $3.351 million campaign to raise funds to repair damage caused by the high groundwater table in Edinburg, to provide a permanent solution to the groundwater problems, and to create an endowment to help with facilities maintenance. It is hoped that renovation will begin this fall. Because the damage is severe, the jail has been closed to the public until repairs can be made; this has resulted in dramatic reduction of the changing exhibits program.

The Museum has expanded four times since its founding, and the complex now occupies a full city block. With a goal of bringing a museum experience equivalent to that found in major metropolitan areas to the region, these efforts have:

- Achieved Accreditation by the American Alliance of Museums (a status achieved by only 3% (or 1,050 of the nation's 35,000 museums)
- Re-named the museum to better reflect its regional scope
- Created new state-of-the-art exhibit areas
- Increased space devoted to preservation
- Acquired adjacent commercial properties and converted them to museum use
- Through designated gifts and bequests, have grown the museum's Endowment to $3.6 million to generate annual operating and maintenance income

The richly environmental permanent exhibits utilize artifacts and multi-media that include film, photos, music and sound. From ancient fossils and paleolithic tools to Spanish Colonial treasures, later military relics, ranching tools, and a multitude of twentieth century artifacts, the

museum beautifully presents these items in a context that enchants the visitor with the history of the region. Changing exhibits in the jail (currently suspended due to the jail closure) and special events and programs spur visitors to return for repeat visits to the museum throughout the year.

Over the past four decades, the Museum has grown from a small county museum managed by volunteers into an organization with a professional staff and a facility that gives its visitors the opportunity to learn about a bi-national region with a rich history, within a museum setting equivalent to that found in major metropolitan areas.

The museum's next major step is renovation of the (currently closed) historic 1910 Hidalgo County Jail building, a $2.8 million project to stop the rising damp that is destroying the building. An unsolicited $250,000 challenge grant to create a $500,000 endowment dedicated to maintenance of museum facilities was also incorporated into this effort, making the total goal $3.351 million. To date, the museum has raised $3.351 million in grants and pledges, and through the use of tax credits. Some preliminary work has begun. The funds raised to date include the City of Edinburg commitment to payments of $50,000 per year for six years.

2. Indicate if this is a new or existing project below:

   X Existing Event/Program (Previously Funded by the City)
   Is the service a quantifiable increase? ☐ Yes or X No

   ☐ New Event/Program (Never been funded by the City)

*A $90,000 cut in funding from the County in 2014 significantly impacted the museum's capacity to generate programming to attract visitors; the programming position remained vacant a full year, and visitation declined. The board voted to dip into the museum's Operating Reserve to fund this and an Assistant Development position for 2015/16; however, this investment cannot be maintained without developing additional funding from the private and governmental sectors. Addition of these two positions has made a tremendous difference in the museum's capacity to serve the community.

3. What is the full service area of this agency?

   X Edinburg
   X Other Regional/tourists

   Please describe Service Areas: The Museum of South Texas History preserves and presents the borderland heritage of South Texas and northeastern Mexico. Visitors from across the nation, even internationally, join local citizens touring the museum and researching its collection.

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation.

There is no equivalent museum in the City, nor in the region. The City of Edinburg can claim the only AAM Accredited history museum south of Corpus Christi. It is THE major interpretive and information center for our region's culture and history. Its state of the art exhibits tell the story of the region in a manner that is highly engaging and highly praised.

Museums are features that signify a community values quality of life issues and will support them. This is especially important to those raising children in a community and to businesses and people locating into a community. In Edinburg, the museum is available to 100% of Edinburg residents at NO charge on Saturday mornings, with the exception of Special Event days.

In addition to serving Edinburg residents, the museum is a major tourist attraction, drawing visitors from across the globe into the community who, after visiting the museum, eat in Edinburg restaurants and shop in Edinburg stores. The museum serves as an essential stop for travel writers and tourism promoters who are brought to the area by the tourism industry and local chambers. Sixty-one point five percent of the museum's 32,000+ annual visitors are drawn into Edinburg by the museum and its events and programs. MOSTHistory has an economic impact estimated to exceed $6 million annually—without counting construction activity. Thanks to the support the museum receives from the City of Edinburg, other governmental entities, and the community at large, the quality of MOSTHistory is equivalent to that found in major metropolitan areas and is recognized as such by its visitors. Visitor comments are almost universally positive, and the museum has frequently been called, "the best museum I have seen."

MOSTHistory also reached some 49,000 through off-site exhibits and staff outreach, for total contact with 81,000 in 2015.

During their 2013 site visit, the American Alliance of Museums Peer Review Team rated the museum's support from the City highly and advised that the museum's private fundraising is something to be proud of on a national scale. MOSTHistory's application for Accreditation by AAM was approved following this visit. ***Only 3% (1,050) of the nation's 35,000 museums have achieved AAM accreditation—the highest industry standard possible for an American museum.***

A U. S. Conference of Mayors study from a few years ago stated that every $1 in taxes invested in cultural organizations returns $7 into the city coffers. (AAM magazine: *Museum, January-February 2013*)

In addition to services to general visitors, the museum is intimately involved in the education of children from the region—from elementary school to high school and college. Field trips to the museum reinforce classroom curriculum, making abstract concepts real. Museum visitor studies have shown that children who visit museums early in life with their parents develop a life-long love of learning that enables them to be successful in life. A separate study at the Crystal Bridges Museum in Arkansas found that "cultural field trips offer students, and in particular, disadvantaged students, an important opportunity to add measurable depth to their education," and "gains were more pronounced in disadvantaged, minority, and rural school groups." In a region like ours, a child's first visit may come through a school provided experience. They introduce children to museums at an early age, and by extension, their families; family visits, with brothers and sisters in tow, often follow on free Saturday mornings. A University of Warwick study, in the United Kingdom, found that "teens who took part in cultural activities like concerts or museums with their parents were more likely to aspire to continue their studies after the age of 16 than those who didn't." Over 10,000 students came through the museum in 2015.

Seniors on the teaching track at BETA High School serve as docents at the museum several mornings during the school year, acquiring teaching experience. Many of these students later attend UTPA (UTRGV) and become paid docents or work at the museum part time to supplement their school expenses.

b. Was this program funded by the City in FY 2015-2016? Yes X No ☐

If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)?

With the campaign to raise the funds to renovate the jail completed, we anticipate beginning renovation in the fall of 2016. Part of the project involves installation of a new changing exhibit sequence. The jail is the museum's only changing exhibit space, and renovating and reopening the jail (much requested by visitors) will restore the museum's changing exhibit program (critical to encouraging repeat visitors). The renovation project is expected to take 12 to 18 months.

The museum has restored the programming position and added an assistant development officer to increase our fundraising capacity. For the short term, this is being covered by dipping into the museum's operating reserve, but it cannot continue to be managed that way. The board voted to adopt this strategy with plans to solicit additional support from museum funders and the community. **It is hoped the City of Edinburg will increase funding to help maintain these positions and move the museum to the next level.** Without increased funding, maintaining these essential positions will not be possible. The programming position organizes four major annual events and generates approximately 20 programs throughout the year, researching topics and recruiting volunteers to make the events possible. The Assistant Development Officer is part of the

team that generates over $1.15 million annually through fundraising efforts and museum rentals; this position increases the museum's capacity to recruit new sources of support.

In addition to these two positions, the museum faces the prospect of losing an excellent employee, well-trained and well-versed in archive procedures and management. We lost another hire to another community due to a 50% increase in their compensation. The museum cannot succeed with inadequate staffing, as was demonstrated in 2014 when the programming position was vacant. For the sake of the museum's future, we must become more competitive in terms of compensation to attract and keep these professionals. ***City support will be a critical component to recruiting and retaining the specialized professionals that are needed*** to deliver quality services and to have talent in place for the inevitable change in leadership that an aging staff will bring. City support will have a significant impact on recruitment of future talent as well.

5. Clientele

   a. How many individuals will be served by this program? Individuals 32,000+ on-site/48,000+ off-site; 81,000 total

   b. What is the estimated cost to provide services to one person?

      Total budget: $1.6 million/81,000 = $19.75
      City of Edinburg request (with Jail): $400,000/81,000 = $4.93
      City of Edinburg request (without Jail $): $350,000/81,000 = $4.32

   c. What is the target population? (Example: elderly, disabled, abused children etc.)

      Winter Texans, tourists, local families, students (elementary through university), adult daycare and rehabilitation service providers

6. Performance Management (Measuring Your Goals and Objectives)

   Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

   The museum collects daily feedback from our visitors in a comment book (consistently 99% positive) and teacher surveys following school tours (97% rated Very Good (23%) to Excellent (74%), with 3% rated Average). We obtain visitor survey feedback at our special events and programs to use to evaluate the offerings and make improvements. Accreditation, and maintaining those standards, is also a performance measure.

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.

MOSTHistory is requesting funding for annual operation of the museum, as well as the sixth payment (of six) to the Save Our Jail campaign.

The museum brings the unique history of our region to life through its special events, programs, and 11,000 square feet of state-of-the-art exhibits. It fosters curiosity, tells stories that really happened, attracts visitors to our community—and it makes learning an enjoyable activity. It provides information to researchers ranging from authors to national news media such as The History Channel, CBS and CNN doing stories on our community. It preserves the collections need to do this work.

MOSTHistory interfaces with UTPA, STC, South Texas ISD, and local school districts on a variety of levels. MOSTHistory is the only museum in the region that provides a comprehensive overview of the region's historical development and has the professional staff needed to support the collecting, preservation, and interpretation activities that are a fundamental part of preserving and presenting regional history. Approximately 10,000+ students and 22,000+ other visitors are served annually at the museum—and another 49,000+ are reached through outreach activities and exhibits outside of the museum.

The museum provides a cultural offering in downtown Edinburg that could only be matched if residents would travel to San Antonio or Austin—but would be unmatched in content as the story told at MOSTHistory is specific to our regional community and fills a void not addressed in current textbooks. Residents of Edinburg access the museum six days a week, as can the thousands of tourists and residents of other local communities that are drawn to Edinburg annually.

Edinburg residents, and tourists, are particularly fond of the 1910 jail and want to see it re-opened. Payments for the jail project are needed to move forward on its preservation.

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	32,000+	33,000
% OF EDINBURG RESIDENTS SERVED:	38.5%	39%*

*As a tourist attraction, one of our goals is to bring people INTO the City

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) N/A

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc.

   Visitor comments, teacher surveys, and program surveys reflect the positive impact the museum has on its visitors. A common theme from those who comment is that they would simply like to see "more." Students return with their families in tow, and visitors repeat their visits to special events and programs. *Visitors are also indicating their disappointment that the 1910 jail is closed for repairs, additional impetus to complete that project.* Addressing the "more" they would like to see will improve with the renovation and re-opening of the jail as changing exhibit space.

5. Attach letter(s) of support for this event/program. **See attachments.**

6. If this event/program is unfunded or partially funded, will the event/program be carried out?

   Yes, but there would be a significantly negative impact. Since 2014, the museum has operated with vacant positions to make up for cutbacks in funding. This definitely impacted visitation to the museum as the number of programs and activities could not be sustained at previous levels. If not funded, the museum would not be able to continue at its current level of service; drastic cuts in personnel and/or activities would result. Museum expenses have been cut to the bone. Much needed positions cannot be added. Recruiting qualified candidates has been challenging due to the level of compensation the museum can offer. Additional responsibilities have been placed on the staff to raise funds and to repair the (City-owned) Jail; this has also impacted the museum's delivery of services.

8.Is there a fee for your services? **If so, please attach a fee schedule.** Yes, see below.

General Admission: Adults $7, Seniors/Active Military/Students $5; Children 4-12 $4; Children 0-3 FREE; FREE ADMISSION to all visitors on Saturday mornings (except Special Event days) from 10:00 to 12:00 a.m. **See enclosed rack cards for prices.**

School tour contracts: Annual contracts with school districts are arranged to assure the maximum number of students can come to the museum and that docents can be secured for the tours. Fees vary based on the number of students in the contracted grade but average approximately $7.50 per student. Non-contracted schools pay $8 per student, with a minimum fee of $120 per group.

Archive services: The museum charges fees for reproduction and use of materials from the archives; **fee schedule attached.**

Facility rentals: The museum can be rented for meetings and social events; **fee schedule attached.**

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 400,000

   B.

Other Sources	Funding Amount
Other Governments	$ 401,400
Earned Income & Fundraising	$1,006,000

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries *the archive position could be funded with HOT$	$ 250,000*
Fringe Benefits	$
Utilities	$
Travel	$
Capital	$
Postage	$
Advertising	$ 60,000
Program Supplies	$
HOT$ for Exhibits/Public Programs	$ 28,000
HOT$ for Preservation	$ 12,000
Jail renovation (Year 6 of 6 year commitment)	$ 50,000
Other (Specify)	$

Other (Specify)	$
Total Event/Program Expenses	$ 400,000

3. Is event/program dependent on "Other Funds"?

   The ability to deliver museum services is highly dependent on personnel and 24-hour climate controlled facilities; "other funds" are used to pay these expenses. Without them, the museum's services would continue, but they would be significantly compromised.

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations?

   $350,000 for operating expense = 100% for staffing & operations (19.8% of the 2016 $1.765 million operating budget); $50,000 (of the City's $300,000 commitment) for the (City-owned) jail = 100% to the jail renovation project (11% of the $2.8 million project). Total request: $400,000

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. 100%

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year?

The City, and the region, would face losing a major attraction because the museum would be required to make such drastic cuts that it would impact the museum's long-term viability.

Without the Museum of South Texas History, much of the region's history would be lost, as would an important center for preserving our community's sense of identity and an opportunity for learning. It is well-established that children who visit museums early in life with their parents become life-long learners, a trait essential for success in life. As a center for educational opportunity, with excellent schools and a university, the City of Edinburg provides opportunity to become educated and succeed in life. What MOSTHistory visitors call a "world-class" museum makes the educational offerings more comprehensive and sets Edinburg apart from other communities in the region.

City of Edinburg General Fund dollars have long been applied to general operation of the museum, which can include anything from personnel to utilities; for purposes of this application, and later reporting, we have selected the personnel category. We respectfully request, however, that in the event not all funds are needed for personnel (due to unanticipated turnover, or incomplete funding) they could be applied to other categories such as utilities,

advertising, etc. If this category is not funded completely, the museum will not be able to add staff, fill vacant positions, or provide raises—and could be faced with reducing already-inadequate staffing.

In addition to General Fund dollars for personnel, this request includes the sixth of six payments of $50,000 toward the City's commitment to renovation of the 1910 Hidalgo County Jail. This building is actually owned by the City and leased to the museum through a 99-year lease with Hidalgo County. Failure to fund this commitment would severely impact the viability of the 1910 jail's continued existence; it would also reduce the museum's ability to pay for the renovation.

The Hotel Occupancy Tax dollars ($100,000) are directed to the very essence of the museum's annual activities. The museum's exhibits and public programs provide the magnet to draw visitors to the museum. The preservation activities include the materials, equipment and training associated with acquisition and preservation of the museum's collection and the development of exhibits and programs. The marketing/public relations activities are the means by which the public is informed of the activities that are occurring at the museum. Failure to fund this segment of the museum's budget would reduce or eliminate public programming, preservation activities, and the museum's ability to inform the community of its activities; this would result in a visitation decrease and jeopardize the care of the museum collection. It would deprive the community of an opportunity for education that cannot be found in any other location in the region.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin 10/01/16 End 09/30/17

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter, beginning October 1, 2016 and ending September 30, 2017:

   2016 Oct., Nov., & Dec.: $137,500* 2017 Jan., Feb., March: $ 87,500

   2017 April, May, June: $ 87,500 2017 July, Aug., Sept.: $ 87,500

   *The $50,000 jail payment will be requested when the new fiscal year begins.

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Because this is a request for data that has not been and cannot be maintained in this manner for all contacts, **conservative estimates** are based on the museum's FY 2015 data and are for on-site contacts only.

Beginning October 1, 2016 and Ending September 30, 2017

2016 Oct., Nov., & Dec.: 3,100 2017 Jan., Feb., March: 3,100

2017 April, May, June: 3,100 2017 July, Aug., Sept.: 3,100

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation

2. Proof of tax exemption (Tax ID#) **(See # 11, below)**

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws.

7. Resume of Chief Program Administrator.

8. Resume of Chief Fiscal Officer.

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following

minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence

2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: Stephanie Moore **Date:** 4-28-16
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Stephanie Moore/Shan Rankin

Title: Board Chairman/Executive Director

South Texas Preparatory Academy

"Building a Legion of Learners"

The Honorable Richard Garcia

City of Edinburg

P.O. Box 1079

Edinburg, TX 78540-1079

Dear Honorable Richard Garcia,

I am a Texas History teacher at South Texas Preparatory Academy (STPA) in Edinburg, TX. Seventh grade students from STPA attended a field trip at the Museum of South Texas History on February 2, 2016.

The field trip was educational and the students were able to observe the museum galleries which include topics such as early natives, European exploration, Spanish colonial, Texas Revolution and the Texas Rangers. Students have studied these topics throughout the year that are covered in our Texas Essential Knowledge and Skills (TEKS), which are the state standards for what students should know and be able to do.

Mrs. Cuate and the museum staff were exceptional at organizing the entire event for our grade level. The students and staff enjoyed their experience at the museum and are looking forward at attending another field trip next school year.

Thank you,

Jennifer Longoria, M.ED.

South Texas Preparatory Academy

History Dept.

956-381-5522

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

CURRICULUM & INSTRUCTION
411 N. 8TH AVE.
EDINBURG, TX 78541
PHONE: (956)289-2300 FAX: (956)383-2624

Dr. René Gutiérrez, Superintendent Azael Arredondo, Jr. Social Studies Specialist

Innovate through Technology

Communicate and Connect with All Stakeholders

Secure a Safe Learning Environment

The Honorable Richard Garcia
City of Edinburg
P.O. Box 1079
Edinburg, TX 78540-1079

April 20, 2016

Dear Mayor Garcia,

There is no doubt that a primary role of museums is to engage and educate the community. Museum exhibits inspire interest in an area of study, item, time period, or an idea, but there's more going on in museums in regard to education than one might think. Schools rely heavily on museums to enhance their curriculum. Our teachers and students appreciate the opportunity to attend our Museum of South Texas History because it cements the learning that they get at school. Museums are becoming classrooms, and not just for kids. Even the museums themselves have interesting histories to inspire and educate visitors. It becomes nearly impossible to exit a museum without having gained any information or insight during your visit.

Museums are examples of informal learning environments, which mean they are devoted primarily to informal education, a lifelong process whereby individuals acquire attitudes, values, skills and knowledge from daily experience and the educative influences and resources in their environment. Even outside of museums, informal learning plays a pivotal role in how we take in the world around us. In fact, The U.S. Department of Labor estimates 70% or more of work-related learning occurs outside formal training. A single visit to a museum can expose visitors to in-depth information on a subject, and the nature of the museum environment is one in which you can spend as much or as little time as you like exploring exhibits. The environment allows you to form your own unique experiences and take away information that interests you.

Museums are a lot more than collections of artifacts; they allow you to meet with neighbors, discuss thoughts and opinions, and become an active part of the community. They provide inspiration through personal connections with visitors, and not only on-site and through physical community outreach efforts; some even manage to connect through their social networks. These kinds of personal memories created at museums do not expire. They provide a great excuse to spend time with friends and family in a positive way. Personal connections can be made with museums and also with family members during visits. A day at the museum often translates to a day spent with loved ones as fathers and mothers transform into tour guides, and the environment provides a shared learning experience.

Let's continue working together to make sure we keep supporting our Museum of South Texas History.

Sincerely,

Azael Arredondo, Jr.

Mr. Azael Arredondo, Jr., Edinburg CISD Social Studies Specialist

Excel in Academics and Ensure Equal Access

Develop and Retain Highly Qualified Staff

Nondiscrimination Statement

It is the policy of Edinburg CISD not to discriminate on the basis of gender, age, handicap, religion, race, color, or national origin in its educational programs.
Es poliza del Distrito Escolar de Edinburg el no discriminar por razones con base en genero, edad, religion, raza, color origen nacional, ni discapacidad dentro de sus programas educacionales.

The University of Texas
Rio Grande Valley
College of Liberal Arts

April 20, 2016

The Honorable Richard Garcia
City of Edinburg
P. O. Box 1079
Edinburg, TX 78540-1079

Dear Mayor Garcia:

I am writing in support of the Museum of South Texas History's request for FY 2016-17 funding. Without question, the museum is an asset to the community of Edinburg, as well as our entire region. It has also achieved national distinction associated with only 3% of the nation's 35,000 museums—accreditation by the American Alliance of Museums.

MOSTHistory brings the unique history of our region to life. By fostering curiosity and telling stories that really happened, it makes learning an enjoyable activity. It literally opens a door to the past to our community. As the only museum in the region that provides a comprehensive overview of our historical development, it provides an experience of a caliber that can be found in any major metropolitan area—right here in Edinburg.

As a center for educational opportunity, with excellent schools and a university, the City of Edinburg provides opportunity to become educated and succeed in life. A museum of MOSTHistory's caliber rounds out these educational offerings and sets Edinburg apart from other communities in the region. The museum provides an enlightening and memorable experience for local families and visitors from across the globe.

Beyond the visitor experience, the museum provides hands-on learning opportunities behind the scenes to university students through the Museum Studies and Archive Studies classes at UTRGV. Over the years, hundreds of university students have volunteered at the museum and performed a variety of tasks such as preparing exhibits, conserving materials and documents, and educating the public, all critical to the functioning of the museum. The UTRGV students learn a great deal about themselves, museums, and their community through these classes. The experience has been life changing in some circumstances. One recent student who interned at MOSTHistory has gone on to do her Master's degree in Museum Studies at George Washington University in Washington, DC.

Museums are quality-of-life features that are important to economic development. In addition to serving Edinburg residents, the museum draws visitors worldwide into the community who, as part of visiting the museum, dine in Edinburg restaurants and shop in Edinburg stores. The museum also seeks out and brings in significant donations from individuals and foundations outside of Edinburg.

Without the Museum of South Texas History, much of the region's history would be lost. The museum is a center for preserving our community's sense of identity—unique and important, with much of it still undiscovered. City support for the continued work that is done at the museum will assure that our past has a future with the generations to come. Tax dollars to support the museum will be well-spent to benefit the citizens of Edinburg and those who visit.

Sincerely yours,

Margaret A. Graham, Ph.D., Associate Professor and Coordinator of the UTRGV Anthropology Program

Sociology & Anthropology

SB 9C 344
1201 West University Drive
Edinburg, Texas 78539-2999
(956) 665-3321

utrgv.edu

ITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Edinburg Chamber of Commerce – General Fund
Agency: Edinburg Chamber of Commerce
Executive Director: Letty Gonzalez
Contact Person: Letty Gonzalez
Address: P.O. Box 85, Edinburg, TX 78540
Phone Number/Fax Number: (956) 383-6942
E-Mail of Contact Person: chamber@edingburg.com
Organizations Federal Identification No. (Tax ID#): 74-0605448
Amount Requested: $160,000
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

RECEIVED
APR 2 9 2016
CITY OF EDINBURG
CITY MANAGER'S OFFICE

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 84 Years

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes X No ☐

3. Has the agency been involved in any lawsuits? Yes X No ☐

4. Are there any outstanding judgments against the agency? Yes ☐ No X

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☐ No X ☐

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No X ☐

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program.

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes X No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

The Edinburg Chamber of Commerce evaluates programs based on the attendance, costs, participation, and the community response. The Board of Directors (volunteers and members of the community) also has an annual planning session where a program of work is discussed and evaluated.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

Our charge is to lead the efforts in advancing commerce and the quality of life in Edinburg and the region. We will foster service, development, and growth by forging positive relationships, advocating volunteerism, and leadership development.

2. Indicate if this is a new or existing project below:

X Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? X Yes or ☐ No

☐ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

X Edinburg
X Other (Surrounding Areas)

Please describe Service Areas: **We service the Edinburg, surrounding areas, national and the international markets.**

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation.

The Edinburg Chamber of Commerce is a network of leaders serving Edinburg and the region as an advocate and resource, advancing commerce and the quality of life. We come together to create a program of work that will benefit our members and the community. We offer a variety of

programs such as seminars, networking opportunities, one to one referrals, and various other programs.

b. Was this program funded by the City in FY 2015-2016? Yes X No ☐
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? With the funding we receive from the City of Edinburg, we are able to focus on business programs and events we offer to our members and the community. We will also be able to enhance our website that serves the Chamber, CVB, and City as a vehicle to bring people to Edinburg. We will also work on adding more attractions to our current events. This will allow our events to be attended by all ages.

With the funding we receive from the City of Edinburg, we are able to focus on business programs and events we offer to our members and the community. We will also be able to enhance our website that serves the Chamber, CVB and City as a vehicle to bring people to Edinburg. We will also work on adding more attractions to our current events. This will allow our events to be attended by all ages and bring more tourism.

5. Clientele

a. How many individuals will be served by this program? **65,362** Individuals

b. What is the estimated cost to provide services to one person? **$2.45**

c. What is the target population? (Example: elderly, disabled, abused children etc.)
Winter Texans, tourists, students (of all ages), individuals relocating, local residents, national / international, and the surrounding areas.

6. Performance Management (Measuring Your Goals and Objectives)

Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

When we have events, seminars, ribbon/ground breaking ceremonies, and networking opportunities, we speak to the people attending about the event or program. We ask for their opinions and if they would like to see the event/program continue or if they would like us to create something new. We also have a Hotel/Motel Association that meets once a month to discuss upcoming events and they inform us of the occupancy stays. They let us know how many rooms were rented due to our events/programs. This information that we gather helps us decide to keep the event and/or enhance them for the following year. The attendance at our Public Affairs Luncheons, Power Punch at Lunch, and Festivals, have increased. The topics at our luncheons have been a

significant factor in the interest that our community and member's have. The events/programs that we organize benefits businesses, individuals, and our community as a whole. We encourage our members and the community to Shop Edinburg first and do business with one another.

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.
By providing quality of life events and Chamber programs in our city, this allows the Chamber to cater to individuals and business owner's who are visiting, relocating and looking to enhance their quality of life or business. They will enjoy dining, shopping, lodging, and business in our great city. This will generate revenue when in return, which allocates more tax base to be used for streets, drainage, police, fire, etc.

Here is a list of some of the events the Edinburg Chamber of Commerce organizes or participants in to promote our area: Texas Cook'em High Steaks in Edinburg, Fiesta Edinburg, Public Affairs Luncheons, I Shop Edinburg Campaign, Leadership Edinburg, Ambassadors Program, Annual Banquet (we recognize a a Man and Women of the Year (live or work in Edinburg) and Fire Fighter of the Year. We also work together with the City, and the Dustin Sekula Memorial Library on Night of Lights, Cinco de Mayo, Jardin De Arte and State of the City.

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	**62,250**	**65,362**
% OF EDINBURG RESIDENTS SERVED:	**90%**	**92%**

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) **No**

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc.
From the results of a survey conducted two years ago, the Edinburg Chamber of Commerce did not only have a better understanding of the public's view of the event but

also how the Chamber can improve the event. This survey will provide the quality of life in our community for people to enjoy.

5. Attach letter(s) of support for this event/program. **See Attachments**

6. If this event/program is unfunded or partially funded, will the event/program be carried out? **No**

7. Is there a fee for your services? If so, please attach a fee schedule. **We do have a Membership Investment Schedule for anyone who is interested in joining our organization (see attached)**

IV. Budget (See Attached Itemized Budget)

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ **160,000**

   B. **Other Sources** **Funding Amount**
   N/A **N/A**

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$
Fringe Benefits	$
Utilities	$
Travel	$
Capital	$
Postage	$
Advertising	$

Program Supplies	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	$

3. Is event/program dependent on "Other Funds"? **Yes**

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? **0% Staffing 40% Operations (See Chart C)**

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. **60% (See Chart C)**

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year?
We are a non-profit organization that was chartered in 1932. We have the City of Edinburg in our hearts and have always promoted the City well. We are the voice of the business community and we do the best to offer, organize, and implement ours programs realizing it will benefit our community. When we come together and create or enhance an event/program, we let the community know that we don't have to leave our City to enjoy a movie, museum, birding center, golfing, shopping, fine dining, fireworks, concerts, festivals and more. What a great city! Without funding, these values would not be able to be created, maintained or enhanced.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin **October 1, 2016** End **September 30, 2017**

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter: Beginning October 1, 2016 and ending September 30, 2017. **(In the past, we have been funded monthly).**

   2016 Oct., Nov., & Dec.: **$40,000** 2017 Jan., Feb., March: **$40,000**

   2017 April, May, June: **$40,000** 2017 July, Aug., Sept.: **$40,000**

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017

   2016 Oct., Nov., & Dec.: **$40,000** 2017 Jan., Feb., March:**$40,000**

   2017 April, May, June: **$40,000** 2017 July, Aug., Sept.:**$40,000**

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation

2. Proof of tax exemption (Tax ID#)

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws.

7. Resume of Chief Program Administrator.

8. Resume of Chief Fiscal Officer.

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence

2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: Letty Gonzalez **Date:** 4/29/2016
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Letty Gonzalez

Title: President

TEXAS HOUSE OF REPRESENTATIVES

Terry Canales
District 40

April 28, 2016

Letty Gonzalez
Edinburg Chamber of Commerce
602 W. University Drive
P.O. Box 85
Edinburg, TX 78540

To whom it may concern:

Please accept this letter of support for the Edinburg Chamber of Commerce (ECOC).

The Edinburg Chamber of Commerce provides Networking, Marketing and Education services to their members. Their efforts in advancing commerce and quality of life in Edinburg is extremely important to me and small and large businesses in the region. ECOC also provides programs for individuals to become more involved and better leaders with in their business and personal life.

We look forward on continuing to work with the Edinburg Chamber of Commerce and promoting their events. Should you need any additional assistance please feel free to contact me at (956) 383-0860.

Very Truly Yours,

Texas Representative Terry Canales

CAPITOL OFFICE: P.O. Box 2910 • Austin, Texas 78768-2910 • (512) 463-0426 • (512) 463-0043 fax
DISTRICT OFFICE: 101 N. 10th Avenue, Suite B • Edinburg, Texas 78541 • (956) 383-0860 • (956) 383-4334 fax

The University of Texas
Rio Grande Valley
Brownsville • Edinburg • Harlingen

April 28, 2016

Letty Gonzalez
President, Edinburg Chamber of Commerce
PO Box 85
Edinburg, Texas 78540

RE: Letter of Support

Dear Letty:

I am pleased to provide this letter of support for the Edinburg Chamber of Commerce.

UTRGV has a long-standing history of support and participation with the Edinburg Chamber of Commerce, with many senior level administrators serving on the Board of Directors over the years. As you know, I have proudly served as a Board member since 2011 and can personally attest to the exceptional work done by the Chamber during my tenure.

UTRGV's mission includes a strong element of community engagement. Through partnership with organizations like the Edinburg Chamber, UTRGV is able to achieve its outreach goals. Additionally, the Edinburg Chamber promotes the UTRGV athletic, community and cultural evets which all benefit the entire region, including business owners who see an increase in customers as a direct result of events like these.

We look forward to maintaining our highly beneficial relationship with the Edinburg Chamber off many more years to come.

Sincerely,

Martin Baylor
Executive VP for Finance & Administration

Office of the Executive Vice President for Finance & Administration

One West University Blvd.
Brownsville, Texas 78520-4933
(956) 882-3898

1201 West University Drive
Edinburg, Texas 78539-2999
(956) 665-2121

2102 Treasure Hills Blvd.
Harlingen, Texas 78550-9998
(956) 365-8779

utrgv.edu

VIP INVESTMENT PACKAGES

GOLD SPONSORSHIP $630+

- 50% discount for one Leadership Edinburg participant.
- (4) VIP tickets to Fiesta Edinburg
- 10% discount on all Chamber advertising
- (3) Participants to each Chamber-sponsored seminar (excluding Franklin-Covey seminars)
- (4) Tickets for the Edinburg Chamber Annual Banquet
- (3) Sets of membership mailing labels
- (2) Business card Inserts in our E-Newsletter
- Informational display at Chamber for 30 days in Lobby
- Host a free seminar at the Edinburg Chamber of Commerce
- An article in E-Newsletter

SILVER SPONSORSHIP $415-$615

- (2) Ticket to the Edinburg Chamber Annual Banquet
- (1) Participant to each Chamber-sponsored seminar (excluding Franklin-Covey seminars)
- (1) Set of mailing labels
- (1) Business Card insert in our E-Newsletter
- (2) VIP tickets to Fiesta Edinburg
- An article in E-Newsletter

Group I

(Applies to all businesses except those in groups II, III, IV, & V)

1-5	$195.00
6-10	$225.00
11-20	$270.00
21-30	$325.00
31-50	$375.00
51-75	$430.00
76-100	$480.00
101-150	$565.00
151-UP	$605.00 + $2.00 per employee after 150

Group II

Accountants, dentists, physicians, architects, insurance agents, real estate agents, and attorney's $195.00 base + $100 per associate.

Group III

Hotels/Motels $195 base + $3.00 additional per room over 25
Mobile Home/RV Parks $195.00 base + $1.00 additional per space over 75

Group IV

Banks, newspaper, radio, television to be negotiated (minimal of $600.00 per branch)

Group V

Individual Member – A person will receive membership information through email and mail-outs as an individual member, and will not receive any business recognition nor can promote any business venue. This is an opportunity for you to receive information and stay informed with the Edinburg Chamber of Commerce events. $135.00

NON PROFIT ORGANIZATIONS $135.00

EDINBURG CHAMBER OF COMMERCE
602 W.University EDINBURG, TEXAS 78539

GENERAL FUND BUDGET
EDINBURG CHAMBER

[redacted]

REVENUES:

PROPOSED CITY FUNDING	$ 100,000.00	$ 160,000.00
TOTAL EXPENSE	$ 100,000.00	$ **160,000.00**

EXPENSES 2016-17	**Budget 2015-16**	**Proposed Budget 2016-17**
OPERATING EXPENSES		
Advertising (SBC Yellow Pages, AT&T, Tele Adv.)	$ 1,000.00	$ 3,500.00
Audit & Tax Return (partial)	$ 3,500.00	$ 3,500.00
Consumables- *supplies, paper products, cleaners,misc.*	$ 1,500.00	$ 2,500.00
Computers		$ 5,000.00
D & O Insurance	$ 3,500.00	$ 5,000.00
General Liability	$ 10,000.00	$ 12,000.00
Membership Software, website maintenance & host, computer maintenance	$ 7,000.00	$ 15,000.00
Office Equipment Lease - *Postage Meter, copier*	$ 4,500.00	$ 8,000.00
Office Supplies (ink, paper, envelopes, flyers, invites, posters, office chairs, desks, etc.)	$ 8,000.00	$ 8,000.00
Postage	$ 1,500.00	$ 5,000.00
Repairs & Maintenance - *carpet cleaning, security monitoring, storage unit, AC/Heater Maintenance, Pest control, Building AC Unit,*	$ 10,000.00	$ 25,000.00
Telephone	$ 6,000.00	$ 7,500.00
Transfers (used to offset expenses)	$ 16,500.00	$ 20,000.00
Utilties	$ 17,000.00	$ 20,000.00
PROGRAM DEVELOPMENT EXPENSES		
City of Edinburg Promotion *(i.e. 4th of July Texas Cookem* Fiesta Edinburg)	$ 10,000.00	$ 20,000.00
TOTAL EXPENSES	**$ 100,000.00**	**$ 160,000.00**

CHART A- General Fund 2015-16 Budget and 2016-17 Proposed Budget

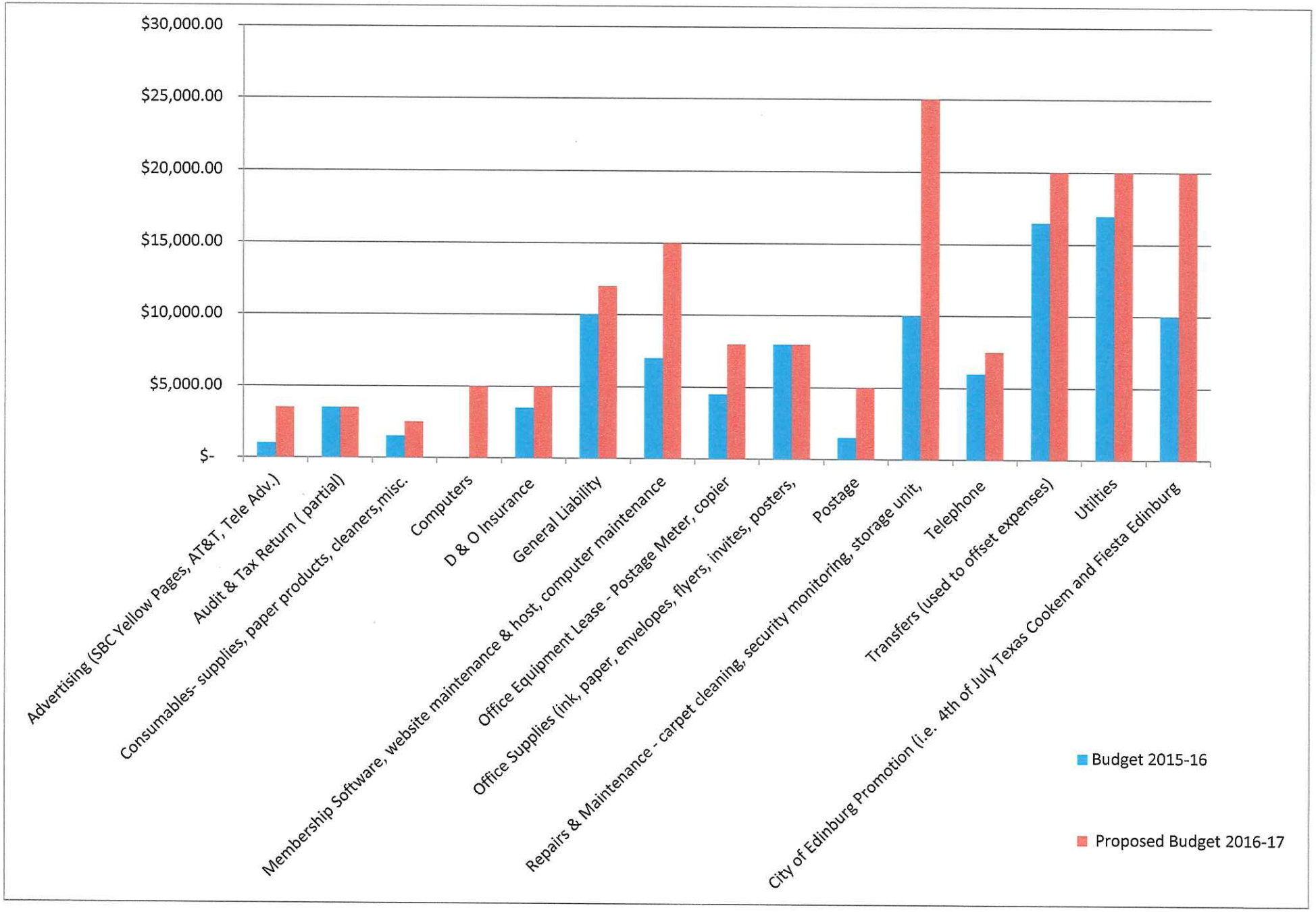


CHART B- 2015-2016 General Fund Budget

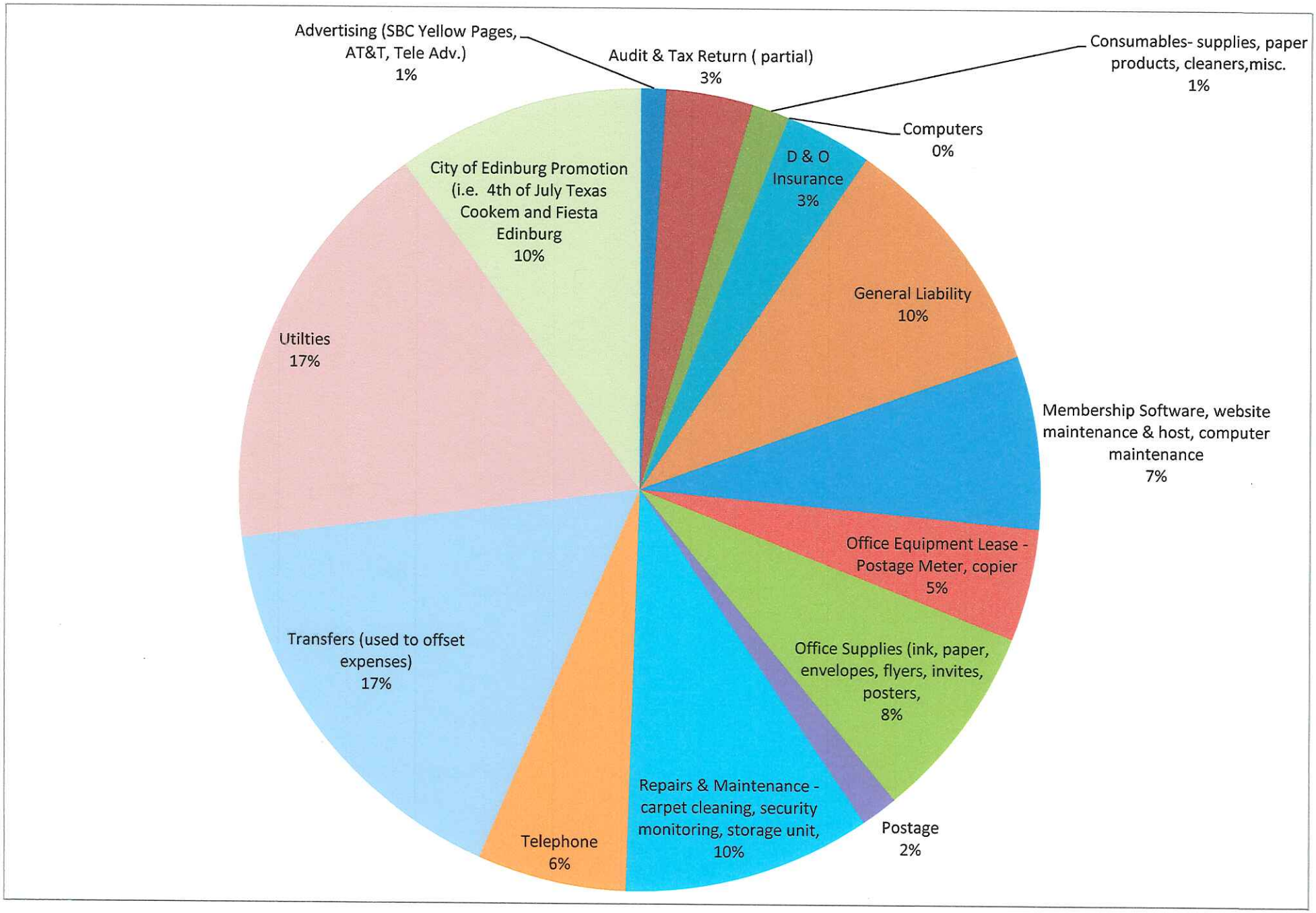
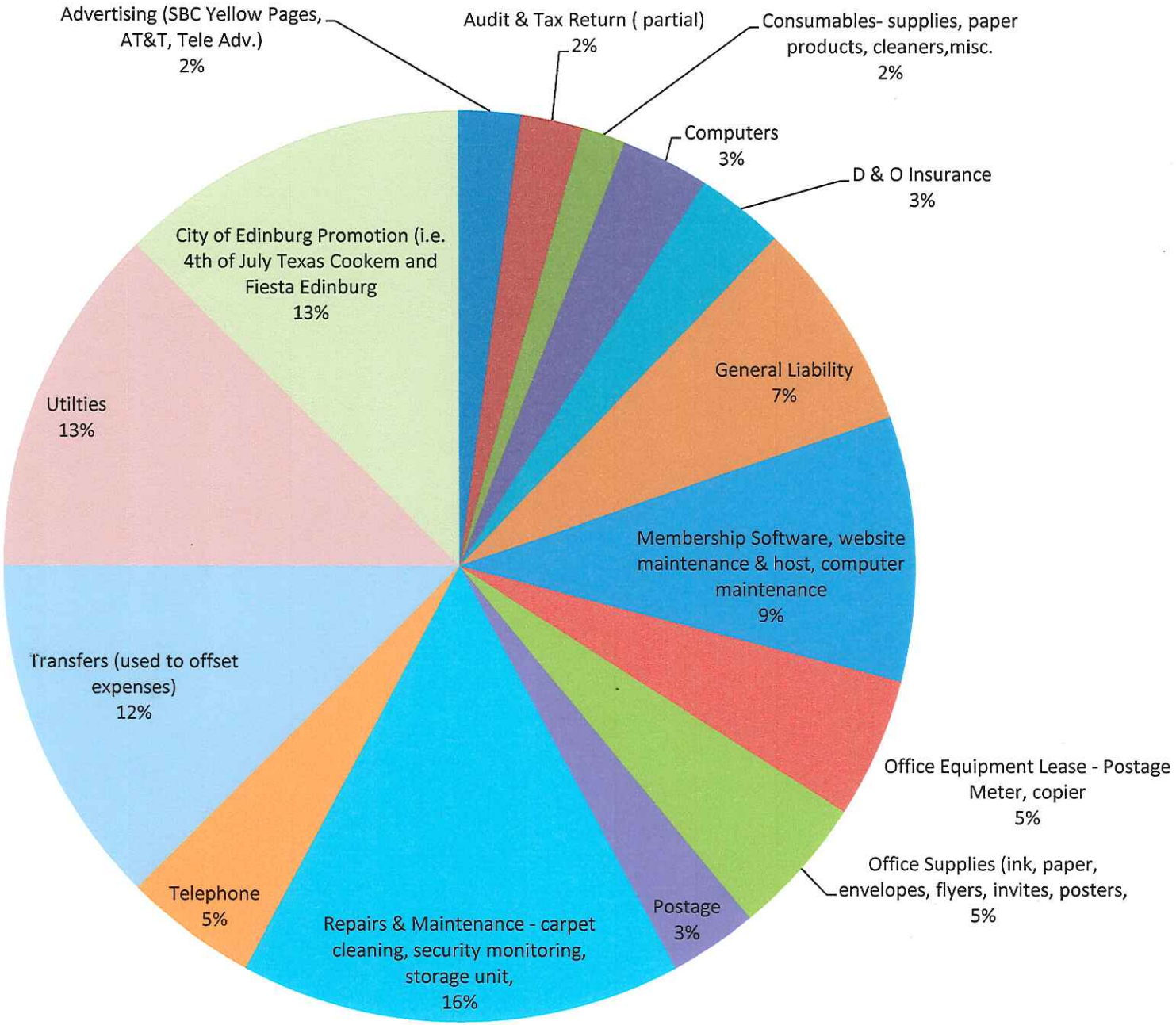


CHART C- 2016-2017 Proposed General Fund Budget



Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

John Steen
Secretary of State

Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

EDINBURG CHAMBER OF COMMERCE
Filing Number: 6124901

Articles of Incorporation March 25, 1932

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 13, 2013.

John Steen
Secretary of State

THE STATE OF TEXAS }
COUNTY OF HIDALGO. } KNOW ALL MEN BY THESE PRESENTS:

OK
3-25-32

THAT WE, DOUGLAS MACKENZIE, H. I. SCHLADER, L. J. ROBERTS, W. W. COLLIER, R. M. EDWARDS, A. E. POTTER and E. M. SMITH, all citizens of Hidalgo County, Texas, under and by virtue of the laws of this State, do hereby voluntarily associate ourselves together for the purpose of forming a private corporation, under the terms and conditions hereinafter set out as follows:

1. The name of this corporation is "EDINBURG CHAMBER OF COMMERCE."

2. The purpose for which it is formed is to organize and operate a Chamber of Commerce with power to provide and maintain suitable rooms for the conduct of its business, and to establish and maintain uniformity in the commercial usages of cities and towns, to acquire, preserve and disseminate valuable business information, and to adopt rules, regulations and standards of classifications which shall govern all transactions connected with the cotton trade and with other commodities where standards and classifications are required, and generally to promote the interest of trade and increase the facilities of commercial transactions.

3. The place where the business of the corporations is to be transacted is at Edinburg, in Hidalgo County, Texas.

4. The term for which it is to exist is Fifty (50) years.

5. The number of directors shall be seven (7), and the names and residences of those who are appointees for the first year are as follows:

NAME	ADDRESS
Douglas Mackenzie	Edinburg, Texas
H. I. Schlader	Edinburg, Texas
L. J. Roberts	Edinburg, Texas
W. W. Collier	Edinburg, Texas
R. M. Edwards	Edinburg, Texas
A. E. Potter	Edinburg, Texas
E. M. Smith	Edinburg, Texas

6. This corporation shall have no capital stock.

7. The estimated value of the goods, chattels, lands,

8-1

rights and credits owned by this corporation is Sixteen Hundred Twenty Five ($1,625.00) Dollars, consisting of cash, advertising, office supplies, furniture and fixtures, a building for office use and sign boards.

IN TESTIMONY WHEREOF, we hereunto sign our names this 16th day of March, A. D. 1932.

Douglas Mackenzie
H. I. Schlader
E. M. Smith
R. M. Edwards
L. J. Roberts
A. E. Potter

THE STATE OF TEXAS }
COUNTY OF HIDALGO. }

BEFORE ME, the undersigned authority, a Notary Public in and for Hidalgo County, Texas, on this day personally appeared Douglas Mackenzie, H. I. Schlader, L. J. Roberts, W. W. Collier, R.M. Edwards, A. E. Potter and E. M. Smith, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 22nd day of March, A. D. 1932.

Mrs. J. C. Hannes
Notary Public, Hidalgo County, Texas.

THE STATE OF TEXAS }
COUNTY OF HIDALGO. }

BEFORE ME, the undersigned authority, on this day personally appeared DOUGLAS MACKENZIE, H. I. SCHLADER, L. J. ROBERTS, W. W. COLLIER, R. M. EDWARDS, A. E. POTTER and E. M. SMITH, who, being by me duly sworn, on oath say, each for himself:

That they are the identical persons who applied for Charter for the Edinburg Chamber of Commerce to the Secretary of State of the State of Texas.

That this corporation was organized for the exclusive benefit of the City of Edinburg and its surrounding trade territory, and is not, and will not be, operated for profit. The purpose, as stated in this Charter, being generally to promote the interest of trade and to increase the facilities of commercial transactions.

Douglas Mackenzie
H. I. Schlader
E. M. Smith
R. M. Edwards
W. W. Collier
A. E. Potter

Sworn to and subscribed before me on this the 22nd day of March, A. D. 1932.

Mrs. J. C. Hammes
Notary Public, Hidalgo County, Texas

6-3

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

May 22, 2013

EDINBURG CHAMBER OF COMMERCE
PO BOX 85
EDINBURG, TX 78540-0085

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

Franchise tax, as of 03-25-1932
Sales and use tax, as of 06-17-1981
(provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 32017462881

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations. Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.state.tx.us, or call us at (800) 252-5555

Oscar R. Gonzalez CPA & Associates, PLLC
208 W Ferguson Unit 1
Pharr, TX 78577-2455

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EDINBURG CHAMBER OF COMMERCE, INC.
P.O. BOX 85
EDINBURG, TX 78540-0085

740605448 08/12/2015 10:19 AM

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10/01/13 , and ending 09/30/14

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization: EDINBURG CHAMBER OF COMMERCE, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): P.O. BOX 85 | Room/suite

City or town, state or province, country, and ZIP or foreign postal code: EDINBURG TX 78540-0085

D Employer identification number: 74-0605448

E Telephone number

G Gross receipts $ 732,698

F Name and address of principal officer:
LETTY GONZALEZ
602 UNIVERSITY DRIVE
EDINBURG TX 78540

H(a) Is this a group return for subordinates? [ ] Yes [X] No

H(b) Are all subordinates included? [ ] Yes [ ] No
If "No," attach a list. (see instructions)

I Tax-exempt status: [ ] 501(c)(3) [X] 501(c) (6) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ HTTP://EDINBURG.COM/

H(c) Group exemption number ▶

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1932

M State of legal domicile: TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
TO ADVANCE COMMERCE AND THE QUALITY OF LIFE IN EDINBURG AND THE REGION. FOSTER SERVICE, DEVELOPMENT, AND GROWTH BY FORGING POSITIVE RELATIONSHIPS, ADVOCATING VOLUNTEERISM, AND LEADERSHIP DEVELOPMENT.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	18
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	18
5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	4
6 Total number of volunteers (estimate if necessary)	6	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

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	Prior Year	Current Year
Revenue		
8 Contributions and grants (Part VIII, line 1h)	405,715	473,545
9 Program service revenue (Part VIII, line 2g)	242,316	254,367
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		0
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	28,729	4,786
12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	676,760	732,698
Expenses		
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14 Benefits paid to or for members (Part IX, column (A), line 4)		0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	210,885	212,597
16a Professional fundraising fees (Part IX, column (A), line 11e)		0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	485,922	461,006
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	696,807	673,603
19 Revenue less expenses. Subtract line 18 from line 12	-20,047	59,095
	Beginning of Current Year	**End of Year**
Net Assets or Fund Balances		
20 Total assets (Part X, line 16)	111,814	197,391
21 Total liabilities (Part X, line 26)	7,071	21,553
22 Net assets or fund balances. Subtract line 21 from line 20	104,743	175,838

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer | Date

▶ LETTY GONZALEZ OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
MELISSA GONZALEZ, CPA	MELISSA GONZALEZ, CPA	08/12/15		P01339148

Firm's name ▶ OSCAR R. GONZALEZ CPA & ASSOCIATES, PLLC | Firm's EIN ▶ 27-3582518

Firm's address ▶ 208 W FERGUSON UNIT 1
PHARR, TX 78577-2455 | Phone no. 956-787-9909

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

For Paperwork Reduction Act Notice, see the separate instructions.
DAA

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

TO ADVANCE COMMERCE AND THE QUALITY OF LIFE IN EDINBURG AND THE REGION. FOSTER SERVICE, DEVELOPMENT, AND GROWTH BY FORGING POSITIVE RELATIONSHIPS, ADVOCATING VOLUNTEERISM, AND LEADERSHIP DEVELOPMENT.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 106,807 including grants of $) (Revenue $)

CONDUCTED TOURISM AND CONVENTION PROMOTIONS THROUGHOUT THE YEAR.

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4b (Code:) (Expenses $ 193,063 including grants of $) (Revenue $)

CONDUCTED CHAMBER AND COMMUNITY ACTIVITIES THROUGHOUT THE YEAR TO ACCOMPLISH THE GOAL OF INDUSTRIAL DEVELOPMENT.

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 299,870

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1		X
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b		X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		X
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

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Part IV Checklist of Required Schedules (continued)

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		X
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? If "Yes," complete Schedule M	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1	34		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 26			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 4			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country: ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		14b		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ..... [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year ..... If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

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Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ TX

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website [X] Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ LETTY GONZALEZ PO BOX 85

EDINBURG TX 78540 956-383-4974

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) MICHEAL J. WILLIAMSONE	1.00									
DIRECTOR	0.00	X						0	0	0
(2) MARTY BAYLOR	2.00									
TREASURER	0.00	X						0	0	0
(3) JENNIFER GARZA	1.00									
DIRECTOR	0.00	X						0	0	0
(4) LUCY CANALES	1.00									
DIRECTOR	0.00	X						0	0	0
(5) ELIAS LONGORIA	1.00									
DIRECTOR	0.00	X						0	0	0
(6) REY GARZA	1.00									
DIRECTOR	0.00	X						0	0	0
(7) ROBERT LUCIO	1.00									
DIRECTOR	0.00	X						0	0	0
(8) MARISSA CASTANEDA	1.00									
DIRECTOR	0.00	X						0	0	0
(9) MARTY MARTIN	5.00									
CHAIR-ELECT	0.00	X						0	0	0
(10) JACOB DE LEON	3.00									
VICE-CHAIR	0.00	X						0	0	0
(11) ROBERT MCGURK	2.00									
IMMEDIATE PAST-CHAIR	0.00	X						0	0	0

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(12) ELVA JACKSON GARZA VICE-CHAIR	3.00 0.00	X						0	0	0
(13) TORIBIO PALACIOS CHAIRMAN	5.00 0.00	X						0	0	0
(14) GREGORY MARTIN DIRECTOR	1.00 0.00	X						0	0	0
(15) LEE CASTRO DIRECTOR	1.00 0.00	X						0	0	0
(16) ALEX RIOS VICE-CHAIR	3.00 0.00	X						0	0	0
(17) HIREN GOVIND VICE-CHAIR	3.00 0.00	X						0	0	0
(18) J. J. FLORES DIRECTOR	1.00 0.00	X						0	0	0
(19) LETTY GONZALEZ PRESIDENT	40.00 0.00			X				69,010	0	0
1b Sub-total ▶								69,010		
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								69,010		

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 0

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? If "Yes," complete Schedule J for such individual	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b	94,267			
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	50,000			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	329,278			
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a–1f ▶		473,545			
Program Service Revenue		Busn. Code				
	2a FIESTA EDINBURG		134,389	134,389		
	b TEXAS COOKEM		83,059	83,059		
	c LEADERSHIP EDINBURG		14,975	14,975		
	d POKER TOURNAMENT		11,495	11,495		
	e OTHER PROGRAMS		9,444	9,444		
	f All other program service revenue		1,005	1,005		
	g **Total.** Add lines 2a–2f ▶		254,367			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶					
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less: rental exps.					
	c Rental inc. or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis & sales exps.					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including $ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Busn. Code				
	11a RENT		4,786			4,786
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d ▶		4,786			
	12 **Total revenue.** See instructions. ▶		732,698	254,367	0	4,786

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	170,901		170,901	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	28,432		28,432	
10 Payroll taxes	13,264		13,264	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	6,795		6,795	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	58,104		58,104	
12 Advertising and promotion	4,974	3,938	1,036	
13 Office expenses	13,127	2,582	10,545	
14 Information technology	6,262		6,262	
15 Royalties				
16 Occupancy	44,955		44,955	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	7,587		7,587	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	9,144		9,144	
23 Insurance	16,708		16,708	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a FIESTA ACTIVITIES	92,155	92,155		
b TEXAS COOKEM	76,113	76,113		
c TOURIST PROMOTIONS	58,024	58,024		
d CONTRACTUAL AND CO OPS	15,956	15,956		
e All other expenses	51,102	51,102		
25 Total functional expenses. Add lines 1 through 24e	673,603	299,870	373,733	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest bearing		37,880	1	54,071
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net			4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 301,311			
	b	Less: accumulated depreciation	10b 157,991	73,934	10c	143,320
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11			12	
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		111,814	16	197,391
Liabilities	17	Accounts payable and accrued expenses		3,334	17	12,825
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		3,737	25	8,728
	26	**Total liabilities.** Add lines 17 through 25		7,071	26	21,553
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		85,291	27	140,687
	28	Temporarily restricted net assets		19,452	28	35,151
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		104,743	33	175,838
	34	Total liabilities and net assets/fund balances		111,814	34	197,391

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	732,698
2	Total expenses (must equal Part IX, column (A), line 25)	2	673,603
3	Revenue less expenses. Subtract line 2 from line 1	3	59,095
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	104,743
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	12,000
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	175,838

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: EDINBURG CHAMBER OF COMMERCE, INC.

Employer identification number: 74-0605448

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.

Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ____ %

b Permanent endowment ▶ ____ %

c Temporarily restricted endowment ▶ ____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		71,133	14,028	57,105
c Leasehold improvements				
d Equipment				
e Other		230,178	143,963	86,215
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				143,320

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: EDINBURG CHAMBER OF COMMERCE, INC.

Employer identification number: 74-0605448

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.

Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ____ %
b Permanent endowment ▶ ____ %
c Temporarily restricted endowment ▶ ____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		71,133	14,028	57,105
c Leasehold improvements				
d Equipment				
e Other		230,178	143,963	86,215
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				143,320

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) PAYROLL TAXES PAYABLE	8,728
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	8,728

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	732,698
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	732,698
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)			5	732,698

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	673,603
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	673,603
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)			5	673,603

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIII Supplemental Information (continued)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: EDINBURG CHAMBER OF COMMERCE, INC.

Employer identification number: 74-0605448

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990

THE FORM 990 DETAILED REVIEW WAS COMPLETED BY THE EXECUTIVE DIRECTOR.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY

REVIEW ON A YEARLY BASIS.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL

COMPENSATION FOR EXECUTIVE DIRECTOR IS APPROVED BY BOARD MEMBERS.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS

COMPENSATION FOR KEY EMPLOYEES IS REQUIRED TO BE APPROVED BY THE BOARD MEMBERS.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION

GOVERNING DOCUMENTS ARE MADE AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

PRIOR PERIOD ADJUSTMENT	$	12,000
INCREASE IN NET ASSETS	$	0

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172
2013
Attachment Sequence No. **179**

Name(s) shown on return: EDINBURG CHAMBER OF COMMERCE, INC.

Identifying number: 74-0605448

Business or activity to which this form relates: INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	9,144

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only–see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	9,144
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2013)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

Form **990**

Two Year Comparison Report

For calendar year 2013, or tax year beginning 10/01/13 , ending 09/30/14

2012 & 2013

Name: EDINBURG CHAMBER OF COMMERCE, INC.

Taxpayer Identification Number: 74-0605448

			2012	2013	Differences
Revenue	1. Contributions, gifts, grants	1.	311,160	329,278	18,118
	2. Membership dues and assessments	2.	94,555	94,267	-288
	3. Government contributions and grants	3.		50,000	50,000
	4. Program service revenue	4.	242,316	254,367	12,051
	5. Investment income	5.			
	6. Proceeds from tax exempt bonds	6.			
	7. Net gain or (loss) from sale of assets other than inventory	7.			
	8. Net income or (loss) from fundraising events	8.			
	9. Net income or (loss) from gaming	9.			
	10. Net gain or (loss) on sales of inventory	10.			
	11. Other revenue	11.	28,729	4,786	-23,943
	12. **Total revenue.** Add lines 1 through 11	12.	676,760	732,698	55,938
Expenses	13. Grants and similar amounts paid	13.			
	14. Benefits paid to or for members	14.			
	15. Compensation of officers, directors, trustees, etc.	15.			
	16. Salaries, other compensation, and employee benefits	16.	210,885	212,597	1,712
	17. Professional fundraising fees	17.			
	18. Other professional fees	18.	29,396	64,899	35,503
	19. Occupancy, rent, utilities, and maintenance	19.		44,955	44,955
	20. Depreciation and Depletion	20.	8,796	9,144	348
	21. Other expenses	21.	447,730	342,008	-105,722
	22. **Total expenses.** Add lines 13 through 21	22.	696,807	673,603	-23,204
	23. **Excess or (Deficit).** Subtract line 22 from line 12	23.	-20,047	59,095	79,142
Other Information	24. Total exempt revenue	24.	676,760	732,698	55,938
	25. Total unrelated revenue	25.			
	26. Total excludable revenue	26.	676,760	732,698	55,938
	27. Total assets	27.	111,814	197,391	85,577
	28. Total liabilities	28.	7,071	21,553	14,482
	29. Retained earnings	29.	104,743	175,838	71,095
	30. Number of voting members of governing body	30.	18	18	
	31. Number of independent voting members of governing body	31.	18	18	
	32. Number of employees	32.	4	4	
	33. Number of volunteers	33.			

Form **990T**

Two Year Comparison Report

For calendar year 2013, or tax year beginning 10/01/13 , ending 09/30/14

2012 & 2013

Name: EDINBURG CHAMBER OF COMMERCE, INC.

Taxpayer Identification Number: 74-0605448

			2012	2013	Differences
Revenue	1. Gross profit/loss on business activities	1.			
	2. Capital gains/losses	2.			
	3. Income/loss from partnerships and S corporations	3.			
	4. Rental income (net of expense)	4.			
	5. Unrelated debt-financed income (net of expense)	5.			
	6. Interest, and other income from controlled organizations (net of expense)	6.			
	7. Investment income of specific organizations (net of expense)	7.			
	8. Exploited exempt activity income (net of expense)	8.			
	9. Advertising income (net of expense)	9.			
	10. Other income	10.			
	11. **Total trade or business income.** Combine lines 1 through 10	11.			
Expenses	12. Compensation of officers, directors, and trustees	12.			
	13. Other salaries and wages	13.			
	14. Repairs and maintenance	14.			
	15. Bad debts	15.			
	16. Interest	16.			
	17. Taxes and licenses	17.			
	18. Charitable contributions	18.			
	19. Depreciation and Depletion	19.			
	20. Contributions to deferred compensation plans	20.			
	21. Employee benefit programs	21.			
	22. Other deductions	22.			
	23. **Total deductions.** Add lines 12 through 22	23.			
	24. **Taxable income before NOL.** Subtract line 23 from 11	24.			
	25. Net operating loss deduction	25.			
	26. Specific deduction	26.	1,000	1,000	
	27. **Unrelated business taxable income.**	27.	-1,000	-1,000	
Tax & Credits	28. Income tax (corporate or trust)	28.			
	29. Proxy tax	29.			
	30. Alternative minimum tax	30.			
	31. **Total taxes**	31.			
	32. Other credits	32.			
	33. General business credit	33.			
	34. Credit for prior year minimum tax	34.			
	35. **Total credits**	35.			
	36. **Net tax after credits**	36.			
	37. Recapture taxes	37.			
	38. **Total Taxes**	38.			
Due/Refund	39. Prior year overpayment and estimated tax payments	39.			
	40. Payment made with extension	40.			
	41. Backup withholding and foreign withholding	41.			
	42. Other payments	42.			
	43. **Total payments**	43.			
	44. **Balance due/(Overpayment)**	44.			
	45. Overpayment applied to next year	45.			
	46. Penalties	46.			
	47. **Total due/(Refund)**	47.			

EDINBURG CHAMBER OF COMMERCE
602 W.University EDINBURG, TEXAS 78539
2015-2016
EDINBURG CHAMBER BUDGET

Revenues:

TOTAL INCOME	$	403,000.00
TOTAL EXPENSE	$	**399,710.00**
NET DIFFERENCE		**$3,290.00**

INCOME		**Budget 2014-15**		**Budget 2015-16**
Annual Banquet	$	6,000.00	$	7,500.00
Fiesta Edinburg	$	146,500.00	$	135,000.00
Leadership Edinburg	$	5,200.00	$	5,000.00
Member Services (Public Affairs, Seminars)	$	6,000.00	$	12,000.00
Membership Dues	$	90,000.00	$	95,000.00
Night of Lights	$	1,000.00	$	2,000.00
Publications / Advertising	$	1,000.00	$	1,000.00
Texas Cookem (4th of July Event)	$	88,200.00	$	89,000.00
Winter Texan Events	$	2,000.00	$	2,000.00
Digital Board	$	2,000.00	$	2,000.00
UFO Conference	$	5,000.00	$	-
Transfers from General Fund	$	16,500.00	$	16,500.00
Poker Tournament	$	22,000.00	$	15,000.00
City Wide Garage Sales (Twice)	$	5,000.00	$	-
Operating Transfers from CVB/Tourism			$	21,000.00
TOTAL INCOME	$	**396,400.00**	$	**403,000.00**

EXPENSE				
PERSONNEL SERVICES:				
Salaries	$	146,000.00	$	156,010.00
Payroll Taxes	$	13,000.00	$	14,000.00
Health Insurance	$	18,500.00	$	19,200.00
Auto Allowance	$	10,800.00	$	-
Simple IRA	$	4,400.00	$	4,700.00
OPERATING EXPENSES				
Annual Banquet	$	5,000.00	$	5,000.00
Membership	$	1,000.00	$	1,000.00
Hospitality	$	1,000.00	$	1,000.00
Committee Meals	$	6,000.00	$	6,000.00
Contract Labor	$	12,000.00	$	12,000.00
Dues & Subscriptions	$	2,000.00	$	2,000.00
Fiesta Edinburg	$	82,000.00	$	82,000.00
Insurance (Non Owned / Workman's Comp.)	$	1,500.00	$	2,000.00
Leadership Edinburg	$	4,000.00	$	4,000.00
Professional Conferences & Meetings	$	4,000.00	$	5,000.00
Taxes	$	1,000.00	$	1,000.00
Texas Cookem (4th of July Event)	$	68,550.00	$	69,800.00
Professional Services	$	1,000.00	$	1,000.00
Member Services (PPL, Seminars, etc.)	$	7,000.00	$	10,000.00
Poker Tournament	$	4,000.00	$	4,000.00
TOTAL EXPENSE	$	**392,750.00**	$	**399,710.00**

BY – LAWS
Edinburg Chamber of Commerce
Edinburg, Texas

ARTICLE I
GENERAL

Section 1: NAME

This organization is incorporated under the Laws of the State of Texas and shall be known as the Edinburg Chamber of Commerce, Incorporated, hereafter referred to as "The Chamber."

Section 2 : OBJECTIVES

The Chamber is organized to advance the general welfare and prosperity of the Edinburg area so that its citizens and all areas of its business community shall prosper. Particular attention and emphasis shall be given to the development and promotion of employment, leadership, tourism, and the agricultural, industrial, economic, cultural, educational and general business interest of the total community.

Section 3: LIMITATIONS OF METHODS

The Chamber shall observe all local, state, and federal laws which apply to a non –profit organization as defined in Section 501 (c) (6) of the Internal Revenue Code and shall in all its activities be nonpartisan, nonpolitical, and nonsectarian.

ARTICLE II
MEMBERSHIP

Section 1: ELIGIBILITY

Any person, association, corporation, partnership, or estate having an interest in the objectives of The Chamber shall be eligible to apply for membership,

Section 2: APPROVAL OF MEMBERS

Applications for membership shall be in writing, on forms provided for that purpose, and signed by the applicant. Approval of members shall be by the majority vote of the Board. Any applicant so approved shall become a member upon a payment of the regularly scheduled investment as provided in Section 3 of the Article 11.

Section 3: INVESTMENTS

Membership investment shall be at such rate or rates, schedule or formula as may be from time to time prescribed by the Board of Directors, payable annually in advance.

A member in good standing shall be defined as a member who is no more than sixty (60) days delinquent in payment of dues.

A delinquent member shall be defined as a member who is sixty (60) to ninety (90) days past due.

Section 4: TERMINATION

A. Any member may resign from the Chamber upon written request to the Board of Directors.

B. Any member shall be automatically expelled for nonpayment of dues after ninety (90) days from the due date.

C. Any member/volunteer may be expelled by two-thirds (2/3) vote of the Board of Directors, at any scheduled meeting, for non compliance with the Code of Ethics (Exhibit A) or the Conflict of Interest Statement (Exhibit B) or for conduct unbecoming a member or behavior that is prejudicial to the aims or reputation of the Chamber. The affected member is entitled to a due process hearing after receiving formal notice of By-Law violation(s)

Section 5: VOTING

A. In any proceeding in which voting by members is called for, each member person or each member firm, association, or corporation, shall be entitled to one (1) vote. Each member firm, association, or corporation in good standing shall designate its voting member.

B.SIMPLE MAJORITY DEFINED

Unless otherwise specifically stated, a majority vote shall be by simple majority. Said majority shall consist of fifty percent plus one (50% + 1).

Section 6: EXERCISE OF PRIVILEGES

Each firm, association, corporation, partnership, or estate holding membership may designate the individual whom the membership holder desires to exercise the privileges of the membership covered by its subscription, and shall have the right to change its membership designation upon written notice to the President.

Section 7: ORIENTATION

At regular intervals, orientation on the objectives and activities of The Chamber shall be conducted for the following groups: new directors, committee leaders, committees, and new members. A detailed outline for orientation of each of these groups shall be part of the Chamber's administrative manual.

ARTICLE III
GENERAL MEMBERSHIP MEETINGS

Section 1: ANNUAL MEETING

The annual meeting of the corporation, in compliance with state law, shall be held before the end of each fiscal year. The time and place of the meeting shall be fixed by the Board of Directors and notice shall be mailed to each member at least thirty (30) days before said meeting.

Section 2: ADDITIONAL CALLED MEETINGS OF THE MEMBERSHIP

General meetings of the Chamber may be called by the Chairman of the Board at any time upon petition in writing of thirty (30) members in good standing, or by a simple majority vote of the Board of Directors.

Section 3: QUORUM

At any duly called General Meeting of the Chamber, ten percent (10%) of its members or a simple majority of the board shall constitute a quorum.

Section 4: NOTICES, AGENDA, MINUTES

Written notice of all Chamber General Membership meetings must be given at least ten (10) days in advance unless otherwise stated. An advance agenda for the upcoming meeting, and minutes of the previous meeting shall be prepared.

ARTICLE IV
BOARD OF DIRECTORS

Section 1: COMPOSITION OF THE BOARD

The Board of Directors shall be composed of eighteen (18) voting members, with elections held yearly to replace six (6) members, or until their successors have been qualified. The government and policy making responsibilities of The Chamber shall be vested in the Board of Directors, which shall control the Chamber's properties, be responsible for its finances, and direct its affairs.

A term shall be defined as three (3) years. No member of the Board of Directors shall serve in this capacity for more than two (2) consecutive terms or six (6) cumulative years in succession. Following each period of consecutive service, one (1) year must elapse before the member shall again be eligible for service unless appointed to serve in an ex-officio capacity. The only other exception to this would be if a member were elected chairman-elect or treasurer, in which case the member will serve as a member of the Board of Directors for the years that they held the position of Chairman-Elect, Chairmen, Immediate Past Chairman and Treasurer.

Only one representative per Chamber member will be able to serve on the Board of Directors at any given time.

All members of the Board of Directors will be asked to sign the attached Code of Ethics agreement and Conflict of Interest Statement will be sworn in at the first scheduled Board of Directors Meeting.

Ex-Officio members (non voting), shall be recommended by the Chairman and subject to Board approval. No ex-officio member shall serve more than one fiscal year without reappointment.

Section 2: SELECTION AND ELECTION OF DIRECTORS

A. NOMINATIONS: At the regular May Board meeting, the Chairman of the Board shall appoint a Nominating Committee composed of a past Chairman of the Board, Chairman-Elect, two (2) Board members, and one member-at-large. The Chairman of the Board shall serve as Chairman of the Nomination Committee and will be a non-voting member except in an event of a tie.

The Nominating Committee shall present to the Board of Directors the name of those directors whose regular terms are expiring and a list of nominees consisting of six (6) candidates for the vacancies to be filled. Prior to the end of the fiscal year, the Board shall review, in Executive Session, the recommendations of the Nominating Committee and shall develop a single slate of only as many candidates as there are vacancies to be filled. After ensuring the commitment of each candidate, the Board shall immediately notify the membership by mail of the names of the persons nominated as candidates for director, and of the right and mechanism of nomination by petition.

B. PETITION OF NOMINATIONS: Additional names of candidates for Directors can be nominated by petition bearing the genuine signatures of at least twenty-five (25) members in good standing of the Chamber. Candidates nominated by petition must be members in good standing and must have agreed to accept the responsibility.

Such petitions shall be filed with Nominating Committee within the (15) days of the post-mark of the notice of the names of those being nominated. The determination of the nominating committee shall be final as to the legality of the petitions.

C. DETERMINATION: If no petition is filed within the designated period, the nominations shall be closed and the nominated slate of candidates shall be declared elected at the Board of Directors regular July Board Meeting.

If a legal petition shall present additional candidates, candidates shall be arranged on a ballot in alphabetical order. Instructions will be to vote for six (6) candidates only. The President will mail this ballot to all active members at least (15) days before the regular July Meeting of the Board. The ballots shall be marked in accordance with instructions printed on the ballot and shall be returned within ten (10) days of the post-mark as set forth on the ballot. The Board of Directors shall at the regular July Board meeting declare the six (6) candidates with the greatest number of voted elected.

D. ELECTION JUDGES: If an election is required due to nomination by petition the Chairman of the Board shall appoint, subject to the approval by the Board of Directors, at least three (3) but not more than five (5) judges who are not members of the Board of Directors or candidates for election. Such judges shall have complete supervision of the election, including the auditing of the ballots. The judges shall report the result of the election to the Board of Directors.

Section 3: SEATING OF NEW DIRECTORS

All newly elected directors shall be seated at the regular October Meeting of the Board of Directors and shall thereafter be participating members.

Section 4: VACANCIES AND/OR REMOVAL

A member of the Board of Directors who shall be absent for three (3) regular meetings of the Board of Directors during the fiscal year shall have their Board status reviewed by the executive committee, and after communication with the member, the executive committee shall determine if the member shall be removed.

Vacancies on the Board of Directors, or among the officers, shall be filled by the Board of Directors by a majority vote. The new director(s) thus appointed shall serve the remainder of the un-expired term, or until the next election.

Section 5: POLICY

The Board of Directors is responsible for establishing procedures and formulation of the policies of the Chamber. It is also responsible for adopting all policies of the organization. These policies shall be maintained in a policy manual, to be reviewed annually and revised as necessary.

Section 6: MANAGEMENT

The Board of Directors shall employ a President and shall set the salary and other consideration of employment. The Executive Board will perform an annual evaluation of the President.

Section 7: INDEMNIFICATION

The Chamber shall indemnify, all of its directors or former officers, directors, employees, or authorized volunteers, to the extent required by law. The Chamber may, by resolution, provide for additional indemnification as allowed by law, including indemnification against expenses actually and necessarily incurred in connection with the defense of any action, suit, or proceeding.

Section 8: MEETINGS

A. REGULAR MEETINGS: Regular meetings of the Board shall be held once each month at a time and place to be determined at the October meeting of the Board by a majority vote of the total membership of the Board. This October meeting of the Board shall be held at the offices of the Chamber at 12:00 p.m. on the third Tuesday of October.

B. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the Chairman of the Board, or by written petition of at least six (6) members of the Board.

Section 9: NOTICE OF BOARD MEETING

A. Notice of each regular meeting of the Board shall be given to each director prior to the meeting. This shall include a proposed agenda. Items not on the agenda must be approved for consideration by a majority vote of the Board quorum.

B. Notice of special meetings, including the purpose for which said special meeting is called, shall be given to each director prior to the meeting.

Section 10: QUORUM FOR BOARD MEETING

A simply majority of the total voting membership of the board shall constitute a quorum. A majority of those present at any meeting, even though less than a quorum, may recess such a meeting and set the time and place for the reconvening of said meeting.

Section 11: AGENDA FOR BOARD MEETING

The agenda for all regular and special meetings of The Board shall be prepared by the President, with the items of the agenda determined by the President, Chairman of the Board, or by written request from any three (3) members of the Board, or by any ten (10) voting members of The Chamber.

ARTICLE V
OFFICERS

Section 1: DETERMINATION OF OFFICERS

The Board of Directors, at its regular July Meeting, shall receive the slate of officers for the coming year as recommended by the Nominating Committee. At this July meeting of the Board, the Board shall elect the Chairman of the Board, Chairman-Elect, as many Vice Chairmen as is deemed necessary to conduct the activities of the Chamber, and the Treasurer. Election of Officers shall be by majority vote. All officers shall serve for a term of one (1) year except the Treasurer who shall serve two (2) years or until the successors assume the duties of office, and all officers shall be voting members of the Board of Directors.

Section 2: DUTIES OF OFFICERS

A. CHAIRMAN OF THE BOARD: The Chairman of the Board shall serve as the chief elected officer of The Chamber and shall preside at all meetings of the membership, Board of Directors, and Executive Committees.

The Chairman of the Board shall, with advice and counsel of the Executive Committee and President, determine all committees subject to the approval of the Board of Directors.

B. CHAIRMAN- ELECT: The Chairman-Elect shall exercise the powers and authority and perform the duties of the Chairman in the absence or disability of the Chairman. The Chairman-Elect or designee shall also serve as chairman of the Ambassadors of The Chamber.

C. VICE-CHAIRMAN: The duties of Vice-Chairman shall be such as their titles by general usage would indicate as well as those assigned by the Chairman of the Board of Directors. They will also have under their immediate jurisdiction all committees pertaining to their general duties and assignments.

D. TREASURER: The treasurer shall be responsible for the safe-guarding of all funds received by The Chamber and for their proper disbursement. Such funds shall be kept on deposit in financial institutions, or invested in a manner approved by the Board. Checks are to be signed by the Treasurer and the President, or, in the absence of either by the Chairman of the Board. The Treasurer shall cause a monthly financial report to be made to the Board.

E. PRESIDENT: The President shall be the chief administrative and executive officer of The Chamber in keeping with the duties set for in the job description. The President shall serve as secretary to the Board of Directors, and cause to be prepared notices, agendas and minutes of meetings of the Board.

The President shall serve as advisor to the Chairman of the Board and shall assemble information and data and cause to be prepared special reports as required by the program of The Chamber.

The President shall be a voting member of the Board of Directors, the Executive Committee, and all councils, committees, and task force.

With assistance of Committee Chairman, the President shall be responsible for administration of the Program of Work in accordance with the policies and regulations of the Board of Directors.

The President shall be responsible for hiring, discharging, directing, supervising, and training of all employees.

The President shall serve at the will and pleasure of the Board of Directors.

With the cooperation of the Executive Committee, the President shall be responsible for the preparation of an operating budget covering all activities of the Chamber, to be presented for approval of the Board of Directors not later than the October meeting, or at such other time as may be set by the Board. The President shall be responsible for all expenditures within approved budget allocation.

Section 3: EXECUTIVE COMMITTEE

The Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session, but shall be accountable to the Board for its actions and shall report its actions to the Board at the next regular scheduled Board meeting. It shall be composed of the Chairman of the Board, Immediate Past Chairman of the Board, Chairman-Elect, Vice-Chairmen, Treasurer, and the President. The Chairman of the Board will serve as the Chairman of the Executive Committee. Four (4) members of the Executive Committee shall constitute a quorum.

ARTICLE VI

Section 1: APPOINTMENTS COMMITTEES AND DIVISIONS

The Chairman of the Board, by and with the approval of the Board of Directors, shall appoint all committees/task forces and committee/task force leaders. The Chairman of the Board may appoint such ad hoc committees and the leaders as deemed necessary to carry out the program of The Chamber. Committee appointments shall be at the will and pleasure of the Chairman of the Board and shall serve concurrent with the term of the appointing Chairman of the Board, unless a different term is approved by the Board of Directors.

It shall be the function of committees/task forces to make investigations, conduct studies and hearings, make recommendations to the Board of Directors, and to carry such activities as may be delegated to them by the Board.

Section 2: LIMITATION OF AUTHORITY

No action by any member, committee, task force, division, employees, director, or officer shall be binding upon, or constitute an expression of the policy of The Chamber until it shall be approved or ratified by the Board of Directors.

The Chairman of the Board shall discharge Committees/task forces when their work has been completed and their reports accepted, or when in the opinion of the Board of Directors, it is deemed wise to discontinue the committee/task forces.

Section 3: TESTIMONY

Once committee/task force action has been approved by the Board of Directors, it shall be incumbent upon the Chairman of the Board, or in his absence, whomever may be designated as being familiar enough with the issue to give testimony to, or make presentations before civic and governmental agencies.

Section 4: NOTICE

Notice of all committee/task force meetings shall be given prior the time of such meeting.

Section 5: QUORUM

A majority of any committee will constitute a quorum except when a committee consists of more than nine (9) members five (5) shall constitute a quorum.

Section 6: DIVISIONS

The Board of Directors may create such divisions, bureaus, departments, councils, or subsidiary corporations, as it deems advisable to handle the work of the Chamber.

The Board shall authorize and define the powers and duties of all divisions, bureaus, departments, councils, and subsidiary corporations. The Board shall annually revise and approve all activities and proposed programs of such divisions, bureaus,

departments, councils, or subsidiary corporations, including collections, disbursement and auditing of funds.

No action or resolution of any kind shall be taken by the divisions, bureaus, departments, councils, or subsidiary corporations having bearing upon, or expressive of The Chamber, unless approved by the Board of Directors of The Chamber.

ARTICLE VII
FINANCES

Section 1: FUNDS

All money paid to the Chamber shall be placed in a general operating fund or may, on the vote of the majority of the Board of Directors, be placed in special funds and carry specific assignments in support of one or more phases of the Chamber's Program of Work.

Section 2: DISBURSEMENTS

Upon approval of the budget, the President is authorized to make disbursements on accounts and expenses provided for in the budget without additional approval of the Board of Directors. Disbursement shall be made by check.

Section3: FISCAL YEAR

The fiscal year of the Chamber shall close on September 30.

Section 4: BUDGET

A budget shall be prepared and approved as set out in Article V, Section 2E, Paragraph 7.

Section 5: ANNUAL AUDIT

The accounts of the Chamber of Commerce shall be audited annually as of the close of business on September 30 by a Certified Public Accountant. The audit shall at all times be available to members of the organization within the offices of the Chamber.

Section 6: BONDING

The President and such other officers and staff as the Board of Directors may designate, may be bonded by a sufficient fidelity bond in the amount set by the Board and paid by The Chamber.

ARTICLE VIII
DISSOLUTION

The Chamber will use its funds only to accomplish the objectives and purposes specified in this by- laws, and no part of said funds shall insure, or be distributed to the members of The Chamber. On dissolution of The Chamber, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors as defined in IRS Section 501 (c) (6).

ARTICLE IX
PARLIAMENTARY AUTHORITY

The current edition of Robert's Rules of Order shall be the final source of authority in all questions of parliamentary procedure when such rules are not inconsistent with the Charter or By-Laws of The Chamber and such Rules of Order will be interpreted by the Immediate Past Chairman whose ruling shall be final and absolute.

ARTICLE X
AMENDMENTS

These by-laws may be amended or altered by a two-thirds (2/3) vote of the Board of Directors, or by a majority of the total membership at any regular or special meeting, providing the notice for the meeting included the proposals for amendments. Any proposed amendments or alterations shall be submitted to the Board and/or the members in writing at list ten (10) days in advance of the meeting at which they are to be acted upon.

ARTICLE XI
ENACTMENT

Section 1:

Upon enactment, this set of By-Laws will supersede any and all previous By-Laws.

ADOPTED ON JUNE 28, 2000 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE GENERAL MEMBERSHIP

AMENDED ON SEPTEMBER 24, 2002 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON SEPTEMBER 29, 2004 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON MAY 22, 2006 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON JUNE 19, 2006 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON MARCH 28, 2011 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON APRIL 18, 2011 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON OCTOBER 20, 2014 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

Chairman of the Board

President

C:\My Documents\Chamber Policies\By Laws Adopted

Edinburg Chamber of Commerce
Board Member Code of Ethics
(Exhibit A)

As a member of the Edinburg Chamber of Commerce Board of Directors, I will:

→Listen Carefully to my fellow Board Members
→Respect the opinion of my fellow Board Members
→Respect and support all decisions made by the Board
→Recognize that all authority is vested in the full Board only when it meets in legal session.
→Keep well informed of developments relevant to issues that may come before the Board
→Participate actively in Board meetings and actions
→Bring to the attention of the Board any issues that I believe will have an adverse effect on the Chamber or our membership.
→Refer complaints to the proper level in the chain of command
→Recognize that my job is to ensure that the Chamber is well-managed, not to manage the Chamber.
→Represent all those whom this Chamber serves and not a particular area or interest group
→Consider myself a "trustee" of the Chamber and do my best to ensure that it is well-maintained, financially secure, growing and always operating in the best interest of those we serve.
→Always work to learn how to do my job better
→Declare conflicts of interest between my personal life and my position on the Board, and abstain from voting when appropriate.

As a member of the Board of Directors, I will not:

→Criticize fellow Board Members or their opinions, in or out of the board room
→Use the Chamber for my personal advantage or that of my friends or relatives
→Discuss the confidential proceedings of the Board outside the board room
→Promise how I will vote on an issue before a meeting
→Interfere with the duties of the administrator (President) or undermine his or her authority with staff members.

Board's Member Name _____

Signature_____ Date_____

Edinburg Chamber of Commerce
Potential Conflict of Interest Statement
(Exhibit B)

I have read the statement of policy regarding conflicts of interest.

To the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal business relationship is engaged in any transaction or activity or has any relationship that may represent a potential competing or conflicting interest, as defined in the statement of policy.

Further, to the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal, business, or compensated professional relationship intends to engage in any transactions, to acquire any interest in any organization or entity, or to become the recipient of any substantial gifts or favors that might be covered by the statement or policy regarding conflicts of interest.

(A) Without exception ____

(B) Except as described below _____

_____
_____
_____
_____
_____

Board Member:
Board Member Signature: _____

Date: _____

Leticia Gonzalez

P.O. Box 1814 ▪ Elsa, Texas 78543 ▪ (956) 457-3374

PROFILE

Senior Level Management Professional with 28 years Chamber Experience with 13 years of Executive Experience.

STRENGTHS/ SKILLS

- Knowledge of managing the operation of the Chamber of Commerce
- Excellent communication, presentation and networking skills
- Confident / Team Player
- Positive/ Energetic/ Passion
- Conduct meetings and coordinate activities

EDUCATION

Edcouch Elsa High School Edcouch, Texas
Graduated 1985

South Texas Vo-Tech Weslaco, Texas
Graduated 1987

Texas Chamber of Commerce Executives

Texas Festivals and Events Association

Texas Travel Industry Association

Texas Association of Conventions and Visitors Bureau

PROFESSIONAL EXPERIENCE

Edinburg Chamber of Commerce Edinburg, Texas

President 8/2003 - Present

- Program of Work – responsible for identification of Chamber and community needs and of the preparation of a program of work designed to meet the needs.
- Chamber Structure and Procedures
- Motivation of Volunteers – motivate and inspire volunteers to creative and fruitful action.
- Income and Expenses – Through the Budget and Finance Committee, the President is responsible for developing the Chamber's Budgets and relating budgets to program goal.
- Membership – Responsible for maintaining the membership at a level that will ensure necessary income for the operation of the program.
- Staff – Responsible for the employment of all staff personnel, the assignment of their duties, supervision of their work.
- Interpretation of Policy – Will ensure the Chamber policy, as established by the Board, is properly recorded in minutes and indexes in the Policy Manual.
- Headquarters – Responsible for the location, design, and maintenance of headquarters that will provide for an efficient operation and present an attractive "front door" for the Chamber.
- Liaison – With the Board of Directors, Chamber Members, Staff and with the Community.

Membership Director 10/1993- 8/2003

- Developed and implemented a membership program designed to attract new members and bring in needed revenues to finance Chamber programs.
- Reevaluated membership investments (dues) to guarantee compatibilities with the growth of the Community and Chamber.
- Consulted with members and referred complaints and problems to the appropriate Chamber departments.
- Helped member's select committees.
- Developed membership education and information programs through after hours meetings, breakfast, luncheons, news releases and publications.
- Served as Secretary to the Membership/Ambassadors Committee and organized any and all membership campaigns.
- Developed and maintained a system for identifying prospective members and publish membership sales literature.
- Set up and maintained membership records, and handle all letters, reports, minutes and special bulletins on membership procedures.
- Performed accounting activities as related to Membership, including maintaining membership accounts, prepare membership bills, and statements, received and credited membership payments, etc.

Secretary/Office Manager 1/1988 – 10/1993

- Greeted the public
- Scheduled meetings
- Updated staff calendars
- Answered telephone
- Maintained front office, stocking literature
- Assisted President and Assistant Manager
- Handled purchasing

ORGANIZATIONS

DHR Cancer Foundation 2014 – 2015

A foundation that provides support for cancer patients in the Rio Grande Valley. The mission is to fulfill Cancer patients needs when it comes to their dietary habits.

Edinburg C.I.S.D. – H-E-B Excellence in Education Selection Process – 2014

Served on a panel with students, teachers, administrators during the final question and answer process by HEB representatives and committee.

Edcouch- Elsa High School Baseball Booster Club 2012-2014

Raised money for the high school baseball organization.

Kiwanis Club of Edinburg 2006-2014

Served as President for two years. The Club is composed of various individuals from the local area. The organization supports children's organizations.

REFERENCES AVAILABLE UPON REQUEST

Committee Roster

BOARD OF DIRECTORS 2015-2016

Ms. Dina Araguz, Vice Chair of Leadership Edinburg
International Bank of Commerce
P.O. Box 579
McAllen, TX 78505-0579
Email: daraguz@ibc.com

PHONE:(956) 686-0263 FAX:(956) 632-3569

Mr. Marty Baylor, Treasurer
The University of Texas Rio Grande Valley
1201 W. University Drive
Edinburg, TX 78539
Email: martin.baylor@utrgv.edu

PHONE:(956) 665-2121 FAX:(956) 665-2307

Ms. Lucy Canales, Director
Linebarger Goggan Blair & Sampson, LLP
205 S Pin Oak Ave.
Edinburg, Tx 78539
Email: lucyc@lgbs.com

PHONE:(956) 383-4500 FAX:(956) 383-7820

Mr. Lee Castro, Director
Legacy Chapels
4610 S Jackson Rd
Edinburg, TX 78539
Email: le_casfd@hotmail.com

PHONE:(956) 618-5900 FAX:(956) 618-5918

Mr. Jacob De Leon, Chair-Elect
Memorial Funeral Home
P.O. Box 1517
Edinburg, TX 78540
Email: ssjacob6969@yahoo.com

PHONE:(956) 380-1416 FAX:(956) 380-0207

Mr. J.J. Flores, Director
Chorizo de San Manuel, Inc.
36080 N. Hwy 281
Edinburg, Tx 78541
Email: jj@chorizosanmanuel.com

PHONE:(956) 383-8751 FAX:(956) 383-0334

Ms. Elva Jackson Garza, Vice Chair of Public Affairs
Edwards Abstract and Title Co.
3111 W. Freddy Gonzalez Dr.
Edinburg, TX 78539
Email: elva.garza@edwards-titleco.com

PHONE:(956) 383-4951 FAX:(956) 383-5443

Ms Jennifer Garza, Director
Edinburg Regional Medical Center/South Texas Health Systems
1102 W Trenton Rd
Edinburg, TX 78539
Email: jennifer.garza@uhsrgv.com
PHONE:(956) 388-6601 FAX:(956) 383-6020

Mr. Rey Garza, Director
H-E-B Edinburg #2
2700 W. Freddy Gonzalez
Edinburg, TX 78539
Email: garza.rey@heb.com

PHONE:(956) 383-4083 FAX:(956) 383-4610

Mrs. Letty Gonzalez, President
Edinburg Chamber of Commerce
P.O. Box 85
Edinburg, TX 78540
Email: chamber@edinburg.com

PHONE:(956) 383-4974 FAX:(956) 383-6942

Mr Sergio Gonzalez, Director
Rosie's Flower Shop
3123 S Closner
Edinburg, TX 78539
Email: rosiesflowershop1997@yahoo.com

PHONE:(956) 383-1046 FAX:(956) 383-1046

Mr. Hiren Govind, Vice Chair of Tourism
Best Western Plus- Edinburg Inn and Suites
2115 Ann Street
Edinburg, TX 78539
Email: hmgovindBW@GMAIL.com

PHONE:(956) 318-0442 FAX:(956) 318-0702

Mr. Mario Lizcano, Director
Doctors Hospital at Renaissance
5501 S. McColl
Edinburg, TX 78539
Email: m.lizcano@dhr-rgv.com

PHONE:(956) 362-7174 FAX:(956) 362-3112

Mr. Robert Lucio, Director
Fiesta Chevrolet
4002 S. Expressway 281
Edinburg, TX 78542
Email: rglucio15@gmail.com

PHONE:(956) 381-4444 FAX:(956) 287-5154

Mr. Gregory Martin, Director
Martin Farm & Ranch Supply Inc.
215 E. Monte Cristo Rd.
Edinburg, TX 78541
Email: gregdm9@gmail.com

PHONE:(956) 383-4949 FAX:

Mr. Marty Martin, Chairman
Rio Valley Realty
4751 S. Jackson Rd.
Edinburg, TX 78539
Email: riomarty@aol.com

PHONE:(956) 821-3044 FAX:(956) 682-3302

Mr. Toribio "Terry" Palacios, Immediate Past
Law Offices of Garcia, Quintanilla & Palacios
5526 N. 10th
McAllen, TX 78504
Email: gqplaw@yahoo.com

PHONE:(956) 682-9477 FAX:(956) 682-0223

Mr. Alex Rios, Vice Chair of Special Events
Kids' Kollege Learning Center
302 Conquest Blvd
Edinburg, TX 78539
Email: alexrios1980@aol.com

PHONE:(956) 289-1600 FAX:(956) 289-1601

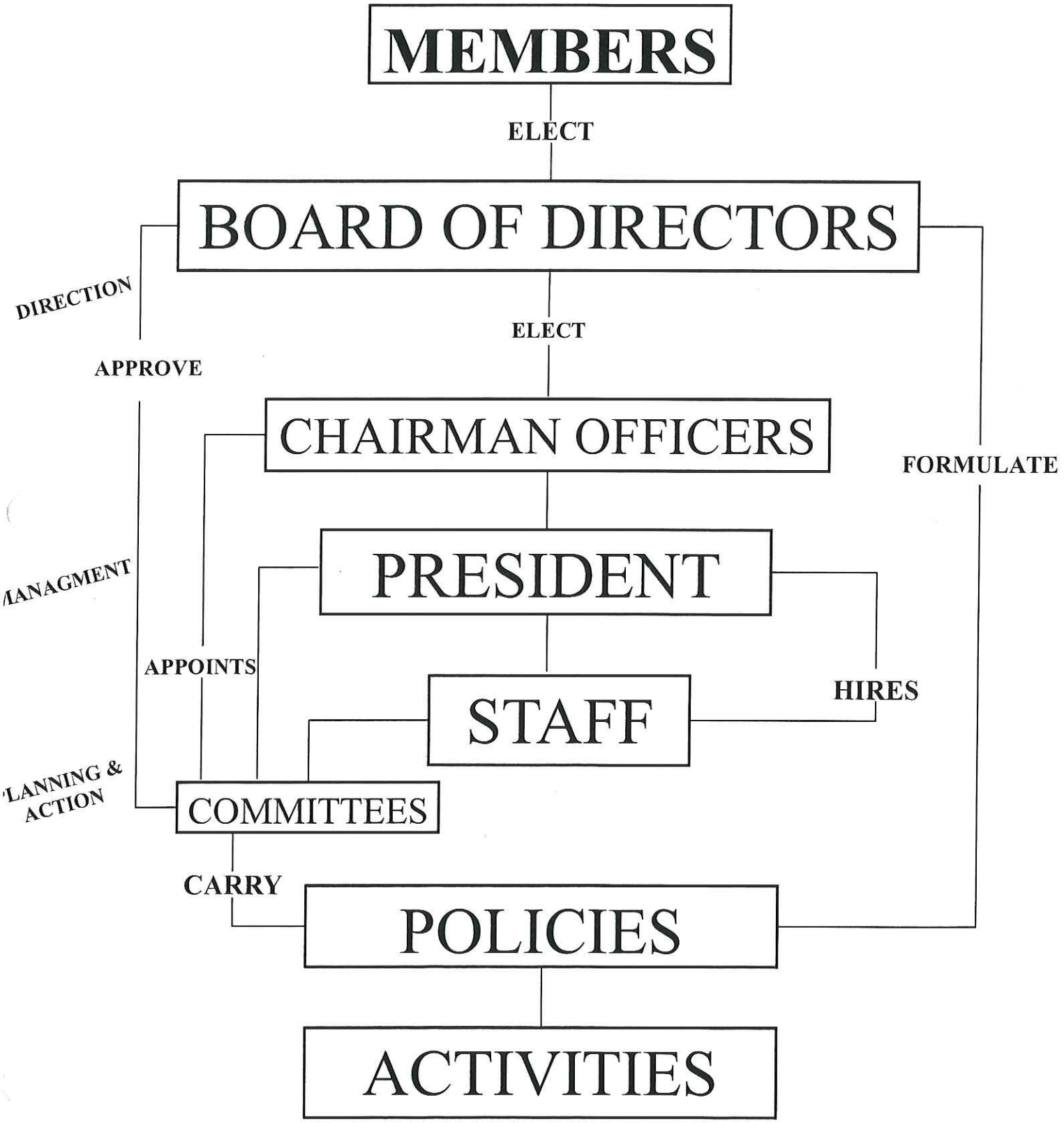
Mr. Michael J. Williamson, Director
PlainsCapital Bank
1920 S. Closner
Edinburg, TX 78539
Email: michael.williamson@plainscapital.com

PHONE:(956) 380-5219 FAX:( ) 383-3225

Total forBOARD OF DIRECTORS 2015-2016 19

EDINBURG CHAMBER OF COMMERCE

Organizational Flow Chart



Edinburg Chamber of Commerce
602 W. University Dr. Edinburg, Texas 78539
956-383-4974
www.edinburg.com

IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248219411
July 02, 2013 LTR 4168C 0
74-0605448 000000 00
00023832
BODC: TE

EDINBURG CHAMBER OF COMMERCE INC
PO BOX 85
EDINBURG TX 78540

043320

Employer Identification Number: 74-0605448
Person to Contact: Laura A. Botkin
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your June 21, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(6) of the Internal Revenue Code in a determination letter issued in May 1958.

Because you are not an organization described in section 170(c) of the Code, donors may not deduct contributions made to you. You should advise your contributors to that effect.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Richard McKee

Richard McKee, Department Manager
Accounts Management Operations

EDINBURG
CHAMBER OF COMMERCE

April 27, 2016

To Whom It May Concern:

On behalf of the Edinburg Chamber of Commerce, we authorize Leticia Gonzalez, President of the Edinburg Chamber of Commerce, to enter into contracts with the City of Edinburg.

If you should have any questions, please feel free to call me at (956) 821-3044.

Sincerely,

Marty Martin
Chairman of the Board
Edinburg Chamber of Commerce

P.O. Box 85
Edinburg, Texas 78540

602 W. University
956 383-4974
956 383-6942 FAX
1-800-800-7214
chamber@edinburg.com

TexasMutual® Insurance Company

6210 E Highway 290
Austin, Texas 78723-1098

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE

ITEM 1 — INSURED NAME AND ADDRESS

EDINBURG CHAMBER OF COMMERCE
602 W UNIVERSITY DR
EDINBURG, TX 78539-3232

POLICY NUMBER
SBP-0001114354 20160301

Federal Tax ID	74-0605448
Bureau Number	
Branch	AUSTIN
Renewal of	0001114354
Entity	CORPORATION
Interim Adjustment Group	
NCCI Carrier Code	29939

OTHER WORKPLACES NOT SHOWN ABOVE:
see attached schedule of operation.

PRODUCER 25389

VALLEY INSURANCE SERVICES COMPANY
DBA: ALDRICH SMITH & BAKER
508 S 12TH AVE
EDINBURG, TX 78539

ITEM 2 — **The Policy Period is from: 3-01-2016 To: 3-01-2017 12:01 A.M. standard time at the insured's mailing address**

ITEM 3

A. **Workers' Compensation Insurance:** Part One of the policy applies to the Workers' Compensation Law of the states listed here: TEXAS

B. **Employers Liability Insurance:** Part Two of the policy applies to work in each state listed in item 3A. The Limits of our Liability under Part Two are:

Bodily Injury by Accident	$	500,000	**Each Accident**
Bodily Injury by Disease	$	500,000	**Each Employee**
Bodily Injury by Disease	$	500,000	**Policy Limit**

C. **Other States Insurance:** Part Three of the policy applies to the states, if any, listed here: NONE

D. **This policy includes these endorsements and schedules:**

See Schedule of Endorsements attached

ITEM 4

The premium for this policy will be determined by our manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

TOTAL ESTIMATED STANDARD PREMIUM	$	614.00
WAIVER OF SUBROGATION	:	.00
INCREASED EMPLOYERS LIABILITY LIMITS	:	100.00
TOTAL PREMIUM SUBJECT TO MODIFICATIONS	:	714.00
PREMIUM MODIFIED TO REFLECT PREM INCENTIVE OF (.85)	:	107.00-
PREMIUM MODIFIED TO REFLECT SCHEDULE RATING OF ( )	:	.00
WORKERS' COMP HEALTH CARE NETWORK DISCOUNT ( )	:	.00
DEDUCTIBLE PREMIUM	:	.00
ADMIRALTY/FELA OR L & H W	:	.00
PREMIUM DISCOUNT, IF APPLICABLE ( )	:	.00
EXPENSE CONSTANT CHARGE	:	150.00
TOTAL ESTIMATED ANNUAL PREMIUM	$	757.00

MINIMUM PREMIUM 178.00

DEPOSIT PREMIUM 757.00

Countersigned by

Issue Date: 3-07-2016

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WC000001B (ED. 1-1-2015)

State Farm

STATE FARM LLOYDS
A LLOYDS COMPANY IN DALLAS, TEXAS

P.O. Box 799100
Dallas, TX 75379-9100

M-25-8259-FB64 F N

002645 3123

Named Insured

EDINBURG CHAMBER OF COMMERCE
PO BOX 85
EDINBURG TX 78540-0085

DECLARATIONS AMENDED FEB 24 2016

Policy Number	90-KK-5536-8	
Policy Period	**Effective Date**	**Expiration Date**
12 Months	NOV 17 2015	NOV 17 2016

The policy period begins and ends at 12:01 am standard time at the premises location.

Agent and Mailing Address
SAM SALDIVAR
2108 S HIGHWAY 281
EDINBURG TX 78539-6475

PHONE: (956) 383-4312
(956) 383-1242

Businessowners Policy

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Entity: Corporation
Reason for Declarations: Your policy is amended FEB 24 2016
ADDL INSURED INFORMATION CHANGED
PREMIUM ADJUSTMENT
FORM CMP-4788 CHANGED

Endorsement Premium None

Discounts Applied:
Renewal Year
Years in Business
Protective Devices
Age of Building
Claim Record

RECEIVED
APR 19 2016
By

Prepared
APR 11 2016
CMP-4000

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024792 290 I
N

530-606 a.2 05-31-2011 (o1f3231c)

Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

SECTION I - PROPERTY SCHEDULE

Location Number	Location of Described Premises	Limit of Insurance* Coverage A - Buildings	Limit of Insurance* Coverage B - Business Personal Property	Seasonal Increase- Business Personal Property
001	602 W UNIVERSITY EDINBURG TX 78539-3233	$ 634,900	$ 91,200	25%

* As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

SECTION I - INFLATION COVERAGE INDEX(ES)

Cov A - Inflation Coverage Index: 146.6
Cov B - Consumer Price Index: 238.7

SECTION I - DEDUCTIBLES

Basic Deductible $1,000

Special Deductibles:

Money and Securities	$250	Equipment Breakdown	$1,000

Other deductibles may apply - refer to policy.

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SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - EACH DESCRIBED PREMISES

The coverages and corresponding limits shown below apply separately to each described premises shown in these Declarations, unless indicated by "See Schedule." If a coverage does not have a corresponding limit shown below, but has "Included" indicated, please refer to that policy provision for an explanation of that coverage.

COVERAGE	LIMIT OF INSURANCE
Accounts Receivable	
On Premises	$10,000
Off Premises	$5,000
Arson Reward	$5,000
Collapse	Included
Damage To Non-Owned Buildings From Theft, Burglary Or Robbery	Coverage B Limit
Debris Removal	25% of covered loss
Equipment Breakdown	Included
Fire Extinguisher Systems Recharge Expense	$5,000
Forgery Or Alteration	$10,000
Glass Expenses	Included
Increased Cost Of Construction And Demolition Costs (applies only when buildings are insured on a replacement cost basis)	10%
Money And Securities (Off Premises)	$2,000
Money And Securities (On Premises)	$5,000
Money Orders And Counterfeit Money	$1,000
Newly Acquired Business Personal Property (applies only if this policy provides Coverage B - Business Personal Property)	$100,000
Newly Acquired Or Constructed Buildings (applies only if this policy provides Coverage A - Buildings)	$250,000
Ordinance Or Law - Equipment Coverage	Included

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Continued on Reverse Side of Page

Outdoor Property	$5,000
Personal Effects (applies only to those premises provided Coverage B - Business Personal Property)	$2,500
Personal Property Off Premises	$15,000
Pollutant Clean Up And Removal	$10,000
Preservation Of Property	30 Days
Property Of Others (applies only to those premises provided Coverage B - Business Personal Property)	$2,500
Signs	$33,000
Valuable Papers And Records	
On Premises	$10,000
Off Premises	$5,000
Water Damage, Other Liquids, Powder Or Molten Material Damage	Included

SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - PER POLICY

The coverages and corresponding limits shown below are the most we will pay regardless of the number of described premises shown in these Declarations.

COVERAGE	LIMIT OF INSURANCE
Loss Of Income And Extra Expense	Actual Loss Sustained - 12 Months

SECTION II - LIABILITY

COVERAGE	LIMIT OF INSURANCE
Coverage L - Business Liability	$1,000,000

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State Farm

DECLARATIONS (CONTINUED)

Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

Coverage M - Medical Expenses (Any One Person)	$5,000
Damage To Premises Rented To You	$300,000

AGGREGATE LIMITS	LIMIT OF INSURANCE
Products/Completed Operations Aggregate	$2,000,000
General Aggregate	$2,000,000

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Coverage Form and any attached endorsements.

Your policy consists of these Declarations, the BUSINESSOWNERS COVERAGE FORM shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

FORMS AND ENDORSEMENTS

CMP-4100	Businessowners Coverage Form
CMP-4788	*Addl Insd Mgrs Lessor of Prem
CMP-4243.1	Amendatory Endorsement
FE-6999.2	Terrorism Insurance Cov Notice
CMP-4802	Addl Insd Lessor of Leased Eqp
CMP-4839	Loss Payable
CMP-4709	Money and Securities
CMP-4705	Loss of Income & Extra Expnse
CMP-4804	Addl Insd Club Members
FD-6007	Inland Marine Attach Dec

* New Form Attached

SCHEDULE OF ADDITIONAL INTERESTS

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

COUNTY OF HIDALGO
100 E CANO ST
EDINBURG TX 785394582

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

CITY OF EDINBURG
PO BOX 1079
EDINBURG TX 785401079

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Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

EDINBURG C I S D
PO BOX 990
EDINBURG TX 785400990

Interest Type: Addl Insured-Section II
Endorsement #: CMP4802
Loan Number: N/A

HEART OF AMERICA
2315 S 25TH ST
HARLINGEN TX 785508513

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

ROY ARCE
3317 E CURVE RD
EDINBURG TX 785426587

Interest Type: Loss Payee
Endorsement #: CMP4839
Loan Number: N/A

DE LAGE LANDEN FINANCIAL
SERVICES INC
1111 OLD EAGLE SCHOOL RD
WAYNE PA 190871453

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Continued on Next Page

DECLARATIONS (CONTINUED)

Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

This policy is issued by State Farm Lloyds, Inc.

SERVICE OF PROCESS - Service of Process may be had upon the State Official duly designated for such purpose in the state in which the property insured hereunder is located if State Farm Lloyds is licensed in such state; or upon the Commissioner of Insurance of the State of Texas; or upon the duly appointed Attorney-in-Fact for State Farm Lloyds at Dallas, Texas. Underwriters at State Farm Lloyds have complied with the laws of the State of Texas regulating Lloyds plan insurance and said statutes are hereby made a part of the policy. The entire assets of State Farm Lloyds supports its policies, but each individual underwriter's liability is several and not joint and is limited by law to the amount fixed by his/her underwriter's contract and subscription and no underwriter is liable as a partner. This policy is made and accepted subject to the foregoing stipulations and conditions together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto, and no agent or other representative of State Farm Lloyds shall have the power to waive any provision or condition of this policy. This policy is non-assessable and no contingent liability of any kind and character attaches to the insured named herein.

In Witness Whereof, State Farm Lloyds has caused this policy to be signed by its President and Secretary.

State Farm Lloyds

By:

Secretary
State Farm Lloyds, Inc.
Attorney-in-Fact

President
State Farm Lloyds, Inc.
Attorney-In-Fact

Prepared
APR 11 2016
CMP-4000

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N

State Farm

STATE FARM LLOYDS
A LLOYDS COMPANY IN DALLAS, TEXAS

P.O. Box 799100
Dallas, TX 75379-9100

M-25-8259-FB64 F N

INLAND MARINE ATTACHING DECLARATIONS

Policy Number	90-KK-5536-8	
Policy Period	**Effective Date**	**Expiration Date**
12 Months	NOV 17 2015	NOV 17 2016

The policy period begins and ends at 12:01 am standard time at the premises location.

Named Insured

EDINBURG CHAMBER OF COMMERCE
PO BOX 85
EDINBURG TX 78540-0085

ATTACHING INLAND MARINE

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Annual Policy Premium Included

The above Premium Amount is included in the Policy Premium shown on the Declarations.

Your policy consists of these Declarations, the INLAND MARINE CONDITIONS shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

Forms, Options, and Endorsements

FE-8739	Inland Marine Conditions
FE-6865	Amend of Inland Marine Condtns
FE-8743	Inland Marine Computer Prop

See Reverse for Schedule Page with Limits

Prepared
APR 11 2016
FD-6007

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530-686 a.2 05-31-2011 (o1f3232c)

ATTACHING INLAND MARINE SCHEDULE PAGE

ATTACHING INLAND MARINE

ENDORSEMENT NUMBER	COVERAGE	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT	ANNUAL PREMIUM
FE-8743	Inland Marine Computer Prop	$ 25,000	$ 500	Included
	Loss of Income and Extra Expense	$ 25,000		Included

OTHER LIMITS AND EXCLUSIONS MAY APPLY - REFER TO YOUR POLICY

Prepared
APR 11 2016
FD-6007

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024796

THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Edinburg Convention & Visitors Bureau
Agency: Edinburg Chamber of Commerce
Executive Director: Letty Gonzalez
Contact Person: Letty Gonzalez
Address: P.O. Box 85, Edinburg, TX 78540
Phone Number/Fax Number: (956) 383-6942
E-Mail of Contact Person: chamber@edinburg.com
Organizations Federal Identification No. (Tax ID#): 74-0605448
Amount Requested: $306,993
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

RECEIVED
APR 29 2016
CITY OF EDINBURG
CITY MANAGER'S OFFICE

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: **83 Years**

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes X No ☐

3. Has the agency been involved in any lawsuits? Yes X No ☐

4. Are there any outstanding judgments against the agency? Yes ☐ No X

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☐ No X

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No X

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. _____

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes X No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

The Edinburg Conventions and Visitors Bureau / The Edinburg Chamber of Commerce evaluates programs based on the attendance, costs, participation, and the community response. The Board of Directors also has (volunteers and members of the community) an annual planning session where program of work is discussed and evaluated.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

It is the mission of the Edinburg Convention & Visitors Bureau to provide leadership in initiating as well as coordinating the marketing of Edinburg throughout the world as a highly desirable vacation and convention destination; to solicit and serve conventions and other related group business; and to engage in visitor promotions which generate overnight stays for Edinburg, thereby, enhancing and developing the economic fabric of the community.

2. Indicate if this is a new or existing project below:

X Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? X Yes or ☐ No

☐ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

Edinburg
X Other

Please describe Service Areas: Tourism – National and International

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation.

The Edinburg Convention & Visitors Bureau must continue to be recognized as a viable entity, not only in the Texas travel industry, but also as a marketing strength in the Rio Grande Valley. In order to achieve this goal, there are many projects, programs and activities that need the participation and support of the City. In addition to many projects that we must do on a daily basis to stay competitive in the marketplace, the CVB will continue to develop and innovate such projects and programs and work cooperatively with other organizations to promote the City of Edinburg throughout the state and region.

Also see Chart C – 76% goes to services

b. Was this program funded by the City in FY 2015-2016? Yes X No ☐
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? _____
We will be marketing the City of Edinburg internationally (Canada, Europe –through our coops), locally and throughout the region to help promote tourism in our area. We will also be promoting our museum, festivals, hotels/motels, restaurants, and retail stores to help increase hotel/motel tax occupancy and sales tax revenue. We will advertise on the internet with "google ads" and face book ads to promote and market Edinburg as a tourism destination. We will also enhance our programs for our winter tourists. We will be hosting travel riders from other countries (Australia, Netherlands, England, etc.) and allow them to stay in our hotels, eat at our restaurants and visit our museums, birding center, golf courses, etc. They will then, return home and write about their experience in our city and promote Edinburg as a great place to visit. We will also be working with organizations or individuals to recruit conferences to our city.

5. Clientele

a. How many individuals will be served by this program? **66,225** Individuals

b. What is the estimated cost to provide services to one person? **$4.65**

c. What is the target population? (Example: elderly, disabled, abused children etc.)
Our target areas are winter tourists, tourists in general, students individuals relocating, local residents and individuals from the surrounding areas.

6. Performance Management (Measuring Your Goals and Objectives)

Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

When Winter Texan season is here, we have two events. We speak with the winter Texans personally and ask them questions about their stay and why they chose Edinburg. We also call the MH/RV Parks and ask about their capacity at the beginning of the season and towards the end. We also have a Hotel/Motel Association that meets once a month to discuss upcoming events and they inform us of the occupancy stays. This information that we gather helps us decide to keep the event and/or enhance for the following year. The events/programs that we organize benefits businesses, individuals, and our community as a whole.

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.
By increasing tourism in our area, it brings in more revenue when in return, allocates more funds to enhance our community (streets, drainage, police, fire, etc.). It also allows our business community to generate more sales for their business.

Here is a list of some of the events the Edinburg Convention and Visitors Bureau organizes or participants in to promote tourism in our area: Welcome Back Winter Texan / Expo, Hasta La Vista Pachanga, Tours of Edinburg, Edinburg on Wheels, Texas Cook'em High Steaks in Edinburg, Fiesta Edinburg, Cinco de Mayo, UFO Conference, International Travel Show – Canada, South Texas International Film Festival, Winter Texan Health Fair/Expo, McAllen International Travel Show, Night of Lights.

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	**63,100**	**66,225**
% OF EDINBURG RESIDENTS SERVED:	N/A	N/A

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) **No**

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc.
From the results of a survey conducted three years ago, the Edinburg Chamber of Commerce did not only have a better understanding of the public's view of the event but also how the Chamber can improve the event. This survey will provide the quality of life in our community for people to enjoy.

5. Attach letter(s) of support for this event/program. **(See Attachments)**

6. If this event/program is unfunded or partially funded, will the event/program be carried out? **No**

7. Is there a fee for your services? If so, please attach a fee schedule. **No**

IV. Budget (Please see attached itemized budget)

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ **306,993**

   B. **Other Sources** **N/A** **Funding Amount** **N/A**

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$
Fringe Benefits	$
Utilities	$
Travel	$
Capital	$

Postage	$
Advertising	$
Program Supplies	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	$

3. Is event/program dependent on "Other Funds"? **N/A**

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? **24% (See Chart C)**

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. **76% (See Chart C)**

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year?
We coop with other associations (throughout the Rio Grande Valley and the State of Texas) that work in the tourism industry to promote tourism in our region. If we don't receive funding, there will be no resources or representation to promote Edinburg as a tourism destination.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin **October 1, 2016** End **September 30, 2017**

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter: Beginning October 1, 2016 and ending September 30, 2017.

   2016 Oct., Nov., & Dec.: **$76,748.25** 2017 Jan., Feb., March: **$76,748.25**

   2017 April, May, June: **$76,748.25** 2017 July, Aug., Sept.: **$76,748.25**

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017

   2016 Oct., Nov., & Dec.: **$76,748.25** 2017 Jan., Feb., March:**$76,748.25**

   2017 April, May, June: **$76,748.25** 2017 July, Aug., Sept.: **$76,748.25**

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation

2. Proof of tax exemption (Tax ID#)

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws.

7. Resume of Chief Program Administrator.

8. Resume of Chief Fiscal Officer.

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence

2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: Letty Gonzalez **Date:** 4/29/2016
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Letty Gonzalez

Title: President

TEXAS HOUSE OF REPRESENTATIVES

Terry Canales
District 40

April 28, 2016

Letty Gonzalez
Edinburg Chamber of Commerce
602 W. University Drive
P.O. Box 85
Edinburg, TX 78540

To whom it may concern:

Please accept this letter of support for the Edinburg Chamber of Commerce (ECOC).

The Edinburg Chamber of Commerce provides Networking, Marketing and Education services to their members. Their efforts in advancing commerce and quality of life in Edinburg is extremely important to me and small and large businesses in the region. ECOC also provides programs for individuals to become more involved and better leaders with in their business and personal life.

We look forward on continuing to work with the Edinburg Chamber of Commerce and promoting their events. Should you need any additional assistance please feel free to contact me at (956) 383-0860.

Very Truly Yours,

Texas Representative Terry Canales

CAPITOL OFFICE: P.O. Box 2910 • Austin, Texas 78768-2910 • (512) 463-0426 • (512) 463-0043 fax
DISTRICT OFFICE: 101 N. 10th Avenue, Suite B • Edinburg, Texas 78541 • (956) 383-0860 • (956) 383-4334 fax

The University of Texas
Rio Grande Valley
Brownsville • Edinburg • Harlingen

April 28, 2016

Letty Gonzalez
President, Edinburg Chamber of Commerce
PO Box 85
Edinburg, Texas 78540

RE: Letter of Support

Dear Letty:

I am pleased to provide this letter of support for the Edinburg Chamber of Commerce.

UTRGV has a long-standing history of support and participation with the Edinburg Chamber of Commerce, with many senior level administrators serving on the Board of Directors over the years. As you know, I have proudly served as a Board member since 2011 and can personally attest to the exceptional work done by the Chamber during my tenure.

UTRGV's mission includes a strong element of community engagement. Through partnership with organizations like the Edinburg Chamber, UTRGV is able to achieve its outreach goals. Additionally, the Edinburg Chamber promotes the UTRGV athletic, community and cultural evets which all benefit the entire region, including business owners who see an increase in customers as a direct result of events like these.

We look forward to maintaining our highly beneficial relationship with the Edinburg Chamber off many more years to come.

Sincerely,

Martin Baylor
Executive VP for Finance & Administration

Office of the Executive Vice President for Finance & Administration

One West University Blvd.
Brownsville, Texas 78520-4933
(956) 882-3898

1201 West University Drive
Edinburg, Texas 78539-2999
(956) 665-2121

2102 Treasure Hills Blvd.
Harlingen, Texas 78550-9998
(956) 365-8779

utrgv.edu

EDINBURG CONVENTION & VISITORS BUREAU
a division of the Edinburg Chamber of Commerce

2016-2017
E.C.V.B. PROPOSED BUDGET

ECVB FUNDING		Budget 2015-16		Budget 2016-17
Hotel/Motel Occupancy Fund	2015-16		2016-17	
Budget		$186,500.00		$ 306,993.00
TOTAL REVENUES		$186,500.00		$ 306,993.00

	Line Item Breakdown		Line Item Breakdown	
10-2010 PERSONNEL SERVICES				
SALARIES (one full time / one part time)	$ 39,900.00		$ 60,238.00	
EMPLOYEE HEALTH INSURANCE	$ 7,200.00		$ 7,200.00	
PAYROLL TAXES	$ 3,600.00		$ 5,205.00	
Auto Expense				
Simple IRA	$ 1,150.00		$ 1,150.00	
CATEGORY TOTAL		$51,850.00		$ 73,793.00
10-4030 OPERATING / UTILITIES				
Utilities, rent, office supplies, postage, internet, website Toll Free 800 Tourist Information Line, telephone, copier, fax machine, computer maintenance, janitorial, security, janitorial service, etc.	$ 21,000.00		$ 21,000.00	
CATEGORY TOTAL		$21,000.00		$ 21,000.00
10-6050 CONTRACTUAL & CO-OPS				
AUDIT	$ 3,500.00		$ 3,500.00	
SOUTH TEXAS NATURE COOP	$ 2,350.00		$ 2,500.00	
SOUTH TEXAS TOURISM COOP	$ 2,350.00		$ 2,500.00	
RGV FILM COMMISSION	$ 500.00		$ 1,000.00	
EEDC MARKETING CO-OP (Ads)			$ 5,000.00	
Marketing Promotion-Google Ad / Facebook Ads	$ 13,000.00		$ 20,000.00	
CATEGORY TOTAL		$21,700.00		$ 34,500.00
10-7060 CONVENTION & MEETINGS				
SALES & BID PRESENTATIONS				
Convention/Meeting/Reception Name Badges	$ 1,000.00		$ 2,000.00	
PROMOTIONAL ITEMS (Collateral)				
Kolder Holders	$ 2,000.00		$ 2,000.00	
Reusable Grocery Tote			$ 2,000.00	
Eco Sports Bottle	$ 2,000.00		$ 2,000.00	
Calendars	$ 800.00		$ 800.00	
Pens/Pencils (11,500)	$ 1,800.00		$ 1,800.00	
Convention/Meeting Delegate Goodie Bags	$ 1,500.00		$ 1,500.00	
Postcards	$ 1,000.00		$ 1,000.00	
Lapel Pins (2,750)	$ 500.00		$ 500.00	
Candies	$ 500.00		$ 500.00	
Tumblers (1,000)	$ 1,000.00		$ 1,000.00	
Toothpick Holders	$ 500.00		$ 500.00	
Retractable Phone Chargers			$ 1,500.00	
USB Travel Drives			$ 2,000.00	
Sewing Kits			$ 2,000.00	
PROFESSIONAL MEALS & MEETINGS	$ 4,000.00		$ 6,000.00	
CATEGORY TOTAL		$16,600.00		$ 27,100.00

10-8070 TRADE SHOWS & STAFF DEVELOPMENT						
STAFF DEVELOPMENT(promote in Canada at W.T. Expo	$	5,000.00		$	6,000.00	
TRAVEL TRADE SHOWS(and other cities)						
CATEGORY TOTAL			$5,000.00			$ 6,000.00
10-9080 DUES & SUBSCRIPTIONS						
Texas Travel Industry Association	$	500.00		$	500.00	
Texas Association of Convention & Visitors Bureaus	$	500.00		$	500.00	
Texas Hotel/Motel Association	$	2,500.00		$	3,000.00	
International Fairs & Events Association	$	300.00		$	300.00	
Texas Assoc. Festivals & Events	$	300.00		$	300.00	
Texas Tropical Trail Region	$	750.00		$	1,000.00	
CATEGORY TOTAL			$4,850.00			$ 5,600.00
10-5040 PROMOTION, ADVERTISING & MARKETING						
REGIONAL & STATE MARKETING						
RGV Parkbook	$	1,500.00		$	1,500.00	
RGV Guidebook	$	1,500.00		$	1,500.00	
Winter Texan Times	$	3,000.00		$	3,000.00	
RGV Partnership (Visitor's Guide)	$	2,500.00		$	2,500.00	
RGV Bird/Butterfly Map	$	1,500.00		$	1,500.00	
RGV Attractions Map	$	1,500.00		$	1,500.00	
The Travel Show / Winter Texan Expo	$	1,500.00		$	1,500.00	
TTIA File Folder	$	1,500.00		$	1,500.00	
"Go" Boards (to be placed at the Chamber and one more location to promote our city, attractions, etc.) (monthly service/ purchase of two touch screen monitors) 2nd "Go"Board to be placed at City Hall - can be expanded for minimal cost				$	40,000.00	
CATEGORY TOTAL			$14,500			$ 54,500.00
LITERATURE DISTRIBUTION & PRODUCTION PROGRAM						
Edinburg Visitors Guide	$	5,000.00		$	5,000.00	
FESTIVAL PROMOTIONS						
I Shop	$	2,000.00		$	5,000.00	
Night of Lights	$	2,000.00		$	3,000.00	
Winter Texan Promotion	$	5,000.00		$	5,000.00	
Welcome Back Winter Texan Expo, Hasta La Vista Pachanga						
Tour de Edinburg	$	3,000.00		$	3,000.00	
Texas Cook'em (fireworks, entertainment, logistics)	$	25,000.00		$	25,000.00	
Out of this World Conference	$	2,500.00		$	5,000.00	
Cinco De Mayo				$	1,000.00	
BROCHURE DISTRIBUTION - CONTRACTUAL	$	4,000.00		$	5,000.00	
WEBSITE / COMPUTERS				$	25,000.00	
TRANSPORTATION						
North Dakota Study Group Conferece Feb/March 2016 (provide transporation to and from Airport/Hotel/Conference Meeting @ UTPA Haggar Bldg. for two days)	$	2,500.00		$	2,500.00	
CATEGORY TOTAL			$51,000			$ 84,500.00
TOTAL BUDGET			$186,500			$ 306,993.00
TOTAL OPERATING EXPENSE	$	186,500.00	$ 186,500.00	$	306,993.00	$ 306,993.00

CHART A- CVB 2015-16 Budget and 2016-17 Proposed Budget

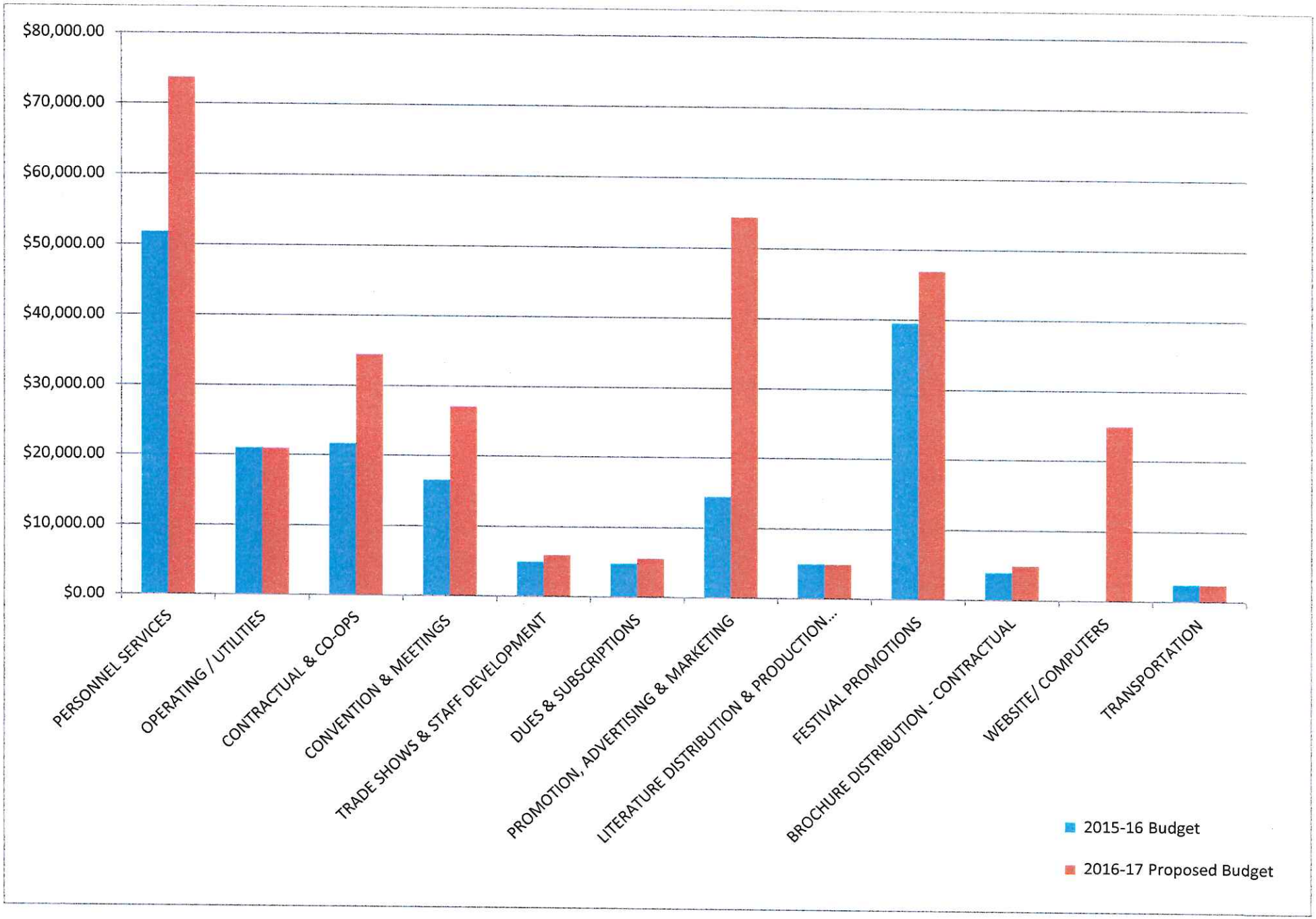


CHART B - 2015-2016 Edinburg CVB Budget

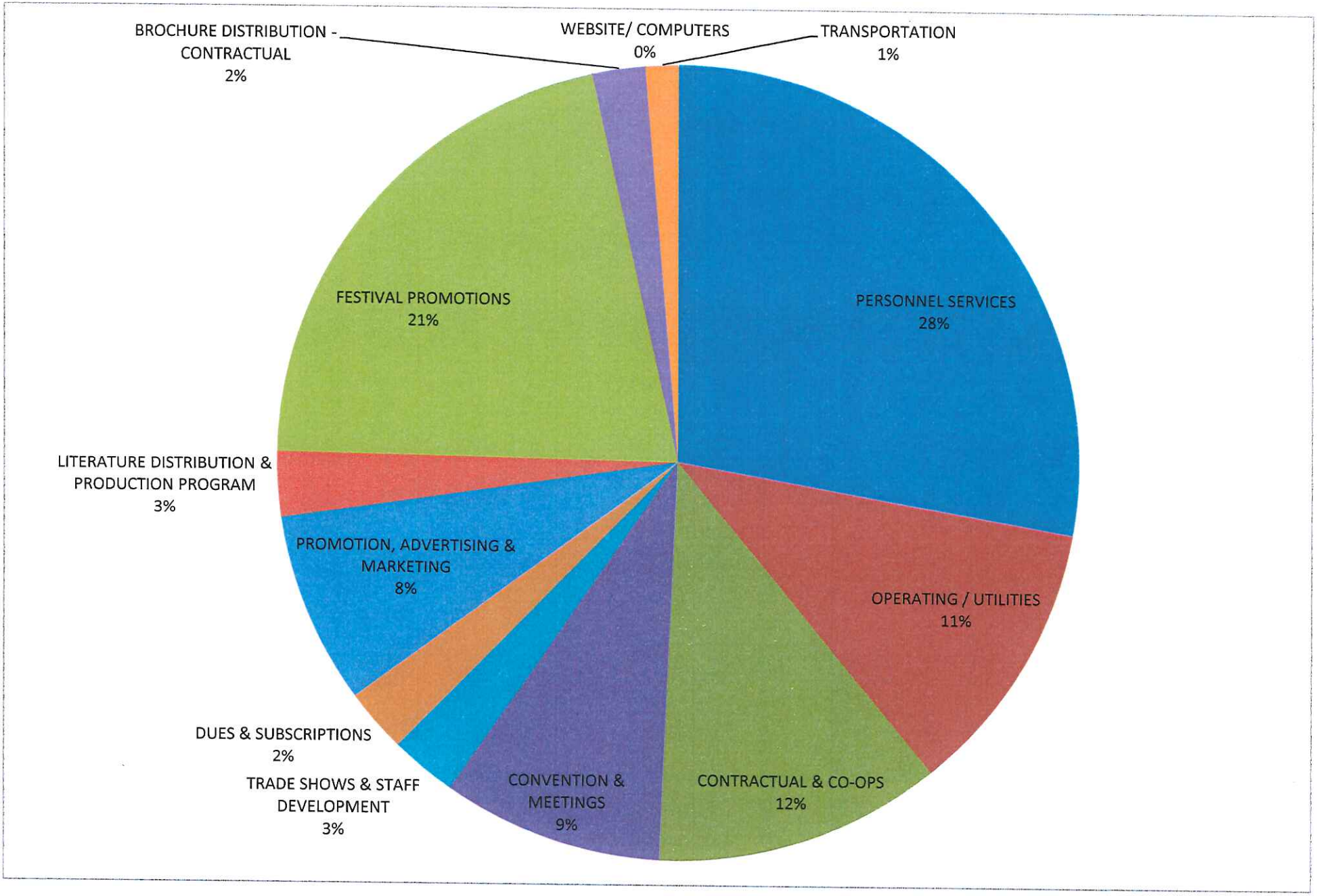
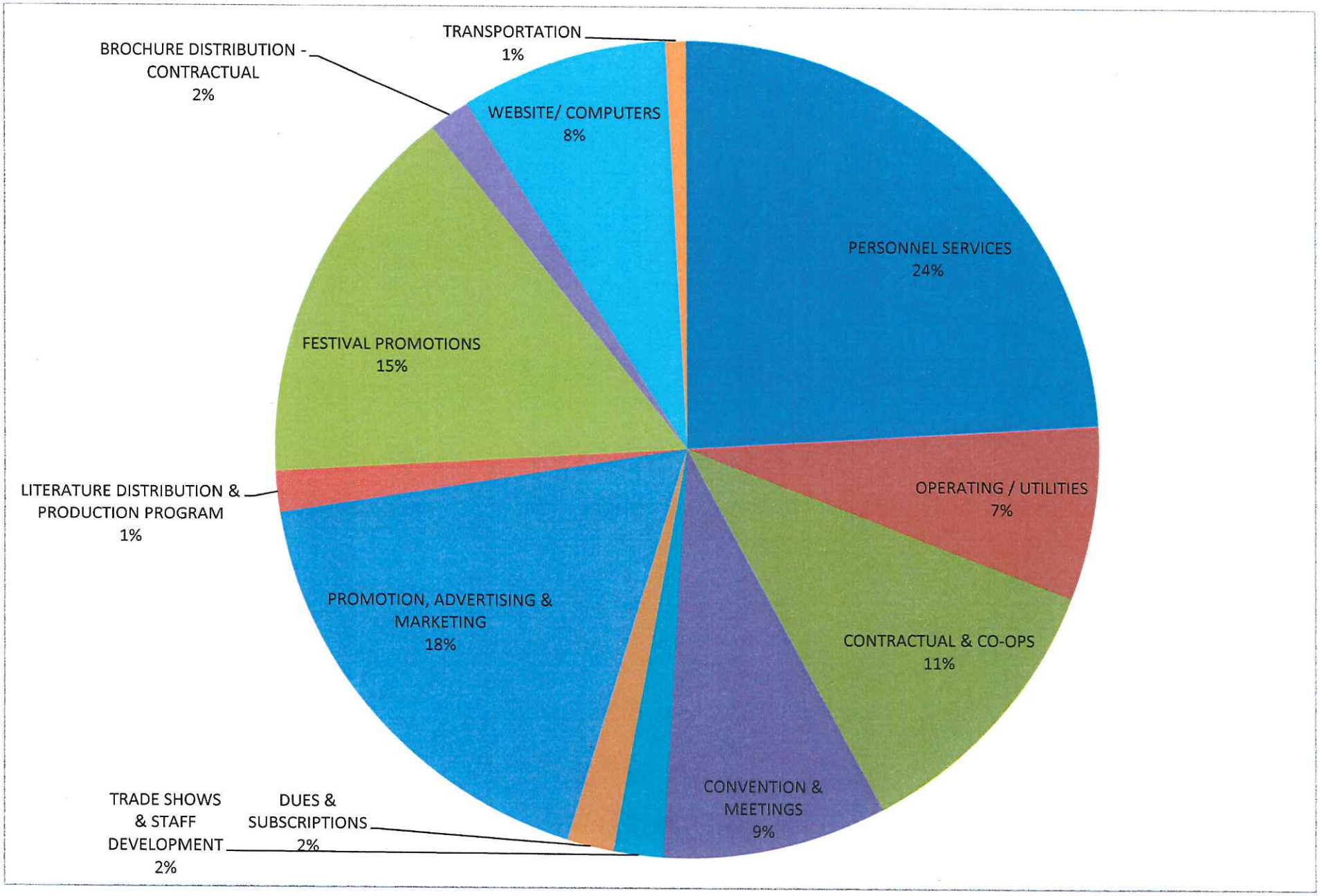


CHART C- 2016-2017 Proposed CVB Fund Budget



Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

John Steen
Secretary of State

Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

EDINBURG CHAMBER OF COMMERCE
Filing Number: 6124901

Articles of Incorporation March 25, 1932

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 13, 2013.

John Steen
Secretary of State

THE STATE OF TEXAS }
COUNTY OF HIDALGO. } KNOW ALL MEN BY THESE PRESENTS:

OK
3-25-32

THAT WE, DOUGLAS MACKENZIE, H. I. SCHLADER, L. J. ROBERTS, W. W. COLLIER, R. M. EDWARDS, A. E. POTTER and E. M. SMITH, all citizens of Hidalgo County, Texas, under and by virtue of the laws of this State, do hereby voluntarily associate ourselves together for the purpose of forming a private corporation, under the terms and conditions hereinafter set out as follows:

1. The name of this corporation is "EDINBURG CHAMBER OF COMMERCE."

2. The purpose for which it is formed is to organize and operate a Chamber of Commerce with power to provide and maintain suitable rooms for the conduct of its business, and to establish and maintain uniformity in the commercial usages of cities and towns, to acquire, preserve and disseminate valuable business information, and to adopt rules, regulations and standards of classifications which shall govern all transactions connected with the cotton trade and with other commodities where standards and classifications are required, and generally to promote the interest of trade and increase the facilities of commercial transactions.

3. The place where the business of the corporations is to be transacted is at Edinburg, in Hidalgo County, Texas.

4. The term for which it is to exist is Fifty (50) years.

5. The number of directors shall be seven (7), and the names and residences of those who are appointees for the first year are as follows:

NAME	ADDRESS
Douglas Mackenzie	Edinburg, Texas
H. I. Schlader	Edinburg, Texas
L. J. Roberts	Edinburg, Texas
W. W. Collier	Edinburg, Texas
R. M. Edwards	Edinburg, Texas
A. E. Potter	Edinburg, Texas
E. M. Smith	Edinburg, Texas

6. This corporation shall have no capital stock.

7. The estimated value of the goods, chattels, lands,

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rights and credits owned by this corporation is Sixteen Hundred Twenty Five ($1,625.00) Dollars, consisting of cash, advertising, office supplies, furniture and fixtures, a building for office use and sign boards.

IN TESTIMONY WHEREOF, we hereunto sign our names this 16th day of March, A. D. 1932.

Douglas Mackenzie
H. I. Schlader
E. M. Smith
R. M. Edwards
L. J. Roberts
W. W. Collier
A. E. Potter

THE STATE OF TEXAS }
COUNTY OF HIDALGO. }

BEFORE ME, the undersigned authority, a Notary Public in and for Hidalgo County, Texas, on this day personally appeared Douglas Mackenzie, H. I. Schlader, L. J. Roberts, W. W. Collier, R.M. Edwards, A. E. Potter and E. M. Smith, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 22nd day of March, A. D. 1932.

Mrs. J. C. Hannes
Notary Public, Hidalgo County, Texas.

THE STATE OF TEXAS }
COUNTY OF HIDALGO. }

BEFORE ME, the undersigned authority, on this day personally appeared DOUGLAS MACKENZIE, H. I. SCHLADER, L. J. ROBERTS, W. W. COLLIER, R. M. EDWARDS, A. E. POTTER and E. M. SMITH, who, being by me duly sworn, on oath say, each for himself:

That they are the identical persons who applied for Charter for the Edinburg Chamber of Commerce to the Secretary of State of the State of Texas.

That this corporation was organized for the exclusive benefit of the City of Edinburg and its surrounding trade territory, and is not, and will not be, operated for profit. The purpose, as stated in this Charter, being generally to promote the interest of trade and to increase the facilities of commercial transactions.

Douglas Mackenzie
H. I. Schlader
E. M. Smith
R. M. Edwards
W. W. Collier
A. E. Potter
.....

Sworn to and subscribed before me on this the 22nd day of March, A. D. 1932.

Mrs. J. C. Hannes
Notary Public, Hidalgo County, Texas

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TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

May 22, 2013

EDINBURG CHAMBER OF COMMERCE
PO BOX 85
EDINBURG, TX 78540-0085

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

Franchise tax, as of 03-25-1932
Sales and use tax, as of 06-17-1981
(provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 32017462881

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations. Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.state.tx.us, or call us at (800) 252-5555

Oscar R. Gonzalez CPA & Associates, PLLC
208 W Ferguson Unit 1
Pharr, TX 78577-2455

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EDINBURG CHAMBER OF COMMERCE, INC.
P.O. BOX 85
EDINBURG, TX 78540-0085

740605448 08/12/2015 10:19 AM

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10/01/13 , and ending 09/30/14

B Check if applicable: Address change; Name change; Initial return; Terminated; Amended return; Application pending

C Name of organization: EDINBURG CHAMBER OF COMMERCE, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): P.O. BOX 85 — Room/suite

City or town, state or province, country, and ZIP or foreign postal code: EDINBURG TX 78540-0085

D Employer identification number: 74-0605448

E Telephone number

G Gross receipts $ 732,698

F Name and address of principal officer:
LETTY GONZALEZ
602 UNIVERSITY DRIVE
EDINBURG TX 78540

H(a) Is this a group return for subordinates? Yes [X] No

H(b) Are all subordinates included? Yes No
If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) [X] 501(c) (6) ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ HTTP://EDINBURG.COM/

H(c) Group exemption number ▶

K Form of organization: [X] Corporation Trust Association Other ▶

L Year of formation: 1932

M State of legal domicile: TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
TO ADVANCE COMMERCE AND THE QUALITY OF LIFE IN EDINBURG AND THE REGION.
FOSTER SERVICE, DEVELOPMENT, AND GROWTH BY FORGING POSITIVE RELATIONSHIPS,
ADVOCATING VOLUNTEERISM, AND LEADERSHIP DEVELOPMENT.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	18
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	18
5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	4
6 Total number of volunteers (estimate if necessary)	6	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

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	Prior Year	Current Year
Revenue		
8 Contributions and grants (Part VIII, line 1h)	405,715	473,545
9 Program service revenue (Part VIII, line 2g)	242,316	254,367
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		0
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	28,729	4,786
12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	676,760	732,698
Expenses		
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14 Benefits paid to or for members (Part IX, column (A), line 4)		0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	210,885	212,597
16a Professional fundraising fees (Part IX, column (A), line 11e)		0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	485,922	461,006
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	696,807	673,603
19 Revenue less expenses. Subtract line 18 from line 12	-20,047	59,095
	Beginning of Current Year	**End of Year**
Net Assets or Fund Balances		
20 Total assets (Part X, line 16)	111,814	197,391
21 Total liabilities (Part X, line 26)	7,071	21,553
22 Net assets or fund balances. Subtract line 21 from line 20	104,743	175,838

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ LETTY GONZALEZ OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MELISSA GONZALEZ, CPA	MELISSA GONZALEZ, CPA	08/12/15		P01339148

Firm's name ▶ OSCAR R. GONZALEZ CPA & ASSOCIATES, PLLC — Firm's EIN ▶ 27-3582518

Firm's address ▶ 208 W FERGUSON UNIT 1
PHARR, TX 78577-2455 — Phone no. 956-787-9909

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

TO ADVANCE COMMERCE AND THE QUALITY OF LIFE IN EDINBURG AND THE REGION. FOSTER SERVICE, DEVELOPMENT, AND GROWTH BY FORGING POSITIVE RELATIONSHIPS, ADVOCATING VOLUNTEERISM, AND LEADERSHIP DEVELOPMENT.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 106,807 including grants of $) (Revenue $)

CONDUCTED TOURISM AND CONVENTION PROMOTIONS THROUGHOUT THE YEAR.

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4b (Code:) (Expenses $ 193,063 including grants of $) (Revenue $)

CONDUCTED CHAMBER AND COMMUNITY ACTIVITIES THROUGHOUT THE YEAR TO ACCOMPLISH THE GOAL OF INDUSTRIAL DEVELOPMENT.

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 299,870

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1		X
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b		X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		X
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

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Part IV Checklist of Required Schedules (continued)

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		X
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? If "Yes," complete Schedule M	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1	34		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 26			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 4			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country: ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		14b		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	18		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

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Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ TX

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ LETTY GONZALEZ PO BOX 85

EDINBURG TX 78540 956-383-4974

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) MICHEAL J. WILLIAMSONE DIRECTOR	1.00 0.00	X						0	0	0
(2) MARTY BAYLOR TREASURER	2.00 0.00	X						0	0	0
(3) JENNIFER GARZA DIRECTOR	1.00 0.00	X						0	0	0
(4) LUCY CANALES DIRECTOR	1.00 0.00	X						0	0	0
(5) ELIAS LONGORIA DIRECTOR	1.00 0.00	X						0	0	0
(6) REY GARZA DIRECTOR	1.00 0.00	X						0	0	0
(7) ROBERT LUCIO DIRECTOR	1.00 0.00	X						0	0	0
(8) MARISSA CASTANEDA DIRECTOR	1.00 0.00	X						0	0	0
(9) MARTY MARTIN CHAIR-ELECT	5.00 0.00	X						0	0	0
10) JACOB DE LEON VICE-CHAIR	3.00 0.00	X						0	0	0
11) ROBERT MCGURK IMMEDIATE PAST-CHAIR	2.00 0.00	X						0	0	0

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(12) ELVA JACKSON GARZA										
	3.00									
VICE-CHAIR	0.00	X						0	0	0
(13) TORIBIO PALACIOS										
	5.00									
CHAIRMAN	0.00	X						0	0	0
(14) GREGORY MARTIN										
	1.00									
DIRECTOR	0.00	X						0	0	0
(15) LEE CASTRO										
	1.00									
DIRECTOR	0.00	X						0	0	0
(16) ALEX RIOS										
	3.00									
VICE-CHAIR	0.00	X						0	0	0
(17) HIREN GOVIND										
	3.00									
VICE-CHAIR	0.00	X						0	0	0
(18) J. J. FLORES										
	1.00									
DIRECTOR	0.00	X						0	0	0
(19) LETTY GONZALEZ										
	40.00									
PRESIDENT	0.00			X				69,010	0	0
1b Sub-total ▶								69,010		
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								69,010		

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 0

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? If "Yes," complete Schedule J for such individual	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b	94,267			
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	50,000			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	329,278			
	g Noncash contributions included in lines 1a-1f: $					
	h Total. Add lines 1a–1f ▶		473,545			
Program Service Revenue		Busn. Code				
	2a FIESTA EDINBURG		134,389	134,389		
	b TEXAS COOKEM		83,059	83,059		
	c LEADERSHIP EDINBURG		14,975	14,975		
	d POKER TOURNAMENT		11,495	11,495		
	e OTHER PROGRAMS		9,444	9,444		
	f All other program service revenue		1,005	1,005		
	g Total. Add lines 2a–2f ▶		254,367			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶					
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less: rental exps.					
	c Rental inc. or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis & sales exps.					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including $ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Busn. Code				
	11a RENT		4,786			4,786
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a–11d ▶		4,786			
	12 Total revenue. See instructions. ▶		732,698	254,367	0	4,786

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	170,901		170,901	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	28,432		28,432	
10 Payroll taxes	13,264		13,264	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	6,795		6,795	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	58,104		58,104	
12 Advertising and promotion	4,974	3,938	1,036	
13 Office expenses	13,127	2,582	10,545	
14 Information technology	6,262		6,262	
15 Royalties				
16 Occupancy	44,955		44,955	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	7,587		7,587	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	9,144		9,144	
23 Insurance	16,708		16,708	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a FIESTA ACTIVITIES	92,155	92,155		
b TEXAS COOKEM	76,113	76,113		
c TOURIST PROMOTIONS	58,024	58,024		
d CONTRACTUAL AND CO OPS	15,956	15,956		
e All other expenses	51,102	51,102		
25 Total functional expenses. Add lines 1 through 24e	673,603	299,870	373,733	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest bearing		37,880	1	54,071
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net			4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 301,311			
	b	Less: accumulated depreciation	10b 157,991	73,934	10c	143,320
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11			12	
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		111,814	16	197,391
Liabilities	17	Accounts payable and accrued expenses		3,334	17	12,825
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		3,737	25	8,728
	26	**Total liabilities.** Add lines 17 through 25		7,071	26	21,553
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ X and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		85,291	27	140,687
	28	Temporarily restricted net assets		19,452	28	35,151
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		104,743	33	175,838
	34	Total liabilities and net assets/fund balances		111,814	34	197,391

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	732,698
2	Total expenses (must equal Part IX, column (A), line 25)	2	673,603
3	Revenue less expenses. Subtract line 2 from line 1	3	59,095
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	104,743
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	12,000
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	175,838

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: EDINBURG CHAMBER OF COMMERCE, INC.

Employer identification number: 74-0605448

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.
Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ____ %
b Permanent endowment ▶ ____ %
c Temporarily restricted endowment ▶ ____ %
The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		71,133	14,028	57,105
c Leasehold improvements				
d Equipment				
e Other		230,178	143,963	86,215
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				143,320

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: EDINBURG CHAMBER OF COMMERCE, INC.

Employer identification number: 74-0605448

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.
Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ____ %
b Permanent endowment ▶ ____ %
c Temporarily restricted endowment ▶ ____ %
The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		71,133	14,028	57,105
c Leasehold improvements				
d Equipment				
e Other		230,178	143,963	86,215
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				143,320

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) PAYROLL TAXES PAYABLE	8,728
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	8,728

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	732,698
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	732,698
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)			5	732,698

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	673,603
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	673,603
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)			5	673,603

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIII Supplemental Information (continued)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: EDINBURG CHAMBER OF COMMERCE, INC.

Employer identification number: 74-0605448

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990

THE FORM 990 DETAILED REVIEW WAS COMPLETED BY THE EXECUTIVE DIRECTOR.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY

REVIEW ON A YEARLY BASIS.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL

COMPENSATION FOR EXECUTIVE DIRECTOR IS APPROVED BY BOARD MEMBERS.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS

COMPENSATION FOR KEY EMPLOYEES IS REQUIRED TO BE APPROVED BY THE BOARD MEMBERS.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION

GOVERNING DOCUMENTS ARE MADE AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

PRIOR PERIOD ADJUSTMENT	$	12,000
INCREASE IN NET ASSETS	$	0

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

DAA

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172
2013
Attachment Sequence No. **179**

Name(s) shown on return: EDINBURG CHAMBER OF COMMERCE, INC.

Identifying number: 74-0605448

Business or activity to which this form relates: INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	9,144

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only–see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs.		S/L	
h	Residential rental property			27.5 yrs.	MM	S/L	
				27.5 yrs.	MM	S/L	
i	Nonresidential real property			39 yrs.	MM	S/L	
					MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a	Class life					S/L	
b	12-year			12 yrs.		S/L	
c	40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	9,144
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2013)

JAA

THERE ARE NO AMOUNTS FOR PAGE 2

Form **990**

Two Year Comparison Report

For calendar year 2013, or tax year beginning 10/01/13 , ending 09/30/14

2012 & 2013

Name: EDINBURG CHAMBER OF COMMERCE, INC.

Taxpayer Identification Number: 74-0605448

			2012	2013	Differences
Revenue	1. Contributions, gifts, grants	1.	311,160	329,278	18,118
	2. Membership dues and assessments	2.	94,555	94,267	-288
	3. Government contributions and grants	3.		50,000	50,000
	4. Program service revenue	4.	242,316	254,367	12,051
	5. Investment income	5.			
	6. Proceeds from tax exempt bonds	6.			
	7. Net gain or (loss) from sale of assets other than inventory	7.			
	8. Net income or (loss) from fundraising events	8.			
	9. Net income or (loss) from gaming	9.			
	10. Net gain or (loss) on sales of inventory	10.			
	11. Other revenue	11.	28,729	4,786	-23,943
	12. **Total revenue.** Add lines 1 through 11	12.	676,760	732,698	55,938
Expenses	13. Grants and similar amounts paid	13.			
	14. Benefits paid to or for members	14.			
	15. Compensation of officers, directors, trustees, etc.	15.			
	16. Salaries, other compensation, and employee benefits	16.	210,885	212,597	1,712
	17. Professional fundraising fees	17.			
	18. Other professional fees	18.	29,396	64,899	35,503
	19. Occupancy, rent, utilities, and maintenance	19.		44,955	44,955
	20. Depreciation and Depletion	20.	8,796	9,144	348
	21. Other expenses	21.	447,730	342,008	-105,722
	22. **Total expenses.** Add lines 13 through 21	22.	696,807	673,603	-23,204
	23. **Excess or (Deficit).** Subtract line 22 from line 12	23.	-20,047	59,095	79,142
Other Information	24. Total exempt revenue	24.	676,760	732,698	55,938
	25. Total unrelated revenue	25.			
	26. Total excludable revenue	26.	676,760	732,698	55,938
	27. Total assets	27.	111,814	197,391	85,577
	28. Total liabilities	28.	7,071	21,553	14,482
	29. Retained earnings	29.	104,743	175,838	71,095
	30. Number of voting members of governing body	30.	18	18	
	31. Number of independent voting members of governing body	31.	18	18	
	32. Number of employees	32.	4	4	
	33. Number of volunteers	33.			

Form **990T**

Two Year Comparison Report

For calendar year 2013, or tax year beginning 10/01/13 , ending 09/30/14

2012 & 2013

Name: EDINBURG CHAMBER OF COMMERCE, INC.

Taxpayer Identification Number: 74-0605448

			2012	2013	Differences
Revenue	1. Gross profit/loss on business activities	1.			
	2. Capital gains/losses	2.			
	3. Income/loss from partnerships and S corporations	3.			
	4. Rental income (net of expense)	4.			
	5. Unrelated debt-financed income (net of expense)	5.			
	6. Interest, and other income from controlled organizations (net of expense)	6.			
	7. Investment income of specific organizations (net of expense)	7.			
	8. Exploited exempt activity income (net of expense)	8.			
	9. Advertising income (net of expense)	9.			
	10. Other income	10.			
	11. **Total trade or business income.** Combine lines 1 through 10	11.			
Expenses	12. Compensation of officers, directors, and trustees	12.			
	13. Other salaries and wages	13.			
	14. Repairs and maintenance	14.			
	15. Bad debts	15.			
	16. Interest	16.			
	17. Taxes and licenses	17.			
	18. Charitable contributions	18.			
	19. Depreciation and Depletion	19.			
	20. Contributions to deferred compensation plans	20.			
	21. Employee benefit programs	21.			
	22. Other deductions	22.			
	23. **Total deductions.** Add lines 12 through 22	23.			
	24. **Taxable income before NOL.** Subtract line 23 from 11	24.			
	25. Net operating loss deduction	25.			
	26. Specific deduction	26.	1,000	1,000	
	27. **Unrelated business taxable income.**	27.	-1,000	-1,000	
Tax & Credits	28. Income tax (corporate or trust)	28.			
	29. Proxy tax	29.			
	30. Alternative minimum tax	30.			
	31. **Total taxes**	31.			
	32. Other credits	32.			
	33. General business credit	33.			
	34. Credit for prior year minimum tax	34.			
	35. **Total credits**	35.			
	36. **Net tax after credits**	36.			
	37. Recapture taxes	37.			
	38. **Total Taxes**	38.			
Due/Refund	39. Prior year overpayment and estimated tax payments	39.			
	40. Payment made with extension	40.			
	41. Backup withholding and foreign withholding	41.			
	42. Other payments	42.			
	43. **Total payments**	43.			
	44. **Balance due/(Overpayment)**	44.			
	45. Overpayment applied to next year	45.			
	46. Penalties	46.			
	47. **Total due/(Refund)**	47.			

EDINBURG CHAMBER OF COMMERCE
602 W.University EDINBURG, TEXAS 78539
2015-2016
EDINBURG CHAMBER BUDGET

[redacted]

Revenues:

TOTAL INCOME	$	403,000.00
TOTAL EXPENSE	$	**399,710.00**
NET DIFFERENCE		**$3,290.00**

INCOME		**Budget 2014-15**		**Budget 2015-16**
Annual Banquet	$	6,000.00	$	7,500.00
Fiesta Edinburg	$	146,500.00	$	135,000.00
Leadership Edinburg	$	5,200.00	$	5,000.00
Member Services (Public Affairs, Seminars)	$	6,000.00	$	12,000.00
Membership Dues	$	90,000.00	$	95,000.00
Night of Lights	$	1,000.00	$	2,000.00
Publications / Advertising	$	1,000.00	$	1,000.00
Texas Cookem (4th of July Event)	$	88,200.00	$	89,000.00
Winter Texan Events	$	2,000.00	$	2,000.00
Digital Board	$	2,000.00	$	2,000.00
UFO Conference	$	5,000.00	$	-
Transfers from General Fund	$	16,500.00	$	16,500.00
Poker Tournament	$	22,000.00	$	15,000.00
City Wide Garage Sales (Twice)	$	5,000.00	$	-
Operating Transfers from CVB/Tourism			$	21,000.00
TOTAL INCOME	$	**396,400.00**	$	**403,000.00**

EXPENSE				
PERSONNEL SERVICES:				
Salaries	$	146,000.00	$	156,010.00
Payroll Taxes	$	13,000.00	$	14,000.00
Health Insurance	$	18,500.00	$	19,200.00
Auto Allowance	$	10,800.00	$	-
Simple IRA	$	4,400.00	$	4,700.00
OPERATING EXPENSES				
Annual Banquet	$	5,000.00	$	5,000.00
Membership	$	1,000.00	$	1,000.00
Hospitality	$	1,000.00	$	1,000.00
Committee Meals	$	6,000.00	$	6,000.00
Contract Labor	$	12,000.00	$	12,000.00
Dues & Subscriptions	$	2,000.00	$	2,000.00
Fiesta Edinburg	$	82,000.00	$	82,000.00
Insurance (Non Owned / Workman's Comp.)	$	1,500.00	$	2,000.00
Leadership Edinburg	$	4,000.00	$	4,000.00
Professional Conferences & Meetings	$	4,000.00	$	5,000.00
Taxes	$	1,000.00	$	1,000.00
Texas Cookem (4th of July Event)	$	68,550.00	$	69,800.00
Professional Services	$	1,000.00	$	1,000.00
Member Services (PPL, Seminars, etc.)	$	7,000.00	$	10,000.00
Poker Tournament	$	4,000.00	$	4,000.00
TOTAL EXPENSE	$	**392,750.00**	$	**399,710.00**

BY – LAWS
Edinburg Chamber of Commerce
Edinburg, Texas

ARTICLE I
GENERAL

Section 1: NAME

This organization is incorporated under the Laws of the State of Texas and shall be known as the Edinburg Chamber of Commerce, Incorporated, hereafter referred to as "The Chamber."

Section 2 : OBJECTIVES

The Chamber is organized to advance the general welfare and prosperity of the Edinburg area so that its citizens and all areas of its business community shall prosper. Particular attention and emphasis shall be given to the development and promotion of employment, leadership, tourism, and the agricultural, industrial, economic, cultural, educational and general business interest of the total community.

Section 3: LIMITATIONS OF METHODS

The Chamber shall observe all local, state, and federal laws which apply to a non –profit organization as defined in Section 501 (c) (6) of the
Internal Revenue Code and shall in all its activities be nonpartisan, nonpolitical, and nonsectarian.

ARTICLE II
MEMBERSHIP

Section 1: ELIGIBILITY

Any person, association, corporation, partnership, or estate having an interest in the objectives of The Chamber shall be eligible to apply for membership,

Section 2: APPROVAL OF MEMBERS

Applications for membership shall be in writing, on forms provided for that purpose, and signed by the applicant. Approval of members shall be by the majority vote of the Board. Any applicant so approved shall become a member upon a payment of the regularly scheduled investment as provided in Section 3 of the Article 11.

Section 3: INVESTMENTS

Membership investment shall be at such rate or rates, schedule or formula as may be from time to time prescribed by the Board of Directors, payable annually in advance.

A member in good standing shall be defined as a member who is no more than sixty (60) days delinquent in payment of dues.

A delinquent member shall be defined as a member who is sixty (60) to ninety (90) days past due.

Section 4: TERMINATION

A. Any member may resign from the Chamber upon written request to the Board of Directors.

B. Any member shall be automatically expelled for nonpayment of dues after ninety (90) days from the due date.

C. Any member/volunteer may be expelled by two-thirds (2/3) vote of the Board of Directors, at any scheduled meeting, for non compliance with the Code of Ethics (Exhibit A) or the Conflict of Interest Statement (Exhibit B) or for conduct unbecoming a member or behavior that is prejudicial to the aims or reputation of the Chamber. The affected member is entitled to a due process hearing after receiving formal notice of By-Law violation(s)

Section 5: VOTING

A. In any proceeding in which voting by members is called for, each member person or each member firm, association, or corporation, shall be entitled to one (1) vote. Each member firm, association, or corporation in good standing shall designate its voting member.

B.SIMPLE MAJORITY DEFINED

Unless otherwise specifically stated, a majority vote shall be by simple majority. Said majority shall consist of fifty percent plus one (50% + 1).

Section 6: EXERCISE OF PRIVILEGES

Each firm, association, corporation, partnership, or estate holding membership may designate the individual whom the membership holder desires to exercise the privileges of the membership covered by its subscription, and shall have the right to change its membership designation upon written notice to the President.

Section 7: ORIENTATION

At regular intervals, orientation on the objectives and activities of The Chamber shall be conducted for the following groups: new directors, committee leaders, committees, and new members. A detailed outline for orientation of each of these groups shall be part of the Chamber's administrative manual.

ARTICLE III
GENERAL MEMBERSHIP MEETINGS

Section 1: ANNUAL MEETING

The annual meeting of the corporation, in compliance with state law, shall be held before the end of each fiscal year. The time and place of the meeting shall be fixed by the Board of Directors and notice shall be mailed to each member at least thirty (30) days before said meeting.

Section 2: ADDITIONAL CALLED MEETINGS OF THE MEMBERSHIP

General meetings of the Chamber may be called by the Chairman of the Board at any time upon petition in writing of thirty (30) members in good standing, or by a simple majority vote of the Board of Directors.

Section 3: QUORUM

At any duly called General Meeting of the Chamber, ten percent (10%) of its members or a simple majority of the board shall constitute a quorum.

Section 4: NOTICES, AGENDA, MINUTES

Written notice of all Chamber General Membership meetings must be given at least ten (10) days in advance unless otherwise stated. An advance agenda for the upcoming meeting, and minutes of the previous meeting shall be prepared.

ARTICLE IV
BOARD OF DIRECTORS

Section 1: COMPOSITION OF THE BOARD

The Board of Directors shall be composed of eighteen (18) voting members, with elections held yearly to replace six (6) members, or until their successors have been qualified. The government and policy making responsibilities of The Chamber shall be vested in the Board of Directors, which shall control the Chamber's properties, be responsible for its finances, and direct its affairs.

A term shall be defined as three (3) years. No member of the Board of Directors shall serve in this capacity for more than two (2) consecutive terms or six (6) cumulative years in succession. Following each period of consecutive service, one (1) year must elapse before the member shall again be eligible for service unless appointed to serve in an ex-officio capacity. The only other exception to this would be if a member were elected chairman-elect or treasurer, in which case the member will serve as a member of the Board of Directors for the years that they held the position of Chairman-Elect, Chairmen, Immediate Past Chairman and Treasurer.

Only one representative per Chamber member will be able to serve on the Board of Directors at any given time.

All members of the Board of Directors will be asked to sign the attached Code of Ethics agreement and Conflict of Interest Statement will be sworn in at the first scheduled Board of Directors Meeting.

Ex-Officio members (non voting), shall be recommended by the Chairman and subject to Board approval. No ex-officio member shall serve more than one fiscal year without reappointment.

Section 2: SELECTION AND ELECTION OF DIRECTORS

A. NOMINATIONS: At the regular May Board meeting, the Chairman of the Board shall appoint a Nominating Committee composed of a past Chairman of the Board, Chairman-Elect, two (2) Board members, and one member-at-large. The Chairman of the Board shall serve as Chairman of the Nomination Committee and will be a non-voting member except in an event of a tie.

The Nominating Committee shall present to the Board of Directors the name of those directors whose regular terms are expiring and a list of nominees consisting of six (6) candidates for the vacancies to be filled. Prior to the end of the fiscal year, the Board shall review, in Executive Session, the recommendations of the Nominating Committee and shall develop a single slate of only as many candidates as there are vacancies to be filled. After ensuring the commitment of each candidate, the Board shall immediately notify the membership by mail of the names of the persons nominated as candidates for director, and of the right and mechanism of nomination by petition.

B. PETITION OF NOMINATIONS: Additional names of candidates for Directors can be nominated by petition bearing the genuine signatures of at least twenty-five (25) members in good standing of the Chamber. Candidates nominated by petition must be members in good standing and must have agreed to accept the responsibility.

Such petitions shall be filed with Nominating Committee within the (15) days of the post-mark of the notice of the names of those being nominated. The determination of the nominating committee shall be final as to the legality of the petitions.

C. DETERMINATION: If no petition is filed within the designated period, the nominations shall be closed and the nominated slate of candidates shall be declared elected at the Board of Directors regular July Board Meeting.

If a legal petition shall present additional candidates, candidates shall be arranged on a ballot in alphabetical order. Instructions will be to vote for six (6) candidates only. The President will mail this ballot to all active members at least (15) days before the regular July Meeting of the Board. The ballots shall be marked in accordance with instructions printed on the ballot and shall be returned within ten (10) days of the post-mark as set forth on the ballot. The Board of Directors shall at the regular July Board meeting declare the six (6) candidates with the greatest number of voted elected.

D. ELECTION JUDGES: If an election is required due to nomination by petition the Chairman of the Board shall appoint, subject to the approval by the Board of Directors, at least three (3) but not more than five (5) judges who are not members of the Board of Directors or candidates for election. Such judges shall have complete supervision of the election, including the auditing of the ballots. The judges shall report the result of the election to the Board of Directors.

Section 3: SEATING OF NEW DIRECTORS

All newly elected directors shall be seated at the regular October Meeting of the Board of Directors and shall thereafter be participating members.

Section 4: VACANCIES AND/OR REMOVAL

A member of the Board of Directors who shall be absent for three (3) regular meetings of the Board of Directors during the fiscal year shall have their Board status reviewed by the executive committee, and after communication with the member, the executive committee shall determine if the member shall be removed.

Vacancies on the Board of Directors, or among the officers, shall be filled by the Board of Directors by a majority vote. The new director(s) thus appointed shall serve the remainder of the un-expired term, or until the next election.

Section 5: POLICY

The Board of Directors is responsible for establishing procedures and formulation of the policies of the Chamber. It is also responsible for adopting all policies of the organization. These policies shall be maintained in a policy manual, to be reviewed annually and revised as necessary.

Section 6: MANAGEMENT

The Board of Directors shall employ a President and shall set the salary and other consideration of employment. The Executive Board will perform an annual evaluation of the President.

Section 7: INDEMNIFICATION

The Chamber shall indemnify, all of its directors or former officers, directors, employees, or authorized volunteers, to the extent required by law. The Chamber may, by resolution, provide for additional indemnification as allowed by law, including indemnification against expenses actually and necessarily incurred in connection with the defense of any action, suit, or proceeding.

Section 8: MEETINGS

A. REGULAR MEETINGS: Regular meetings of the Board shall be held once each month at a time and place to be determined at the October meeting of the Board by a majority vote of the total membership of the Board. This October meeting of the Board shall be held at the offices of the Chamber at 12:00 p.m. on the third Tuesday of October.

B. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the Chairman of the Board, or by written petition of at least six (6) members of the Board.

Section 9: NOTICE OF BOARD MEETING

A. Notice of each regular meeting of the Board shall be given to each director prior to the meeting. This shall include a proposed agenda. Items not on the agenda must be approved for consideration by a majority vote of the Board quorum.

B. Notice of special meetings, including the purpose for which said special meeting is called, shall be given to each director prior to the meeting.

Section 10: QUORUM FOR BOARD MEETING

A simply majority of the total voting membership of the board shall constitute a quorum. A majority of those present at any meeting, even though less than a quorum, may recess such a meeting and set the time and place for the reconvening of said meeting.

Section 11: AGENDA FOR BOARD MEETING

The agenda for all regular and special meetings of The Board shall be prepared by the President, with the items of the agenda determined by the President, Chairman of the Board, or by written request from any three (3) members of the Board, or by any ten (10) voting members of The Chamber.

ARTICLE V
OFFICERS

Section 1: DETERMINATION OF OFFICERS

The Board of Directors, at its regular July Meeting, shall receive the slate of officers for the coming year as recommended by the Nominating Committee. At this July meeting of the Board, the Board shall elect the Chairman of the Board, Chairman-Elect, as many Vice Chairmen as is deemed necessary to conduct the activities of the Chamber, and the Treasurer. Election of Officers shall be by majority vote. All officers shall serve for a term of one (1) year except the Treasurer who shall serve two (2) years or until the successors assume the duties of office, and all officers shall be voting members of the Board of Directors.

Section 2: DUTIES OF OFFICERS

A. CHAIRMAN OF THE BOARD: The Chairman of the Board shall serve as the chief elected officer of The Chamber and shall preside at all meetings of the membership, Board of Directors, and Executive Committees.

The Chairman of the Board shall, with advice and counsel of the Executive Committee and President, determine all committees subject to the approval of the Board of Directors.

B. CHAIRMAN- ELECT: The Chairman-Elect shall exercise the powers and authority and perform the duties of the Chairman in the absence or disability of the Chairman. The Chairman-Elect or designee shall also serve as chairman of the Ambassadors of The Chamber.

C. VICE-CHAIRMAN: The duties of Vice-Chairman shall be such as their titles by general usage would indicate as well as those assigned by the Chairman of the Board of Directors. They will also have under their immediate jurisdiction all committees pertaining to their general duties and assignments.

D. TREASURER: The treasurer shall be responsible for the safe-guarding of all funds received by The Chamber and for their proper disbursement. Such funds shall be kept on deposit in financial institutions, or invested in a manner approved by the Board. Checks are to be signed by the Treasurer and the President, or, in the absence of either by the Chairman of the Board. The Treasurer shall cause a monthly financial report to be made to the Board.

E. PRESIDENT: The President shall be the chief administrative and executive officer of The Chamber in keeping with the duties set for in the job description. The President shall serve as secretary to the Board of Directors, and cause to be prepared notices, agendas and minutes of meetings of the Board.

The President shall serve as advisor to the Chairman of the Board and shall assemble information and data and cause to be prepared special reports as required by the program of The Chamber.

The President shall be a voting member of the Board of Directors, the Executive Committee, and all councils, committees, and task force.

With assistance of Committee Chairman, the President shall be responsible for administration of the Program of Work in accordance with the policies and regulations of the Board of Directors.

The President shall be responsible for hiring, discharging, directing, supervising, and training of all employees.

The President shall serve at the will and pleasure of the Board of Directors.

With the cooperation of the Executive Committee, the President shall be responsible for the preparation of an operating budget covering all activities of the Chamber, to be presented for approval of the Board of Directors not later than the October meeting, or at such other time as may be set by the Board. The President shall be responsible for all expenditures within approved budget allocation.

Section 3: EXECUTIVE COMMITTEE

The Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session, but shall be accountable to the Board for its actions and shall report its actions to the Board at the next regular scheduled Board meeting. It shall be composed of the Chairman of the Board, Immediate Past Chairman of the Board, Chairman-Elect, Vice-Chairmen, Treasurer, and the President. The Chairman of the Board will serve as the Chairman of the Executive Committee. Four (4) members of the Executive Committee shall constitute a quorum.

ARTICLE VI

Section 1: APPOINTMENTS COMMITTEES AND DIVISIONS

The Chairman of the Board, by and with the approval of the Board of Directors, shall appoint all committees/task forces and committee/task force leaders. The Chairman of the Board may appoint such ad hoc committees and the leaders as deemed necessary to carry out the program of The Chamber. Committee appointments shall be at the will and pleasure of the Chairman of the Board and shall serve concurrent with the term of the appointing Chairman of the Board, unless a different term is approved by the Board of Directors.

It shall be the function of committees/task forces to make investigations, conduct studies and hearings, make recommendations to the Board of Directors, and to carry such activities as may be delegated to them by the Board.

Section 2: LIMITATION OF AUTHORITY

No action by any member, committee, task force, division, employees, director, or officer shall be binding upon, or constitute an expression of the policy of The Chamber until it shall be approved or ratified by the Board of Directors.

The Chairman of the Board shall discharge Committees/task forces when their work has been completed and their reports accepted, or when in the opinion of the Board of Directors, it is deemed wise to discontinue the committee/task forces.

Section 3: TESTIMONY

Once committee/task force action has been approved by the Board of Directors, it shall be incumbent upon the Chairman of the Board, or in his absence, whomever may be designated as being familiar enough with the issue to give testimony to, or make presentations before civic and governmental agencies.

Section 4: NOTICE

Notice of all committee/task force meetings shall be given prior the time of such meeting.

Section 5: QUORUM

A majority of any committee will constitute a quorum except when a committee consists of more than nine (9) members five (5) shall constitute a quorum.

Section 6: DIVISIONS

The Board of Directors may create such divisions, bureaus, departments, councils, or subsidiary corporations, as it deems advisable to handle the work of the Chamber.

The Board shall authorize and define the powers and duties of all divisions, bureaus, departments, councils, and subsidiary corporations. The Board shall annually revise and approve all activities and proposed programs of such divisions, bureaus,

departments, councils, or subsidiary corporations, including collections, disbursement and auditing of funds.

No action or resolution of any kind shall be taken by the divisions, bureaus, departments, councils, or subsidiary corporations having bearing upon, or expressive of The Chamber, unless approved by the Board of Directors of The Chamber.

ARTICLE VII
FINANCES

Section 1: FUNDS

All money paid to the Chamber shall be placed in a general operating fund or may, on the vote of the majority of the Board of Directors, be placed in special funds and carry specific assignments in support of one or more phases of the Chamber's Program of Work.

Section 2: DISBURSEMENTS

Upon approval of the budget, the President is authorized to make disbursements on accounts and expenses provided for in the budget without additional approval of the Board of Directors. Disbursement shall be made by check.

Section3: FISCAL YEAR

The fiscal year of the Chamber shall close on September 30.

Section 4: BUDGET

A budget shall be prepared and approved as set out in Article V, Section 2E, Paragraph 7.

Section 5: ANNUAL AUDIT

The accounts of the Chamber of Commerce shall be audited annually as of the close of business on September 30 by a Certified Public Accountant. The audit shall at all times be available to members of the organization within the offices of the Chamber.

Section 6: BONDING

The President and such other officers and staff as the Board of Directors may designate, may be bonded by a sufficient fidelity bond in the amount set by the Board and paid by The Chamber.

ARTICLE VIII
DISSOLUTION

The Chamber will use its funds only to accomplish the objectives and purposes specified in this by- laws, and no part of said funds shall insure, or be distributed to the members of The Chamber. On dissolution of The Chamber, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors as defined in IRS Section 501 (c) (6).

ARTICLE IX
PARLIAMENTARY AUTHORITY

The current edition of Robert's Rules of Order shall be the final source of authority in all questions of parliamentary procedure when such rules are not inconsistent with the Charter or By-Laws of The Chamber and such Rules of Order will be interpreted by the Immediate Past Chairman whose ruling shall be final and absolute.

ARTICLE X
AMENDMENTS

These by-laws may be amended or altered by a two-thirds (2/3) vote of the Board of Directors, or by a majority of the total membership at any regular or special meeting, providing the notice for the meeting included the proposals for amendments. Any proposed amendments or alterations shall be submitted to the Board and/or the members in writing at list ten (10) days in advance of the meeting at which they are to be acted upon.

ARTICLE XI
ENACTMENT

Section 1:

Upon enactment, this set of By-Laws will supersede any and all previous By-Laws.

ADOPTED ON JUNE 28, 2000 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE GENERAL MEMBERSHIP

AMENDED ON SEPTEMBER 24, 2002 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON SEPTEMBER 29, 2004 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON MAY 22, 2006 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON JUNE 19, 2006 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON MARCH 28, 2011 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON APRIL 18, 2011 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

AMENDED ON OCTOBER 20, 2014 BY A UNANIMOUS VOTE OF THE EDINBURG CHAMBER OF COMMERCE BOARD OF DIRECTORS

Chairman of the Board

President

C:\My Documents\Chamber Policies\By Laws Adopted

Edinburg Chamber of Commerce
Board Member Code of Ethics
(Exhibit A)

As a member of the Edinburg Chamber of Commerce Board of Directors, I will:

→Listen Carefully to my fellow Board Members
→Respect the opinion of my fellow Board Members
→Respect and support all decisions made by the Board
→Recognize that all authority is vested in the full Board only when it meets in legal session.
→Keep well informed of developments relevant to issues that may come before the Board
→Participate actively in Board meetings and actions
→Bring to the attention of the Board any issues that I believe will have an adverse effect on the Chamber or our membership.
→Refer complaints to the proper level in the chain of command
→Recognize that my job is to ensure that the Chamber is well-managed, not to manage the Chamber.
→Represent all those whom this Chamber serves and not a particular area or interest group
→Consider myself a "trustee" of the Chamber and do my best to ensure that it is well-maintained, financially secure, growing and always operating in the best interest of those we serve.
→Always work to learn how to do my job better
→Declare conflicts of interest between my personal life and my position on the Board, and abstain from voting when appropriate.

As a member of the Board of Directors, I will not:

→Criticize fellow Board Members or their opinions, in or out of the board room
→Use the Chamber for my personal advantage or that of my friends or relatives
→Discuss the confidential proceedings of the Board outside the board room
→Promise how I will vote on an issue before a meeting
→Interfere with the duties of the administrator (President) or undermine his or her authority with staff members.

Board's Member Name _____

Signature_____ Date_____

Edinburg Chamber of Commerce
Potential Conflict of Interest Statement
(Exhibit B)

I have read the statement of policy regarding conflicts of interest.

To the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal business relationship is engaged in any transaction or activity or has any relationship that may represent a potential competing or conflicting interest, as defined in the statement of policy.

Further, to the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal, business, or compensated professional relationship intends to engage in any transactions, to acquire any interest in any organization or entity, or to become the recipient of any substantial gifts or favors that might be covered by the statement or policy regarding conflicts of interest.

(A) Without exception ____

(B) Except as described below _____

_____
_____
_____
_____
_____

Board Member:
Board Member Signature: _____

Date: _____

Leticia Gonzalez

P.O. Box 1814 ▪ Elsa, Texas 78543 ▪ (956) 457-3374

PROFILE

Senior Level Management Professional with 28 years Chamber Experience with 13 years of Executive Experience.

STRENGTHS/ SKILLS

- Knowledge of managing the operation of the Chamber of Commerce
- Excellent communication, presentation and networking skills
- Confident / Team Player
- Positive/ Energetic/ Passion
- Conduct meetings and coordinate activities

EDUCATION

Edcouch Elsa High School — Edcouch, Texas
Graduated 1985

South Texas Vo-Tech — Weslaco, Texas
Graduated 1987

Texas Chamber of Commerce Executives

Texas Festivals and Events Association

Texas Travel Industry Association

Texas Association of Conventions and Visitors Bureau

PROFESSIONAL EXPERIENCE

Edinburg Chamber of Commerce — Edinburg, Texas

President 8/2003 - Present

- Program of Work – responsible for identification of Chamber and community needs and of the preparation of a program of work designed to meet the needs.
- Chamber Structure and Procedures
- Motivation of Volunteers – motivate and inspire volunteers to creative and fruitful action.
- Income and Expenses – Through the Budget and Finance Committee, the President is responsible for developing the Chamber's Budgets and relating budgets to program goal.
- Membership – Responsible for maintaining the membership at a level that will ensure necessary income for the operation of the program.
- Staff – Responsible for the employment of all staff personnel, the assignment of their duties, supervision of their work.
- Interpretation of Policy – Will ensure the Chamber policy, as established by the Board, is properly recorded in minutes and indexes in the Policy Manual.
- Headquarters – Responsible for the location, design, and maintenance of headquarters that will provide for an efficient operation and present an attractive "front door" for the Chamber.
- Liaison – With the Board of Directors, Chamber Members, Staff and with the Community.

Membership Director 10/1993- 8/2003

- Developed and implemented a membership program designed to attract new members and bring in needed revenues to finance Chamber programs.
- Reevaluated membership investments (dues) to guarantee compatibilities with the growth of the Community and Chamber.
- Consulted with members and referred complaints and problems to the appropriate Chamber departments.
- Helped member's select committees.
- Developed membership education and information programs through after hours meetings, breakfast, luncheons, news releases and publications.
- Served as Secretary to the Membership/Ambassadors Committee and organized any and all membership campaigns.
- Developed and maintained a system for identifying prospective members and publish membership sales literature.
- Set up and maintained membership records, and handle all letters, reports, minutes and special bulletins on membership procedures.
- Performed accounting activities as related to Membership, including maintaining membership accounts, prepare membership bills, and statements, received and credited membership payments, etc.

Secretary/Office Manager 1/1988 – 10/1993

- Greeted the public
- Scheduled meetings
- Updated staff calendars
- Answered telephone
- Maintained front office, stocking literature
- Assisted President and Assistant Manager
- Handled purchasing

ORGANIZATIONS

DHR Cancer Foundation 2014 – 2015

A foundation that provides support for cancer patients in the Rio Grande Valley. The mission is to fulfill Cancer patients needs when it comes to their dietary habits.

Edinburg C.I.S.D. – H-E-B Excellence in Education Selection Process – 2014

Served on a panel with students, teachers, administrators during the final question and answer process by HEB representatives and committee.

Edcouch- Elsa High School Baseball Booster Club 2012-2014

Raised money for the high school baseball organization.

Kiwanis Club of Edinburg 2006-2014

Served as President for two years. The Club is composed of various individuals from the local area. The organization supports children's organizations.

REFERENCES AVAILABLE UPON REQUEST

Committee Roster

BOARD OF DIRECTORS 2015-2016

Ms. Dina Araguz, Vice Chair of Leadership Edinburg
International Bank of Commerce
P.O. Box 579
McAllen, TX 78505-0579
Email: daraguz@ibc.com

PHONE:(956) 686-0263 FAX:(956) 632-3569

Mr. Marty Baylor, Treasurer
The University of Texas Rio Grande Valley
1201 W. University Drive
Edinburg, TX 78539
Email: martin.baylor@utrgv.edu

PHONE:(956) 665-2121 FAX:(956) 665-2307

Ms. Lucy Canales, Director
Linebarger Goggan Blair & Sampson, LLP
205 S Pin Oak Ave.
Edinburg, Tx 78539
Email: lucyc@lgbs.com

PHONE:(956) 383-4500 FAX:(956) 383-7820

Mr. Lee Castro, Director
Legacy Chapels
4610 S Jackson Rd
Edinburg, TX 78539
Email: le_casfd@hotmail.com

PHONE:(956) 618-5900 FAX:(956) 618-5918

Mr. Jacob De Leon, Chair-Elect
Memorial Funeral Home
P.O. Box 1517
Edinburg, TX 78540
Email: ssjacob6969@yahoo.com

PHONE:(956) 380-1416 FAX:(956) 380-0207

Mr. J.J. Flores, Director
Chorizo de San Manuel, Inc.
36080 N. Hwy 281
Edinburg, Tx 78541
Email: jj@chorizosanmanuel.com

PHONE:(956) 383-8751 FAX:(956) 383-0334

Ms. Elva Jackson Garza, Vice Chair of Public Affairs
Edwards Abstract and Title Co.
3111 W. Freddy Gonzalez Dr.
Edinburg, TX 78539
Email: elva.garza@edwards-titleco.com

PHONE:(956) 383-4951 FAX:(956) 383-5443

Ms Jennifer Garza, Director
Edinburg Regional Medical Center/South Texas Health Systems
1102 W Trenton Rd
Edinburg, TX 78539
Email: jennifer.garza@uhsrgv.com
PHONE:(956) 388-6601 FAX:(956) 383-6020

Mr. Rey Garza, Director
H-E-B Edinburg #2
2700 W. Freddy Gonzalez
Edinburg, TX 78539
Email: garza.rey@heb.com

PHONE:(956) 383-4083 FAX:(956) 383-4610

Mrs. Letty Gonzalez, President
Edinburg Chamber of Commerce
P.O. Box 85
Edinburg, TX 78540
Email: chamber@edinburg.com

PHONE:(956) 383-4974 FAX:(956) 383-6942

Mr Sergio Gonzalez, Director
Rosie's Flower Shop
3123 S Closner
Edinburg, TX 78539
Email: rosiesflowershop1997@yahoo.com

PHONE:(956) 383-1046 FAX:(956) 383-1046

Mr. Hiren Govind, Vice Chair of Tourism
Best Western Plus- Edinburg Inn and Suites
2115 Ann Street
Edinburg, TX 78539
Email: hmgovindBW@GMAIL.com

PHONE:(956) 318-0442 FAX:(956) 318-0702

Mr. Mario Lizcano, Director
Doctors Hospital at Renaissance
5501 S. McColl
Edinburg, TX 78539
Email: m.lizcano@dhr-rgv.com

PHONE:(956) 362-7174 FAX:(956) 362-3112

Mr. Robert Lucio, Director
Fiesta Chevrolet
4002 S. Expressway 281
Edinburg, TX 78542
Email: rglucio15@gmail.com

PHONE:(956) 381-4444 FAX:(956) 287-5154

Mr. Gregory Martin, Director
Martin Farm & Ranch Supply Inc.
215 E. Monte Cristo Rd.
Edinburg, TX 78541
Email: gregdm9@gmail.com

PHONE:(956) 383-4949 FAX:

Mr. Marty Martin, Chairman
Rio Valley Realty
4751 S. Jackson Rd.
Edinburg, TX 78539
Email: riomarty@aol.com

PHONE:(956) 821-3044 FAX:(956) 682-3302

Mr. Toribio "Terry" Palacios, Immediate Past
Law Offices of Garcia, Quintanilla & Palacios
5526 N. 10th
McAllen, TX 78504
Email: gqplaw@yahoo.com

PHONE:(956) 682-9477 FAX:(956) 682-0223

Mr. Alex Rios, Vice Chair of Special Events
Kids' Kollege Learning Center
302 Conquest Blvd
Edinburg, TX 78539
Email: alexrios1980@aol.com

PHONE:(956) 289-1600 FAX:(956) 289-1601

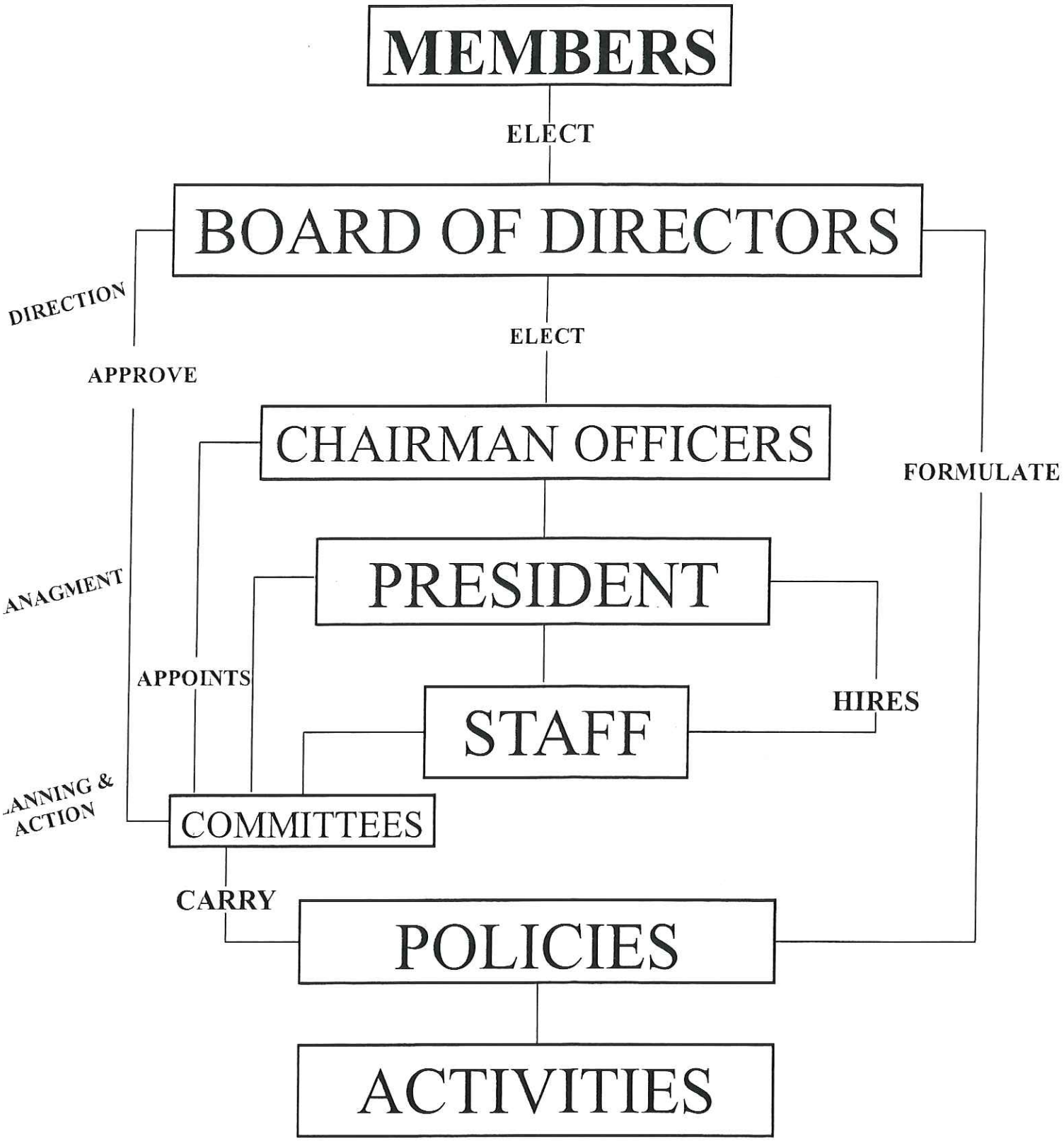
Mr. Michael J. Williamson, Director
PlainsCapital Bank
1920 S. Closner
Edinburg, TX 78539
Email: michael.williamson@plainscapital.com

PHONE:(956) 380-5219 FAX:( ) 383-3225

Total forBOARD OF DIRECTORS 2015-2016 19

EDINBURG CHAMBER OF COMMERCE

Organizational Flow Chart



Edinburg Chamber of Commerce
602 W. University Dr. Edinburg, Texas 78539
956-383-4974
www.edinburg.com

IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248219411
July 02, 2013 LTR 4168C 0
74-0605448 000000 00
00023832
BODC: TE

EDINBURG CHAMBER OF COMMERCE INC
PO BOX 85
EDINBURG TX 78540

043320

Employer Identification Number: 74-0605448
Person to Contact: Laura A. Botkin
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your June 21, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(6) of the Internal Revenue Code in a determination letter issued in May 1958.

Because you are not an organization described in section 170(c) of the Code, donors may not deduct contributions made to you. You should advise your contributors to that effect.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Richard McKee

Richard McKee, Department Manager
Accounts Management Operations

EDINBURG
CHAMBER OF COMMERCE

April 27, 2016

To Whom It May Concern:

On behalf of the Edinburg Chamber of Commerce, we authorize Leticia Gonzalez, President of the Edinburg Chamber of Commerce, to enter into contracts with the City of Edinburg.

If you should have any questions, please feel free to call me at (956) 821-3044.

Sincerely,

Marty Martin
Chairman of the Board
Edinburg Chamber of Commerce

P.O. Box 85
Edinburg, Texas 78540

602 W. University
956 383-4974
956 383-6942 FAX
1-800-800-7214
chamber@edinburg.com

TexasMutual® Insurance Company

6210 E Highway 290
Austin, Texas 78723-1098

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE

ITEM 1 — INSURED NAME AND ADDRESS

EDINBURG CHAMBER OF COMMERCE
602 W UNIVERSITY DR
EDINBURG, TX 78539-3232

POLICY NUMBER
SBP-0001114354 20160301

Federal Tax ID 74-0605448
Bureau Number
Branch AUSTIN
Renewal of 0001114354
Entity CORPORATION
Interim Adjustment Group
NCCI Carrier Code 29939

OTHER WORKPLACES NOT SHOWN ABOVE:
see attached schedule of operation.

PRODUCER 25389

VALLEY INSURANCE SERVICES COMPANY
DBA: ALDRICH SMITH & BAKER
508 S 12TH AVE
EDINBURG, TX 78539

ITEM 2 — **The Policy Period is from:** 3-01-2016 **To:** 3-01-2017 **12:01 A.M. standard time at the insured's mailing address**

ITEM 3

A. **Workers' Compensation Insurance:** Part One of the policy applies to the Workers' Compensation Law of the states listed here: TEXAS

B. **Employers Liability Insurance:** Part Two of the policy applies to work in each state listed in item 3A. The Limits of our Liability under Part Two are:

Bodily Injury by Accident	$	500,000	**Each Accident**
Bodily Injury by Disease	$	500,000	**Each Employee**
Bodily Injury by Disease	$	500,000	**Policy Limit**

C. **Other States Insurance:** Part Three of the policy applies to the states, if any, listed here: NONE

D. **This policy includes these endorsements and schedules:**

See Schedule of Endorsements attached

ITEM 4

The premium for this policy will be determined by our manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

TOTAL ESTIMATED STANDARD PREMIUM	$	614.00
WAIVER OF SUBROGATION	:	.00
INCREASED EMPLOYERS LIABILITY LIMITS	:	100.00
TOTAL PREMIUM SUBJECT TO MODIFICATIONS	:	714.00
PREMIUM MODIFIED TO REFLECT PREM INCENTIVE OF (.85)	:	107.00-
PREMIUM MODIFIED TO REFLECT SCHEDULE RATING OF ( )	:	.00
WORKERS' COMP HEALTH CARE NETWORK DISCOUNT ( )	:	.00
DEDUCTIBLE PREMIUM	:	.00
ADMIRALTY/FELA OR L & H W	:	.00
PREMIUM DISCOUNT, IF APPLICABLE ( )	:	.00
EXPENSE CONSTANT CHARGE	:	150.00
TOTAL ESTIMATED ANNUAL PREMIUM	$	757.00

MINIMUM PREMIUM 178.00

DEPOSIT PREMIUM 757.00

Countersigned by

Issue Date: 3-07-2016

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WC000001B (ED. 1-1-2015)

State Farm

STATE FARM LLOYDS
A LLOYDS COMPANY IN DALLAS, TEXAS

P.O. Box 799100
Dallas, TX 75379-9100

M-25-8259-FB64 F N

002645 3123

Named Insured

EDINBURG CHAMBER OF COMMERCE
PO BOX 85
EDINBURG TX 78540-0085

DECLARATIONS AMENDED FEB 24 2016

Policy Number	90-KK-5536-8	
Policy Period	**Effective Date**	**Expiration Date**
12 Months	NOV 17 2015	NOV 17 2016

The policy period begins and ends at 12:01 am standard time at the premises location.

Agent and Mailing Address
SAM SALDIVAR
2108 S HIGHWAY 281
EDINBURG TX 78539-6475

PHONE: (956) 383-4312
(956) 383-1242

Businessowners Policy

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Entity: Corporation
Reason for Declarations: Your policy is amended FEB 24 2016
ADDL INSURED INFORMATION CHANGED
PREMIUM ADJUSTMENT
FORM CMP-4788 CHANGED

Endorsement Premium None

Discounts Applied:
Renewal Year
Years in Business
Protective Devices
Age of Building
Claim Record

RECEIVED
APR 19 2016
By

Prepared
APR 11 2016
CMP-4000

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Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

SECTION I - PROPERTY SCHEDULE

Location Number	Location of Described Premises	Limit of Insurance* Coverage A - Buildings	Limit of Insurance* Coverage B - Business Personal Property	Seasonal Increase- Business Personal Property
001	602 W UNIVERSITY EDINBURG TX 78539-3233	$ 634,900	$ 91,200	25%

* As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

SECTION I - INFLATION COVERAGE INDEX(ES)

Cov A - Inflation Coverage Index: 146.6
Cov B - Consumer Price Index: 238.7

SECTION I - DEDUCTIBLES

Basic Deductible $1,000

Special Deductibles:

Money and Securities	$250	Equipment Breakdown	$1,000

Other deductibles may apply - refer to policy.

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SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - EACH DESCRIBED PREMISES

The coverages and corresponding limits shown below apply separately to each described premises shown in these Declarations, unless indicated by "See Schedule." If a coverage does not have a corresponding limit shown below, but has "Included" indicated, please refer to that policy provision for an explanation of that coverage.

COVERAGE	LIMIT OF INSURANCE
Accounts Receivable	
On Premises	$10,000
Off Premises	$5,000
Arson Reward	$5,000
Collapse	Included
Damage To Non-Owned Buildings From Theft, Burglary Or Robbery	Coverage B Limit
Debris Removal	25% of covered loss
Equipment Breakdown	Included
Fire Extinguisher Systems Recharge Expense	$5,000
Forgery Or Alteration	$10,000
Glass Expenses	Included
Increased Cost Of Construction And Demolition Costs (applies only when buildings are insured on a replacement cost basis)	10%
Money And Securities (Off Premises)	$2,000
Money And Securities (On Premises)	$5,000
Money Orders And Counterfeit Money	$1,000
Newly Acquired Business Personal Property (applies only if this policy provides Coverage B - Business Personal Property)	$100,000
Newly Acquired Or Constructed Buildings (applies only if this policy provides Coverage A - Buildings)	$250,000
Ordinance Or Law - Equipment Coverage	Included

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Continued on Reverse Side of Page

Outdoor Property	$5,000
Personal Effects (applies only to those premises provided Coverage B - Business Personal Property)	$2,500
Personal Property Off Premises	$15,000
Pollutant Clean Up And Removal	$10,000
Preservation Of Property	30 Days
Property Of Others (applies only to those premises provided Coverage B - Business Personal Property)	$2,500
Signs	$33,000
Valuable Papers And Records	
On Premises	$10,000
Off Premises	$5,000
Water Damage, Other Liquids, Powder Or Molten Material Damage	Included

SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - PER POLICY

The coverages and corresponding limits shown below are the most we will pay regardless of the number of described premises shown in these Declarations.

COVERAGE	LIMIT OF INSURANCE
Loss Of Income And Extra Expense	Actual Loss Sustained - 12 Months

SECTION II - LIABILITY

COVERAGE	LIMIT OF INSURANCE
Coverage L - Business Liability	$1,000,000

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Continued on Next Page

DECLARATIONS (CONTINUED)

Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

Coverage M - Medical Expenses (Any One Person)	$5,000
Damage To Premises Rented To You	$300,000

AGGREGATE LIMITS	LIMIT OF INSURANCE
Products/Completed Operations Aggregate	$2,000,000
General Aggregate	$2,000,000

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Coverage Form and any attached endorsements.

Your policy consists of these Declarations, the BUSINESSOWNERS COVERAGE FORM shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

FORMS AND ENDORSEMENTS

CMP-4100	Businessowners Coverage Form
CMP-4788	*Addl Insd Mgrs Lessor of Prem
CMP-4243.1	Amendatory Endorsement
FE-6999.2	Terrorism Insurance Cov Notice
CMP-4802	Addl Insd Lessor of Leased Eqp
CMP-4839	Loss Payable
CMP-4709	Money and Securities
CMP-4705	Loss of Income & Extra Expnse
CMP-4804	Addl Insd Club Members
FD-6007	Inland Marine Attach Dec

* New Form Attached

SCHEDULE OF ADDITIONAL INTERESTS

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

COUNTY OF HIDALGO
100 E CANO ST
EDINBURG TX 785394582

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

CITY OF EDINBURG
PO BOX 1079
EDINBURG TX 785401079

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Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

EDINBURG C I S D
PO BOX 990
EDINBURG TX 785400990

Interest Type: Addl Insured-Section II
Endorsement #: CMP4802
Loan Number: N/A

HEART OF AMERICA
2315 S 25TH ST
HARLINGEN TX 785508513

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

ROY ARCE
3317 E CURVE RD
EDINBURG TX 785426587

Interest Type: Loss Payee
Endorsement #: CMP4839
Loan Number: N/A

DE LAGE LANDEN FINANCIAL
SERVICES INC
1111 OLD EAGLE SCHOOL RD
WAYNE PA 190871453

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State Farm

DECLARATIONS (CONTINUED)

Businessowners Policy for EDINBURG CHAMBER OF COMMERCE
Policy Number 90-KK-5536-8

This policy is issued by State Farm Lloyds, Inc.

SERVICE OF PROCESS - Service of Process may be had upon the State Official duly designated for such purpose in the state in which the property insured hereunder is located if State Farm Lloyds is licensed in such state; or upon the Commissioner of Insurance of the State of Texas; or upon the duly appointed Attorney-in-Fact for State Farm Lloyds at Dallas, Texas. Underwriters at State Farm Lloyds have complied with the laws of the State of Texas regulating Lloyds plan insurance and said statutes are hereby made a part of the policy. The entire assets of State Farm Lloyds supports its policies, but each individual underwriter's liability is several and not joint and is limited by law to the amount fixed by his/her underwriter's contract and subscription and no underwriter is liable as a partner. This policy is made and accepted subject to the foregoing stipulations and conditions together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto, and no agent or other representative of State Farm Lloyds shall have the power to waive any provision or condition of this policy. This policy is non-assessable and no contingent liability of any kind and character attaches to the insured named herein.

In Witness Whereof, State Farm Lloyds has caused this policy to be signed by its President and Secretary.

State Farm Lloyds

By: Michael S. Way
Secretary
State Farm Lloyds, Inc.
Attorney-in-Fact

Phillip M. Hawkins
President
State Farm Lloyds, Inc.
Attorney-In-Fact

Prepared
APR 11 2016
CMP-4000

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State Farm

STATE FARM LLOYDS
A LLOYDS COMPANY IN DALLAS, TEXAS

P.O. Box 799100
Dallas, TX 75379-9100

M-25-8259-FB64 F N

INLAND MARINE ATTACHING DECLARATIONS

Policy Number	90-KK-5536-8	
Policy Period	**Effective Date**	**Expiration Date**
12 Months	NOV 17 2015	NOV 17 2016

The policy period begins and ends at 12:01 am standard time at the premises location.

Named Insured

EDINBURG CHAMBER OF COMMERCE
PO BOX 85
EDINBURG TX 78540-0085

ATTACHING INLAND MARINE

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Annual Policy Premium Included

The above Premium Amount is included in the Policy Premium shown on the Declarations.

Your policy consists of these Declarations, the INLAND MARINE CONDITIONS shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

Forms, Options, and Endorsements

FE-8739	Inland Marine Conditions
FE-6865	Amend of Inland Marine Condtns
FE-8743	Inland Marine Computer Prop

See Reverse for Schedule Page with Limits

Prepared
APR 11 2016
FD-6007

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530-686 a.2 05-31-2011 (o1f3232c)

ATTACHING INLAND MARINE SCHEDULE PAGE

ATTACHING INLAND MARINE

ENDORSEMENT NUMBER	COVERAGE	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT	ANNUAL PREMIUM
FE-8743	Inland Marine Computer Prop	$ 25,000	$ 500	Included
	Loss of Income and Extra Expense	$ 25,000		Included

OTHER LIMITS AND EXCLUSIONS MAY APPLY - REFER TO YOUR POLICY

Prepared
APR 11 2016
FD-6007

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024796

THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Senior Food Relief Program
Agency: Food Bank of the Rio Grande Valley, Inc.
Executive Director: Terri Drefke
Contact Person: Omar I. Rodriguez
Address: 724 N. Cage Blvd., Pharr, TX
Phone Number/Fax Number: 956-904-4514 956-682-7921
E-Mail of Contact Person: omarir@foodbankrgv.com
Organizations Federal Identification No. (Tax ID#): 74-2421560
Amount Requested: $25,800
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

RECEIVED
APR 29 2016
CITY OF EDINBURG
CITY MANAGER'S OFFICE

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 30 years

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes ☒ No ☐

3. Has the agency been involved in any lawsuits? Yes ☒ No ☐

4. Are there any outstanding judgments against the agency? Yes ☐ No ☒

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☐ No ☒

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No ☒

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. _____

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes ☒ No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

The Food Bank RGV has frequent strategic planning sessions with Board Members and key staff. Financial audits are conducted each year. As a member of Feeding America and Feeding Texas, the Food Bank RGV adheres to best practices among the 200+ food banks in the United States. In 2015, we also garnered American Institute of Baking (AIB) certification on our first attempt ever; certification that ensures efficient and safe operations.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

The Food Bank RGV feeds up to 42,000 people weekly in Hidalgo, Cameron and Willacy counties via 250 partner agencies. Our distribution center is located at the historic Valley Fruit Company in Pharr, Texas. In 2015, 35 million pounds of food was sourced and distributed throughout the Feeding America network by the Food Bank RGV. Over 22 million pounds were distributed in the Rio Grande Valley alone. Relief is distributed to the 1 in 4 residents that experience food insecurity. Along with food relief programs for the elderly and children, we provide nutritional education, school supplies, a community garden, farmers market and a variety of educational and special events. The Food Bank RGV is also the designated Emergency Donation Coordinator for Hidalgo County under Annex T.

2. Indicate if this is a new or existing project below:

☐ Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? ☐ Yes or ☐ No

☒ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

☐ Edinburg
☒ Other Hidalgo, Cameron and Willacy counties.

Please describe Service Areas: Distributing food via 250 partner agencies like churches, pantries and shelters, to nearly 42,000 clients on a weekly basis. Fourteen of these agencies operating in the Edinburg area served 3,470 clients last fiscal year.

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation. A total of 3,470 clients per week (living at or below poverty) were assisted last fiscal year via 14 Partner Agencies in Edinburg. That number has grown to 15 Partner Agencies. The recommended amount of 42.5 pounds of emergency food per person in need, per month, is a small supplement that cannot entirely meet the needs of our Edinburg clients. A key population in the Rio Grande Valley and Edinburg is the growing Senior population. An estimated 10% of the population (7,700) is over the age of 60. A state administered federal program called Commodity Supplemental Food Program (CSFP) is operated by the Food Bank RGV. This program is serving 286 Edinburg clients over the age of 60. There are 337 Edinburg residents on the waiting list. The proposed Edinburg Senior Food Relief Program (ESFRP) will help us feed the 337 Seniors on the waiting list with up to 42.5 pounds of food per month for 1 year.

b. Was this program funded by the City in FY 2015-2016? Yes ☐ No ☒
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? _____

5. Clientele

a. How many individuals will be served by this program? Individuals 337 Edinburg Seniors over the age of 60 that have already shown a need for food assistance.

b. What is the estimated cost to provide services to one person? $76.56 per person for 12 months or $6.38 per month.

c. What is the target population? (Example: elderly, disabled, abused children etc.) Edinburg Seniors over the age of 60 that are currently on a waiting list for food assistance via the CSFP program. Most have some disability, health condition and are low to moderately low-income.

6. Performance Management (Measuring Your Goals and Objectives)

Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

Monthly client reports show the quantified impact of food assistance to hungry families in the Rio Grande Valley. The Edinburg SFRP will mirror that same reporting with inclusion of

client surveys to see how Seniors' lives are improving with food assistance. In other situations, younger clients often leave food assistance programs once they find improved income, overcome medical emergencies or find work. Our Seniors are a very special group that often cannot find those avenues to avoid hunger. As this is a vulnerable population, we intend to improve their lives so that their fixed incomes are more efficient and can be used for medicines and other needs.

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.
A key population in the Rio Grande Valley and Edinburg is the growing Senior population. In Edinburg, an estimated 10% of the population (7,700) is over the age of 60. A state administered federal program called Commodity Supplemental Food Program (CSFP) is operated by the Food Bank RGV. This program is serving 286 Edinburg clients over the age of 60. There are 337 Edinburg residents on the waiting list. In order for these residents to get on to the program, an active client must not show up for 2 monthly distributions or pass away. This is a grim and heartbreaking reality for one of the most vulnerable groups of people in our community. The proposed Edinburg Senior Food Relief Program (ESFRP) will help us feed the 337 Seniors on the waiting list with up to 42.5 pounds of food per month for 1 year. **Full funding will erase the waiting list.** These foods will be nutritious commodities like canned vegetables, soups, uncooked rice/pastas, juices and other low-sodium foods that will work well with restricted diets that often occur with Seniors. The requested funds will pay for the shared maintenance of the food that includes: storage, transport, inspection and distribution of the foods. The cost is only 15 cents per pound bringing a one-time assistance cost for 1 Senior to $6.83 for 42.5 pounds of food.

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	N/A	337
% OF EDINBURG RESIDENTS SERVED:	N/A	100%

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) Attached is a list of Edinburg Partner Agencies currently working with the Food Bank RGV to distribute food assistance to residents of

Edinburg and the Edinburg area. There is no other program currently providing food relief to Edinburg Seniors.

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc. Current Edinburg Senior's served by the Food Bank RGV's CSFP is 286. There is a waiting list of 337 Seniors. Active participants must lapse two months or pass away in order for a Senior on the waiting list to be get CSFP food. Funding for the Edinburg Senior Food Relief Program will erase the waiting list and help them become food secure.

5. Attach letter(s) of support for this event/program. Available upon request.

6. If this event/program is unfunded or partially funded, will the event/program be carried out? If unfunded by the City of Edinburg, the 337 Edinburg Seniors on the waiting list will receive food assistance at varying degrees of amount and frequency that may put them at risk of worsening medical conditions. With partial funding, we may be able to reach all 337 Edinburg Seniors on the waiting list, but will only be able to feed them a limited amount of food per month that could amount to only 5 pounds of food. Full funding would set a distribution schedule with consistent results that would help Edinburg Seniors gain access to much needed food security and allow them to save resources for other needs they undoubtedly have.

7. Is there a fee for your services? If so, please attach a fee schedule. No. Services and food assistance is free of charge for Edinburg Seniors on the program.

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 25,800

   B.

Other Sources	Funding Amount
n/a	n/a

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$
Fringe Benefits	$
Utilities	$
Travel	$
Capital	$
Postage	$
Advertising	$
Program Supplies	$
Other (Shared Maintenance of $.15 per pound)	$ 25,800
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	$ 25,800

3. Is event/program dependent on "Other Funds"? No. This project augments established emergency food relief by concentrating direct food relief for Edinburg Seniors on the CSFP waiting list.

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? No staffing or operations will be funded. All funding will go towards shared maintenance cost of the food at 15 cents per pound.

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. 100%.

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year? The continuing existence of a waiting list for CSFP is a grim reminder that our aging populance needs our help. The fact that 337 Edinburg Seniors are on the waiting list, while 286 are on the program clearly illustrates the urgent need to get food into the hands of our most vulnerable. Living on fixed incomes will cause clients to start skipping meals, eating unhealthy (inexpensive) foods and cutting pills to make them last longer may only hurt them in the long run and cause more frequent visits to the hospital or doctor; putting a strain on families and networks on emotional and economic levels. The basic necessity of good food will help alleviate that.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin Oct. 1, 2016 End Sept. 30, 2017

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter:

   Beginning October 1, 2016 and ending September 30, 2017.

   2016 Oct., Nov., & Dec.: $6,450 2017 Jan., Feb., March: $6,450

   2017 April, May, June: $6,450 2017 July, Aug., Sept.: $6,450

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017

   2016 Oct., Nov., & Dec.: 337 2017 Jan., Feb., March: 337

   2017 April, May, June: 337 2017 July, Aug., Sept.: 337

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation

2. Proof of tax exemption (Tax ID#)

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws.

7. Resume of Chief Program Administrator.

8. Resume of Chief Fiscal Officer.

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

    A. Workers Compensation
    In accordance with the State statute

    B. Comprehensive General Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence
2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
   $100,000 each person
   $500,000 each occurrence
2. Property Damage
   $100,000 each occurrence
   $100,000 aggregate

   or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence

2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: Terri Drefke **Date:** 4-29-16
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Terri Drefke

Title: CEO

FILED
In the Office of the
Secretary of State of Texas

FEB 03 1986

Clerk I-C
Corporations Section

ARTICLES OF INCORPORATION OF

THE RIO GRANDE VALLEY FOOD PANTRY, INC.

We, the undersigned, natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

The name of the corporation is the Rio Grande Valley Food Pantry, Inc.

ARTICLE TWO

The corporation is a non-profit organization.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

There shall be no membership in this corporation.

ARTICLE FIVE

The purposes for which the corporation is organized are

1) to make available food to individuals or families, who because of unemployment, underemployment, illness, or unexpected occurrence, can not provide for themselves; this is a service for low income people to obtain food during emergency situations only;

2) to serve as a central warehouse so that donations of food can be accepted and then distributed to small pantries now operating through churches and agencies.

Said corporation is organized exclusively for such purpose and it shall have and exercise all power granted to it under the law as the same now exists or may exist hereafter without any special enumeration within the meaning of

The Rev. Joe La Vigne	Rt. 1, Box 52-52, San Juan, Texas 78589
Minta Riddle	726 W. Cherokee St., Pharr, Texas 78577
Barbara Pena	421 S. 14th St., Donna, Texas 78537
Ema Lopez	1701 West Griffin Parkway, Mission 78572
The Rev. Ernest Miller	400 Daffodil, McAllen, Texas 78501
Harold Miller	5611 La Plaza, Harlingen, Texas 78552
Adell Dufour	2124 Robin, McAllen, Texas 78504
The Rev. Ted Hervey	721 S. Missouri, Weslaco, Texas 78596
The Rev. Ted Knies, Jr.	114 Cypress Circle, Pharr, Texas 78577
Gerry Baines	1515 S. 15th St., Edinburg, Texas 78539

ARTICLE NINE

The name and street address of each incorporator is

NAME	ADDRESS
Pamela C. Butt	1000 South 1st, McAllen, Texas 78501
The Rev. Joe La Vigne	RT. 1, Box 52-52, San Juan, Texas 78589
Minta Riddle	726 W. Cherokee St., Pharr, Texas 78577
Barbara Pena	421 S. 14th St., Donna, Texas 78537

In WITNESS WHEREOF, we have set our hands this 29th day of January 1986

Pamela C. Butt
Pamela C. Butt

Joe LaVigne
The Rev. Joe La Vigne

Minta Riddle
Minta Riddle

Barbara Pena
Barbara Pena

ARTICLES OF AMENDMENT

Pursuant to the provisions of article 1396-4.03 of the Texas Non-Profit Corporation Act, the undersigned corporation adopts the following articles of amendment:

1. The name of the corporation is The Rio Grande Valley Food Pantry, Inc.

2. The following amendment to the articles of incorporation was adopted on September 14, 1988.

FILED
In the Office of the
Secretary of State of Texas
OCT 17 1988
Corporations Section

Article one is amended to read as follows:

The name of the corporation is Food Bank of the Rio Grande Valley, Inc.

3. The amendment was adopted in the following manner:

The amendment was adopted at a meeting of the board of directors held on September 14, 1988, and received the vote of a majority of the directors in office, there being no members having voting rights in respect thereof.

Food Bank of the Rio Grande Valley, Inc.

By William M. East
President
William M. East

ARTICLE 1396-9.01 REPORT

FILED
In the Office of the
Secretary of State of Texas

DEC 27 1993
Corporations Section

Pursuant to the provisions of article 9.01 of the Texas Non-Profit Corporation Act, the undersigned corporation hereby files its report setting forth:

1. The name of the corporation is FOOD BANK OF THE RIO GRANDE VALLEY.

2. It is incorporated under the laws of TEXAS.

3. The address (including street or building address, city, state, and zip code) of the registered office of the corporation in the state of Texas is 2601 ZINNIA AVE, MCALLEN, TEXAS 78504.

4. The name of its registered agent at such address is TERRI DREFKE.

5. If the corporation is a foreign corporation, the address of its principal office in the state or country under the laws of which it is incorporated is _____.

6. The names and respective addresses of its directors and officers are:

NAME	ADDRESS (city and state)	OFFICE
JACK TIERNEY	PO BOX 5555, MCALLEN TX	PRESIDENT
KEN JACKSON	312 W UNIVERSITY EDINBURG TX	1ST VP
ROSALINDA GONZALEZ	1203 A E. FERGUSON PHARR TX	2ND VP
BONNIE BRYNTESON	1305 S ILLINOIS MERCEDES TX	SECRETARY
PETER TORGERSON	PO BOX 5 WESLACO TX	TREASURER

7. The foregoing information is given as of the date of the execution of this report.

Dated DECEMBER 21, 1993.

FOOD BANK OF THE RIO GRANDE VALLEY
Name of Corporation

By Terri Drefke

Its EXECUTIVE DIRECTOR
(Authorized Officer)

INSTRUCTIONS FOR FILING REPORT PURSUANT TO ARTICLE 1396-9.01 (TEXAS NON-PROFIT CORPORATION ACT)

1. The secretary of state is authorized to require non-profit corporations to file a report pursuant to article 1396-9.01 of the Texas Non-Profit Corporation Act. The secretary of state will mail a blank report to each Texas non-profit corporation and to each out-of-state non-profit corporation authorized to conduct affairs in Texas.

2. Each non-profit corporation should file the report with the secretary of state within thirty days of mailing.

3. Filing Fee:

   (a) If the report is filed within thirty days, the fee is $5.

   (b) If the report is not filed within thirty days, the corporation will forfeit its right to conduct affairs in Texas.

   (c) After forfeiture of the right to conduct affairs, the fee increases by $1 per month or part of a month for 120 days following the forfeiture.

   (d) If the report is not filed within the 120 day period, the corporation will be involuntarily dissolved or its certificate of authority will be revoked.

   (e) The corporation may be relieved from the involuntary dissolution or revocation by filing the 9.01 report with a filing fee of $25.

4. The report, in duplicate, and the appropriate filing fee should be submitted to:

Secretary of State
Statutory Filings Division
Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697
(512) 463-5582

Prior to signing, please read the statements on this form carefully. A person commits an offense under the Texas Business Corporation Act, the Texas Limited Liability Company Act or the Texas Non-Profit Corporation Act if the person signs a document the person knows is false in any material respect with the intent that the document be delivered to the secretary of state for filing. The offense is a Class A misdemeanor.

IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248421964
Feb. 10, 2009 LTR 4168C E0
74-2421560 000000 00 000
00021401
BODC: TE

FOOD BANK OF THE RIO GRANDE VALLEY
INC
PO BOX 6251
MCALLEN TX 78502-6251

14613

Employer Identification Number: 74-2421560
Person to Contact: MS. MITCHELL
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your request of Jan. 30, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in AUGUST 1986, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

Food Bank of the Rio Grande Valley, Inc.
And Subsidiaries

Consolidated Financial Statements and
Other Supplementary Information

June 30, 2015

Food Bank of the Rio Grande Valley, Inc.
and Subsidiaries

Annual Financial Report
June 30, 2015

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FINANCIAL SECTION

PB&H
PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Food Bank of the Rio Grande Valley, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Food Bank of the Rio Grande Valley, Inc. and its subsidiaries (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statement of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Food Bank of the Rio Grande Valley, Inc. and its subsidiaries as of June 30, 2015, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RIO GRANDE VALLEY, TX
765 E. 7th Street
Brownsville, Texas 78520
956.544.7778
www.pbhcpa.com

HOUSTON, TX
281.671.6259

TEMPLE, TX
254.791.3460

WACO, TX
254.772.4901

ALBUQUERQUE, NM
505.266.5904

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Governmental Audit Quality Center

Other Matters

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2016 on our consideration of the Food Bank of the Rio Grande Valley, Inc. and subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Food Bank of the Rio Grande Valley, Inc. and subsidiaries' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, LLP

Brownsville, Texas
January 13, 2016

FINANCIAL STATEMENTS

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2015

(with comparative information at June 30, 2014)

ASSETS	Unrestricted	Temporarily Restricted	Totals 2015	Totals 2014
Current Assets				
Cash and cash equivalents	$ 518,588	$ 147,087	$ 665,675	$ 929,626
Restricted cash	303,758	-	303,758	370,773
Investments	14,226	-	14,226	13,959
Accounts receivable	174,734	-	174,734	133,728
Product inventory, net of salvage	1,557,261	829,489	2,386,750	3,365,827
Other assets	7,882	-	7,882	26,639
Total Current Assets	2,576,449	976,576	3,553,025	4,840,552
Property and equipment, net of accumulated depreciation	10,257,963	-	10,257,963	10,671,188
Intangible assets, net of accumulated amortization	203,084	-	203,084	214,017
Deferred rent receivable	152,856	-	152,856	109,182
Loan receivable - Chase NMTC FBRGV Investment Fund, LLC	7,326,685	-	7,326,685	7,326,685
Total Assets	$ 20,517,037	$ 976,576	$ 21,493,613	$ 23,161,624
LIABILITIES AND NET POSITION				
Current Liabilities				
Accounts payable and accrued expenses	$ 180,829	$ -	$ 180,829	$ 297,511
Total Current Liabilities	180,829	-	180,829	297,511
Noncurrent Liabilities				
Note payable - Partnerships of Hope II, LLC	11,145,000	-	11,145,000	11,145,000
Total Noncurrent Liabilities	11,145,000	-	11,145,000	11,145,000
Net Position	9,191,208	976,576	10,167,784	11,719,113
Total Liabilities and Net Position	$ 20,517,037	$ 976,576	$ 21,493,613	$ 23,161,624

The accompanying notes are an integral part of this financial statement.

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

(with comparative information for the year ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Totals 2015	Totals 2014
Revenues, gains and other support:				
Grants:				
USDA - TFAP commodities	$ -	$ 3,218,940	$ 3,218,940	$ 2,662,330
USDA - CSFP commodities	-	1,165,004	1,165,004	1,121,673
USDA - TFAP administration	540,003	-	540,003	510,493
USDA - CSFP administration	336,720	-	336,720	321,100
Emergency Food & Shelter Program	-	49,870	49,870	97,901
Supplemental Nutrition Assistance Program	78,491	-	78,491	72,534
Community Based Outreach/Match	81,430	-	81,430	60,587
Temporary Assistance to Needy Families	-	-	-	195,995
Community Development Block Grants	58,998	-	58,998	-
USDA - Farmer's Market Promotion Program	49,230	-	49,230	22,801
USDA - National Resources Conservation Service	2,500	-	2,500	-
Total grants	1,147,372	4,433,814	5,581,186	5,065,414
Value of donated inventory	32,717,084	-	32,717,084	24,875,535
Shared maintenance	858,858	-	858,858	649,953
Donations and private grants	745,860	273,487	1,019,347	1,091,578
Special events	141,780	-	141,780	155,854
Other	159,648	-	159,648	121,730
Rent income	12,460	-	12,460	12,460
Dividend and interest income	38,009	-	38,009	39,450
Net position released from restrictions	4,834,210	(4,834,210)	-	-
Total revenues, gains and other support	40,655,281	(126,909)	40,528,372	32,011,974
Expenses:				
Program expenses	40,960,243	-	40,960,243	29,968,529
Supporting services:				
Administrative	634,738	-	634,738	679,216
Fundraising	484,720	-	484,720	479,410
Total expenses	42,079,701	-	42,079,701	31,127,155
Increase (Decrease) in Net Position	(1,424,420)	(126,909)	(1,551,329)	884,819
Net Position, June 30, 2014	10,615,628	1,103,485	11,719,113	10,834,294
Net Position, June 30, 2015	$ 9,191,208	$ 976,576	$ 10,167,784	$ 11,719,113

The accompanying notes are an integral part of this financial statement.

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015

(with comparative information for the year ended June 30, 2014)

	Totals	
	2015	2014
Cash flows from operating activities:		
Increase (decrease) in net position	$ (1,551,329)	$ 884,819
Adjustments to reconcile net position to net cash (used in) provided by operating activities		
Depreciation expense	461,725	504,743
Amortization expense	10,932	10,761
Bad debt expense	-	(6,970)
Unrealized (gains) on investments	(267)	(1,585)
In-kind contribution of food and non-food items	(37,101,029)	(28,764,033)
Distribution of in-kind food and non-food items	37,454,859	26,685,881
Decrease (increase) in:		
Accounts receivable	(84,680)	167,545
Inventory	625,247	567,195
Other assets	18,757	(12,214)
Increase (decrease) in:		
Accounts payable and accrued expenses	(116,681)	96,367
Net cash (used in) provided by operating activities	(282,466)	132,509
Cash flows from investing activities:		
(Increase) decrease in restricted cash	67,015	66,932
Capital expenditures	(48,500)	(147,274)
Net cash provided by (used in) investing activities	18,515	(80,342)
Net change in cash	(263,951)	52,167
Cash at beginning of year	929,626	877,459
Cash at end of year	$ 665,675	$ 929,626
Supplemental Disclosure:		
Interest paid in cash	$ 104,473	$ 104,473

The accompanying notes are an integral part of this financial statement.

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2015

(with comparative information for the year ended June 30, 2014)

	Program Services	Supporting Services		Totals	
		Administrative	Fundraising	2015	2014
Commodities and in-kind donations distributed	$ 38,233,807	$ -	$ -	$ 38,233,807	$ 27,418,050
Leased employees and related expenses	1,460,320	501,071	264,138	2,225,529	2,035,976
Depreciation expense	443,256	13,852	4,617	461,725	504,743
Amortization expense	10,496	328	109	10,933	10,761
Utilities	125,854	10,163	7,788	143,805	137,752
Professional fees	66,776	71,450	4,210	142,436	148,327
Equipment maintenance	131,090	3,718	8,664	143,472	108,905
Security	-	-	-	-	10,690
Insurance	89,266	8,486	2,020	99,772	83,895
Loan interest	100,294	3,134	1,045	104,473	104,473
Fuel and mileage allowance	130,621	91	1,080	131,792	129,703
Marketing	-	-	118,079	118,079	153,927
Warehouse maintenance and lease	31,925	998	333	33,256	79,177
Office expense	73,961	9,340	6,422	89,723	70,542
Fundraising	-	-	18,260	18,260	22,543
Training expense	18,887	9,521	16,009	44,417	32,570
Public relations	-	-	30,169	30,169	32,616
State and national association fees	31,891	-	-	31,891	27,618
Other	8,925	1,956	1,344	12,225	7,383
Volunteer recognition	2,874	630	433	3,937	7,504
	$ 40,960,243	$ 634,738	$ 484,720	$ 42,079,701	$ 31,127,155

The accompanying notes are an integral part of this financial statement.

NOTE 1 - NATURE OF ACTIVITIES

The Food Bank of the Rio Grande Valley, Inc. and Subsidiaries (Food Bank) is a Texas non-profit corporation that began operations in February 1986. The Food Bank's purpose is to collect and warehouse salvageable food and commodities and to distribute those items to various area social agencies which assist the needy within Hidalgo, Willacy and Cameron Counties. The social agencies receiving the goods are assessed a shared maintenance fee based on the weight of the items transferred to them. Funding is provided through grants from governmental agencies (primarily the U.S. Department of Homeland Security and the U.S. Department of Agriculture) and private foundations, as well as donations from civic and social organizations, businesses and individuals.

On March 17, 2005, the Food Bank of the Rio Grande Valley, Inc. (FBRGV, Inc.) created a Limited Liability Company (FBRGV, LLC) and became its sole member. In addition, the FBRGV, Inc. created a Texas Limited Partnership (Food RGV, LP) in which FBRGV, LLC became the general partner and the FBRGV, Inc. became the limited partner. Food RGV, LP was organized to acquire, develop, renovate and own the real property and improvements of the Valley Fruit and Vegetable Company building, (the Pharr building), located at 724 N. Cage Blvd., Pharr, Hidalgo County, Texas. This building is the new location of the current Food Bank operations. The purpose of creating these entities was to receive historical tax credit monies as an additional means of financing the renovation.

The Food Bank conducted a fundraising campaign to refurbish the Pharr building. As part of the rehabilitation effort, the Food Bank received Social Services Block Grant (SSBG) Emergency Disaster Relief funds under a sub-sub grant from the Texas Health and Human Services Commission (HHSC) through the Lower Rio Grande Valley Development Council to construct a large freezer at the Pharr building. The Food Bank filed a Notice of Federal Interest in December 2010 to formally recognize the government's ownership interest in the Pharr building and property.

The Food Bank combined existing funds with new loan proceeds from a financial structure that utilized New Markets Tax Credits available through a Federal tax-credit program established in year 2000 with the passage of the Community Renewal Tax Relief Act of 2000. A portion of existing Food Bank funds and the new loan proceeds paid for the remaining capital improvements to the Pharr building and land. To comply with the requirements of the tax credit programs, the Food Bank established a specified financial structure to complete the series of transactions necessary.

NOTE 1 - NATURE OF ACTIVITIES

Several new entities were formed to facilitate the loan and equity transactions. Following is a brief synopsis of newly-formed entities, their ownership structure, and transactions that took place on December 21, 2011.

- Food Bank will lease the Pharr building and land to FBRGV Landlord, LLC (Landlord) for a term of 55 years.
- FBRGV Manager, LLC (Manager) was formed as the manager and majority owner of profits interest in Landlord, the ground lessor of the Pharr building and property. Manager is a wholly-owned subsidiary of the Food Bank.
- The underlying ownership structure of Landlord is as follows: (a) Manager owns a 90% profits interest as the managing member, and. (b) FBRGV Tenant, LLC (Tenant) as a member owns a 10% interest in Landlord.
- Tenant is owned by Partnerships of Hope II, LLC, a sole member and managed by Manager.
- Partnerships of Hope II, LLC is owned by (a) Raza Development Fund, Inc., with a .01% profits interest as managing member and by (b) Chase NMTC FBRGV Investment Fund, LLC, with a 99.99% profits interest.
- Chase NMTC FBRGV Investment Fund, LLC is owned by (a) RDF Manager, LLC with a .01% profits interest as managing member and by (b) Chase Community Equity, LLC with a 99.99% profits interest.
- Landlord will lease the Pharr building and property to Tenant for a term of 19 years.
- Tenant will sub-lease the property to the Food Bank for a term of 15 years.

Part of the financing of the rehabilitation of the Pharr building facility came from loans from Partnerships of Hope II, LLC, to Landlord, for approximately $11,145,000. The sources of funds for the loan are equity proceeds from Chase Community Equity, LLC, and debt proceeds from the Food Bank, using available funds. The loan is secured by a first leasehold deed of trust in Landlord's leasehold interest in the Pharr building.

On December 2011, Food Bank transferred to Landlord, cost of the Pharr land and building, including improvements, totaling $5,589,313 for payment of $8,634,936 from Landlord. The remaining $3,048,402 was treated as extraordinary income on the books of the Food Bank.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidated Financial Statements

The accompanying consolidated financial statements include the financial statements of the FBRGV, Inc., FBRGV, LLC, Food RGV, LP, and FBRGV Manager, LLC. Significant inter-company transactions have been eliminated in the financial statements. The consolidated entity is referred to as the Food Bank.

Basis of Accounting

The Food Bank prepares its financial statements under the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Financial Statement Presentation

The Financial Accounting Standards Board (FASB) issued FASB ASC 958-205, "Not for Profit Entities-Presentation of Financial Statements." The Food Bank follows the provisions of FASB ASC 958-205. Under FASB ASC 958-205, the Food Bank is required to report information regarding its financial position and activities according to three classes of net position: unrestricted, temporarily restricted, and permanently restricted net position.

Unrestricted net position - Net position that is not subject to donor-imposed stipulations.

Temporarily restricted net position – Net position subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net position is reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions.

Permanently restricted net position - Net position is subject to donor-imposed stipulations that they be maintained permanently by the organization, generally, the donors of these assets permit the Food Bank to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Food Bank has no permanently restricted net position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of cash flows, the Food Bank considers investments available for current use with an initial maturity date of three months or less to be cash equivalents and all certificates of deposit, regardless of maturity, to be cash equivalents. The Food Bank maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits of up to $250,000 under the Federal Deposit Insurance Corporation (FDIC). Management believes it is not exposed to any significant risk on cash accounts.

Shared Maintenance Fees

The Food Bank receives fees, from participating agencies, to assist in the costs of distributing food. These shared maintenance fees are based on a predetermined rate range of $0 to $.19 per pound.

Accounts Receivable

Accounts receivable represent amounts due from agencies and are stated at the amount the Food Bank expects to collect for shared maintenance fees and grants from government agencies. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2015, management has a reserve for losses on receivables in the amount of $13,390.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Food Bank uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. As of June 30, 2015, the Food Bank had no unconditional promises to give.

Investments

The Food Bank carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net position in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in unrestricted net position if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventory

Inventory is stated at the lower of cost or market determined by the first-in, first-out method. Inventory consists of donated food and non-food items, purchased food, and commodities received from the United States Department of Agriculture (USDA). Donated food and related items were valued at $1.70 per pound for the year ended June 30, 2015. This valuation is based on cost studies conducted for Feeding America. Donations to the School Tools program have been valued at market value. Purchased food is valued at latest purchase price. USDA commodities are valued based on published USDA fair market values. Inventory is typically written down at the end of the year to provide an allowance for a portion of donated inventory that will be trashed because it is unusable for consumption.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Gifts or contributions of property and equipment are recorded at the asset's fair market value at the time received. Depreciation is calculated using the straight-line method over useful lives of the assets, ranging from three to seven years for vehicles, office furniture and equipment and fifteen to thirty-nine years for buildings and building improvements. The Food Bank capitalizes all expenditures for property and equipment in excess of $2,500. Maintenance and repairs that do not increase the useful life of the asset are expensed as incurred while major additions and improvements that do increase the useful life of the asset are capitalized. When items are disposed of, the cost and accumulated depreciation are eliminated from the records of accounts and any gains or losses are reported in the change in net position.

Contributions

The Food Bank follows the Financial Accounting Standards Board's (FASB) FASB ASC 958-605. The provisions of the FASB ASC 958-605 state, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Restricted contributions are reported as increases in restricted net position. When the restriction is met the amount is shown as a reclassification of restricted net position to unrestricted net position.

Donated Services

The Food Bank receives services donated from its members in carrying out its operations. However, no amounts have been recognized in the statement of activities since they do not meet the criteria for recognition under FASB ASC 958-605-25. The Food Bank received approximately 31,000 hours of services from approximately 5,700 volunteers for the year ending June 30, 2015. Volunteers assisted in sorting food items. No amounts have been recognized in the financial statements for these volunteer hours because they do not meet the criteria for recognition.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net position unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed net position at that time.

Allocation of Functional Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Food Bank of the Rio Grande Valley, Inc. is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. It does not conduct any activities which are subject to federal income tax. In addition, the Food Bank qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). FBRGV, LLC, a Texas limited liability company, qualifies and reports as a disregarded entity under federal income tax regulations. Food RGV, LP and FBRGV Landlord, LLC are both treated as partnerships for federal income tax purposes. FBRGV Manager, LLC is treated as a corporation for federal income tax purposes.

The Food Bank's Form 990, Return of Organization Exempt from Income Tax for the years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

Compensated Absences

Employees are entitled to paid vacations and personal days off, depending on job classification, length or services and other factors. The accrued balance was $73,949 as of June 30, 2015.

Advertising Costs

The Food Bank expenses advertising costs as incurred.

Date of Management's Review

Management of the Food Bank has evaluated subsequent events for disclosure through January 13, 2016, the date the financial statements were available to be issued.

NOTE 3 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Programs - Food distribution

The main programs consist of the emergency food assistance program, product recovery program, and commodity supplemental program. Through member agencies, the Food Bank is able to help families in need of food throughout the counties of Hidalgo, Willacy and Cameron. Member agencies consist of food pantries, on-site feed centers, soup kitchens, and shelters. The product recovery program is responsible for sorting, cleaning, inspecting, and repacking of donated off-the-shelf food and non-food products. The products recovery program utilizes the majority of volunteers. The commodity supplemental food program is operated by the Food Bank and primarily serves the elderly population in the designated services areas. The Food Bank RGV also provides nutrition education, assistance with SNAP applications, and a community garden.

Fundraising

Provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations.

Management and General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Food Bank's program strategy; and manage the financial and budgetary responsibilities of the Food Bank.

NOTE 4 - LOANS RECEIVABLE

On December 21, 2011, the Food Bank made two loans totaling $8,634,936 to Chase NMTC FBRGV Investment Fund, LLC. The first loan in the amount of $7,394,157 is classified as a "Leverage Loan". The Leverage Loan is for a term of 35 years at a rate of .5000%, with interest only payments due quarterly through December 21, 2018. Thereafter, quarterly payments of $70,790 are due quarterly through December 21, 2046. The loan matures December 21, 2046.

The second loan in the amount of $1,240,779 is classified as a "Federal Historical Tax Credits Bridge Loan" (Bridge loan). The Bridge loan carries an interest rate of 0.000% with a payment of $1,240,779 due April 30, 2012. This payment was made on August 22, 2012. The Historical Tax Credit payment received exceeded the amount of the second loan by $67,348 and this was treated as a repayment of principal on the first loan.

The total amount of loans receivable on June 30, 2015 was $7,326,685.

NOTE 5 - RELATED PARTY TRANSACTIONS

FBRGV Landlord, LLC (Landlord) entered into a master lease agreement with FBRGV Tenant, LLC (Tenant) on December 21, 2011 for occupying the Pharr building. The lease term ends on December 31, 2030. Annual lease payments from Tenant to Landlord total $58,000 per year through 2017. The payments increase to $81,500 in 2018 and increase each year thereafter through year 2030.

Pursuant to the Master Lease, future annual lease payments for the next five years and thereafter are as follows for years ending June 30:

2016	$	58,000
2017		58,000
2018		81,500
2019		284,250
2020		464,659
Thereafter		5,021,125
Total	$	5,967,534

Pursuant to FASB-ASC 840-20, lease income is required to be recognized on a straight-line basis. For the year ended June 30, 2015, lease income was $324,760 for annual base rent. As of June 30, 2015, the cumulative adjustment to record deferred rental income on a straight-line basis was $933,660 and is shown (after a related party elimination of $780,804) as "Deferred rent receivable" on the accompanying statement of net position.

Also on December 21, 2011, the Food Bank entered into a sublease agreement with Tenant whereby Tenant would sublease the Pharr building to the Food Bank. The lease ends on December 31, 2026. Annual lease payments from the Food Bank to Tenant total $89,213 per year from fiscal 2012 through fiscal 2016. In 2017 the payments total $89,240 and in 2018 increase to $110,642.

Pursuant to the sublease, future annual lease payments for the next five years and thereafter are as follows for years ending June 30:

2016	$	89,213
2017		89,240
2018		110,642
2019		313,393
2020		495,811
Thereafter		3,514,951
Total	$	4,613,248

Pursuant to FASB-ASC 840-20, lease expense is required to be recognized on a straight-line basis. For the year ended June 30, 2015, lease expense incurred is $312,300 for annual base rent. As of June 30, 2015, the cumulative adjustment to record lease expense on a straight-line basis was $780,804. This is classified as "Deferred rent payable" and is completely eliminated on the accompanying consolidating statement of position as a related party item.

NOTE 6 - CONTINGENCIES

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Food Bank for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date. The Food Bank expects such amounts, if any, to be immaterial.

NOTE 7 - RETIREMENT PLAN

Effective January 2012, the Food Bank entered into a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. Currently, the Food Bank agrees to make a 2% contribution match to the plan. Employees may make voluntary contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The total employer contributions for this Plan was $9,657 for the 2014 plan year. The Food Bank also maintains a 457 plan for key employees. An employer contribution of $15,000 was made for the 2014 plan year.

NOTE 8 - FINANCIAL INSTRUMENTS

Concentration of Credit Risk Due to Promises to Give Receivable

Concentrations of credit risk with respect to promises to give receivable are limited due to the large number of contributors comprising the Food Bank's contributor base. As of June 30, 2015 the Food Bank had no significant concentrations of credit risk.

NOTE 9 – INVENTORY

Inventory consisted of the following as of June 30:

	2015		(For Comparative Purposes Only) 2014	
Donated Inventory:	Pounds	Dollars	Pounds	Dollars
Donated Food Inventory	120,488	$ 176,012	423,539	$ 699,668
USDA-TFAP Commodities	960,246	567,520	803,826	602,021
USDA-CSFP Commodities	317,141	246,477	310,388	218,661
School Tools Inventory	622,984	1,381,250	756,817	1,752,076
Total Donated Inventory	2,020,859	$ 2,371,259	2,294,570	$ 3,272,426
Purchased Food Inventory:				
EFSP purchased inventory	-	$ -	60,686	$ 84,819
Other purchased inventory	70,686	15,492	21,860	8,582
Total Purchased Food Inventory	70,686	$ 15,492	82,546	$ 93,401

NOTE 10 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

		(For Comparative Purposes Only)
	2015	2014
Land	$ 1,868,580	$ 1,868,580
Building	8,096,017	8,096,017
Leasehold improvements	922,597	922,597
Building improvements	229,338	229,338
Furniture & equipment	1,079,170	1,084,895
Vehicles	995,549	995,549
Construction in progress	83,675	35,175
	13,274,926	13,232,151
Less: Accumulated depreciation	(3,016,963)	(2,560,963)
Total property and equipment, net	$ 10,257,963	$ 10,671,188

Depreciation expense for the year ended June 30, 2015 totaled $461,725. See NOTE 1 for details of the transfer of the Pharr building and land to FBRGV Landlord, LLC

NOTE 11 – INTANGIBLE ASSETS

Intangible assets include leasing fees of $127,289, which are recorded at cost and amortized ratably over 214 months using the straight-line method and financing costs of $113,465, which are recorded at cost and amortized ratably over 360 months using the straight line method. For the year ended June 30, 2015 the amortization expense was $10,933.

		(For Comparative Purposes Only)
	2015	2014
Financing costs	$ 113,465	$ 113,465
Leasing costs	127,289	127,289
	240,754	240,754
Less: Accumulated amortization	(37,670)	(26,737)
Total intangible assets, net	$ 203,084	$ 214,017

NOTE 12 - RESTRICTED NET POSITION

Temporarily restricted net position as of June 30 was available for the following purposes:

		(For Comparative Purposes Only)
Commodities for Distribution:	2015	2014
USDA – TFAP	$ 567,520	$ 602,021
USDA – CSFP	246,477	218,661
EFSP purchase inventory	-	84,819
Kids pack inventory	15,492	47,508
Total Restricted Inventory	829,489	953,009
Community Garden	19,051	44,868
Walmart SNAP Grant	19,080	27,037
Kids Back Pack Program	27,105	17,000
Beaumont Foundation Food and Program Assistance	13,326	-
Nutritional Education	5,000	-
Relief Efforts	4,251	-
Equipment/Technology	2,500	2,756
Capital	56,774	58,815
Total Restricted Net Position	$ 976,576	$ 1,103,485

Net position was released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

		(For Comparative Purposes Only)
Restrictions Accomplished:	2015	2014
USDA – TFAP commodities distributed	$ 3,253,441	$ 3,453,892
USDA – CSFP commodities distributed	1,137,188	1,131,346
EFSP food & program	134,689	67,734
Walmart SNAP grant	67,957	52,781
Relief efforts	65,526	-
Kids back pack food & program	86,412	61,160
Beaumont foundation food and program assistance	36,674	50,000
Community garden	25,817	5,132
Training	16,000	-
Facility improvements	7,750	20,750
Equipment/technology	2,756	11,744
Total Net Position Released from Restriction	$ 4,834,210	$ 4,854,539

NOTE 13 – CONCENTRATIONS

The Food Bank receives a large portion of its food supplies from the U.S. Department of Agriculture via the Emergency Food Assistance Programs and Commodity Supplemental Food Programs. These commodities comprised approximately 12% of the total value of all donated food received for the year ending June 30, 2015. During the 2015 fiscal year, a grant to reimburse administrative costs with the U.S. Department of Agriculture provided approximately 20% of the assistance necessary to fund the operations of the Food Bank.

NOTE 14 - OPERATING LEASES

The Food Bank has several non-cancelable operating leases, primarily for various types of equipment. Those leases generally contain renewal options for various periods and require the Food Bank to pay all executor costs such as taxes, maintenance, and insurance. Rent expense for the equipment totaled $13,115 for the year ended June 30, 2015.

Future minimum lease payments under operating leases for the equipment that have remaining terms in excess of one year as of June 30, 2015, are:

Year	
2016	$ 6,827
Total	$ 6,827

NOTE 15 - FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB) ASC 820-10-50 establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB ASC 820-10-50 clarifies the definition of exchange price as the price between market participants in an orderly transaction to sell an asset or liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The changes to current practice resulting from the application of this statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements.

FASB ASC 820-10-50 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs.

NOTE 15 - FAIR VALUE MEASUREMENTS

An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact.

FASB ASC 820-10-50 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement costs). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability.

Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the assets or liability developed based on the best information available in the circumstances. In that regard, FASB ASC 820-10-50 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is a follows.

- Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability at the measurement date.

- Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liability (for example interest rates, volatilities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market date by correlation or other means.

- Level 3 Inputs - Significant unobservable inputs that reflect an entity's own assumptions that market participants would use in pricing the assets or liabilities.

NOTE 15 - FAIR VALUE MEASUREMENTS

Fair value of assets and liabilities measured on a recurring basis at June 30, 2015 is as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2015				
Equity securities	$ 14,226	$ 14,226	$ -	$ -
Total	$ 14,226	$ 14,226	$ -	$ -

To estimate their fair value, the Food Bank uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities, in other words the market approach. The Food Bank did not have any significant transfers between levels 1 and 2 for the year ended June 30, 2015.

NOTE 16 – NEW MARKET TAX CREDITS NOTES PAYABLE

FBRGV Landlord, LLC (Landlord) executed two loan agreements on December 21, 2011, entitled QLICI A and QLICI B that provide for borrowings of $7,394,157 and $3,750,843 respectively from Partnerships of Hope II, LLC. FBRGV Manager, LLC (Manager) is directly liable for its 90% profits interest as the managing member. See NOTE 1 for additional details regarding the structure of the Food Bank's ownership structure.

Each loan accrues interest at 0.9374% payable quarterly beginning in December 31, 2011 with the principal balance due in its entirety on December 21, 2046. QLICI A and QLICI B are not permitted to prepay any portion of the loans until the seventh anniversary of the loan. Balances outstanding for note payables QLICI A and QLICI B as of June 30, 2014 was $7,394,157 and $3,750,843. Interest for the year ended June 30, 2015 was $104,473. The notes payable hold the Food Bank's property, real or personal, as collateral in the event of a default.

(End of Notes)

SINGLE AUDIT SECTION

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Food Bank of the Rio Grande Valley, Inc. and Subsidiaries

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Food Bank of the Rio Grande Valley, Inc. and Subsidiaries (a nonprofit organization), which comprise the statement of consolidated financial position as of June 30, 2015, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated January 13, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

RIO GRANDE VALLEY, TX
765 E. 7th Street
Brownsville, Texas 78520
956.544.7778
www.pbhcpa.com

HOUSTON, TX
281.671.6259

TEMPLE, TX
254.791.3460

WACO, TX
254.772.4901

ALBUQUERQUE, NM
505.266.5904

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Governmental Audit Quality Center

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, LLP

Brownsville, Texas
January 13, 2016

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
Food Bank of the Rio Grande Valley, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program

We have audited the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' major federal programs for the year ended June 30, 2015. The Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' compliance.

Opinion on Each Major Federal Program

In our opinion, Food Bank of the Rio Grande Valley, Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

RIO GRANDE VALLEY, TX
765 E. 7th Street
Brownsville, Texas 78520
956.544.7778
www.pbhcpa.com

HOUSTON, TX
281.671.6259

TEMPLE, TX
254.791.3460

WACO, TX
254.772.4901

ALBUQUERQUE, NM
505.266.5904

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Report on Internal Control over Compliance

Management of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries' as of and for the year ended June 30, 2015, and have issued our report thereon dated January 13, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Pattillo, Brown & Hill, LLP

Brownsville, Texas
January 13, 2016

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

I. Summary of Auditors' Results

Type of report on financial statements	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None Reported
Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None Reported
Noncompliance which is material to the basic financial statements	No
Type of report on compliance with major programs	Unmodified
Findings and questioned costs for federal awards as defined in OMB Circular A-133, Section 501(a)	None
Dollar threshold considered between Type A and Type B federal programs	$300,000
Low risk auditee statement	Yes
Major federal programs	The Emergency Food Assistance Cluster - Texas Commodities Assistance Emergency Food Assistance Program (Food Commodities) CFDA # 10.569
	Texas Commodities Assistance Emergency Food Assistance Program (Administrative Costs) CFDA # 10.568
	Commodity Supplemental Food Program (Food & Administrative Costs) CFDA # 10.565

II. Financial Statement Findings

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards.*

III. Federal Award Findings and Questioned Costs

There were no federal award findings and questioned costs required to be reported by the OMB Circular A-133, Section 501 (a).

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES

SUMMARY OF SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

JUNE 30, 2015

Reference No.	Finding/Noncompliance
None reported.	

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES

CORRECTIVE ACTION PLAN

JUNE 30, 2015

Not applicable.

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Federal Expenditures
FEDERAL AWARDS			
U.S. DEPARTMENT OF AGRICULTURE			
Passed through from the Texas Department of Agriculture:			
The Food Distribution - Cluster			
Texas Commodity Assistance Emergency Food Assistance Program (Food Commodities)	10.569	7/01/2014-06/30/2015	$ 3,253,442
Texas Commodity Assistance Emergency Food Assistance Program (Administrative Costs)	10.568	7/01/2014-06/30/2015	540,003
Commodity Supplemental Food Program (Food Commodities)	10.565	7/01/2014-06/30/2015	1,137,189
Commodity Supplemental Food Program (Administrative Costs)	10.565	7/01/2014-06/30/2015	336,720
Total Food Distribution - Cluster			5,267,354
Farmer's Market Promotion Progarm	10.168	7/01/2014-06/30/2015	49,230
USDA - National Resources Conservation Service	10.905	10/15/2014-10/14/2015	2,500
Total U.S. Department of Agriculture			5,319,084
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from the Texas Health and Human Services Commission:			
Supplemental Nutrition Assistance Program	10.561	7/01/2014-06/30/2015	78,491
Total U.S. Department of Health and Human Services			78,491
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through from United Way of South Texas:			
Emergency Food and Shelter National Board Program - Hidalgo County	97.024	7/01/2014-06/30/2015	33,321
Passed through from the Catholic Charities of the Rio Grande Valley			
Emergency Food and Shelter National Board Program - Cameron County	97.024	7/01/2014-06/30/2015	16,549
Total U.S. Department of Homeland Security			49,870
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Hidalgo County, Texas Urban County Program:			
Community Development Block Grant	14.218	7/01/2014-06/30/2015	46,998
Passed through the City of Pharr, Texas			
Community Development Block Grant	14.218	10/01/2014-9/30/2015	9,000
Passed through the City of Edinburg, Texas Urban County Program:			
Community Development Block Grant	14.218	10/01/2014-9/30/2015	3,000
Total U.S. Department of Housing and Urban Development			58,998
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 5,506,443

See accompanying Notes to Schedule of Expenditures of Federal Awards.

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

State Grantor/ Pass-Through Grantor/ Program Title	Grant Period	State Expenditures
STATE AWARDS		
TEXAS HEALTH AND HUMAN SERVICES COMMISSION		
Passed through Feeding Texas:		
Community Based Outreach and Application Assistance Services	7/01/2014-06/30/2015	$ 58,111
SNAP Outreach - General Match Grant	7/01/2014-06/30/2015	10,104
SNAP Outreach - Direct Match Grant	7/01/2014-06/30/2015	13,215
TOTAL EXPENDITURES OF STATE AWARDS		$ 81,430

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Food Bank of the Rio Grande Valley, Inc. and Subsidiaries under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Because the Schedule presents only a selected portion of the operations of the Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Food Bank. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit* Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement

Pass-through entity identifying numbers are presented where available.

NOTE 3 - RECONCILIATION OF FEDERAL AWARDS TO THE FINANCIAL STATEMENTS

Total expenditures of federal awards	$	5,506,443
Non-federal expenditures		36,573,258
Total expenses per statement of activities	$	42,079,701

The Food Bank, as a recipient agency in CSFP and TEFAP, considers all USDA donated foods distributed or used in a fiscal year as expended for purposes of the Schedule of Expenditures of Federal Awards. Therefore, there are differences in amounts reported on the statement of activities as revenues and amounts reported on the Schedule of Expenditures of Federal Awards as expenditures. The following table reconciles these amounts.

Total expenditures of federal awards per the statement of activities	$	5,499,756
Change in USDA inventories		6,687
Total expenditures of federal awards	$	5,506,443

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

NOTE 4 - FOOD DONATION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2015, the Food Bank had food commodities totaling $813,997 in inventory.

(End of Notes)

SUPPLEMENTAL INFORMATION

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2015
(with comparative information at June 30, 2014)

ASSETS	Food Bank of the Rio Grande Valley, Inc.	FBRGV Landlord, LLC	Total	Eliminations	Total 2015 Consolidated	Total 2014 Consolidated
Current Assets						
Cash and cash equivalents	$ 610,108	$ 55,567	$ 665,675	$ -	$ 665,675	$ 929,626
Restricted cash	-	303,758	303,758	-	303,758	$ 370,773
Investments	14,226	-	14,226	-	14,226	13,959
Accounts receivable	174,734	-	174,734	-	174,734	133,728
Product inventory, net of salvage	2,386,750	-	2,386,750	-	2,386,750	3,365,827
Other assets	7,882	-	7,882	-	7,882	26,639
Other assets - Due from Food RGV, LP	-	-	-	-	-	-
Total Current Assets	3,193,700	359,325	3,553,025	-	3,553,025	4,840,552
Property and equipment, net of accumulated depreciation	459,662	9,798,301	10,257,963	-	10,257,963	10,671,188
Intangible assets, net of accumulated amortization	-	203,084	203,084	-	203,084	214,017
Due from related party - FBRGV Landlord, LLC	431,253	-	431,253	(431,253)	-	-
Deferred Rent Receivable - FBRGV Tenant, LLC	-	933,660	933,660	(780,804)	152,856	109,182
Loan receivable - Chase NMTC FBRGV Investment Fund, LLC	7,326,685	-	7,326,685	-	7,326,685	7,326,685
Total Assets	$ 11,411,300	$ 11,294,370	$ 22,705,670	$ (1,212,057)	$ 21,493,613	$ 23,161,624
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts payable and accrued expenses	$ 180,829	$ -	$ 180,829	$ -	$ 180,829	$ 297,511
Other liabilities - Due to FBRGV	-	-	-	-	-	-
Total Current Liabilities	180,829	-	180,829	-	180,829	297,511
Noncurrent Liabilities						
Due to related party - Food Bank of the Rio Grande Valley	-	431,253	431,253	(431,253)	-	-
Deferred rent payable - FBRGV Landlord LLC	780,804	-	780,804	(780,804)	-	-
Note payable - Partnerships of Hope II, LLC	-	11,145,000	11,145,000	-	11,145,000	11,145,000
Total Noncurrent Liabilities	780,804	11,576,253	12,357,057	(1,212,057)	11,145,000	11,145,000
Net Position						
Net position - unrestricted	10,449,667	(281,883)	10,167,784	-	10,167,784	10,615,628
Net position - temporarily restricted	-	-	-	-	-	1,103,485
Retained earnings - FBRGV Manager, LLC	-	-	-	-	-	-
Net Position	10,449,667	(281,883)	10,167,784	-	10,167,784	11,719,113
Total Liabilities and Net Position	$ 11,411,300	$ 11,294,370	$ 22,705,670	$ (1,212,057)	$ 21,493,613	$ 23,161,624

FOOD BANK OF THE RIO GRANDE VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015
(with comparative information for the year ended June 30, 2014)

	Food Bank of the Rio Grande Valley, Inc.					Total	
	Unrestricted	Temporarily Restricted	FBRGV Landlord, LLC	Total	Eliminations	2015 Consolidated	2014 Consolidated
Revenues, gains and other support:							
Grants:							
USDA - TFAP commodities	$ -	$ 3,218,940	$ -	$ 3,218,940	$ -	$ 3,218,940	$ 2,662,330
USDA - CSFP commodities	-	1,165,004	-	1,165,004	-	1,165,004	1,121,673
USDA - TFAP administration	540,003	-	-	540,003	-	540,003	510,493
USDA - CSFP administration	336,720	-	-	336,720	-	336,720	321,100
Emergency Food & Shelter Program	-	49,870	-	49,870	-	49,870	97,901
Supplemental Nutrition Assistance Program	78,491	-	-	78,491	-	78,491	72,534
Community Based Outreach/Match	81,430	-	-	81,430	-	81,430	60,587
Temporary Assistance to Needy Families	-	-	-	-	-	-	195,995
Community Development Block Grants	58,998	-	-	58,998	-	58,998	-
USDA - Farmer's Market Promotion Program	49,230	-	-	49,230	-	49,230	22,801
USDA - National Resources Conservation Service	2,500	-	-	2,500	-	2,500	-
Total grants	1,147,372	4,433,814	-	5,581,186	-	5,581,186	5,065,414
Value of donated inventory	32,717,084	-	-	32,717,084	-	32,717,084	24,875,535
Shared maintenance	858,858	-	-	858,858	-	858,858	649,953
Donations and private grants	745,860	273,487	-	1,019,347	-	1,019,347	1,091,578
Special events	141,780	-	-	141,780	-	141,780	155,854
Other	159,648	-	-	159,648	-	159,648	121,730
Dividend and interest income	37,524	-	485	38,009	-	38,009	39,450
Rent income	-	-	324,760	324,760	(312,300)	12,460	12,460
Net position released from restrictions	4,834,210	(4,834,210)	-	-	-	-	-
Total revenues, gains and other support	40,642,336	(126,909)	325,245	40,840,672	(312,300)	40,528,372	32,011,974
Expenses:							
Program expenses	40,833,086	-	426,965	41,260,051	(299,808)	40,960,243	29,523,628
Supporting services:							
Administrative	610,763	-	33,343	644,106	(9,368)	634,738	668,344
Fundraising	483,396	-	4,448	487,844	(3,124)	484,720	490,597
Other expenses	-	-	-	-	-	-	340,113
Interest expense	-	-	-	-	-	-	104,473
Total expenses	41,927,245	-	464,756	42,392,001	(312,300)	42,079,701	31,127,155
(Decrease) Increase in Net Position	(1,284,909)	(126,909)	(139,511)	(1,551,329)	-	(1,551,329)	884,819
Net Position, June 30, 2014	10,758,000	1,103,485	(142,372)	11,719,113	-	11,719,113	10,834,294
Net Position, June 30, 2015	$ 9,473,091	$ 976,576	$ (281,883)	$ 10,167,784	$ -	$ 10,167,784	$ 11,719,113

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 7/1/2013 , and ending 6/30/2014

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization: FOOD BANK OF THE RIO GRANDE VALLEY, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): P.O. BOX 6251 | Room/suite

City or town: MCALLEN | State: TX | ZIP code: 78502-6251

Foreign country name | Foreign province/state/county | Foreign postal code

D Employer identification number: 74-2421560

E Telephone number: (956) 682-8101

G Gross receipts $ 31,998,928

F Name and address of principal officer: Terri Drefke P. O. Box 6251, McAllen, TX 78502

H(a) Is this a group return for subordinates? [ ] Yes [X] No

H(b) Are all subordinates included? [ ] Yes [ ] No

If "No," attach a list. (see instructions)

I Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.FOODBANKRGV.COM

H(c) Group exemption number ▶

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1986

M State of legal domicile: TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: The Food Bank of the Rio Grande Valley, Inc. supports the mission of ending hunger through member agencies by promoting healthy living in South Texas.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	4,800
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	21,113,940	31,032,527
	9	Program service revenue (Part VIII, line 2g)	865,322	771,683
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	37,578	38,864
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	114,061	141,121
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	22,130,901	31,984,195
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	1,877,415	2,035,976
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	105,848	153,927
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 475,864		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	21,218,436	28,760,215
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	23,201,699	30,950,118
	19	Revenue less expenses. Subtract line 18 from line 12	-1,070,798	1,034,077
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	12,522,988	12,716,714
	21	Total liabilities (Part X, line 26)	550,643	855,229
	22	Net assets or fund balances. Subtract line 21 from line 20	11,972,345	11,861,485

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer | Date 5/5/2015

▶ Terri Drefke, CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Carlos H. Cascos, CPA	Cascos - CA	4/16/2015		P01379963

Firm's name ▶ Pattillo, Brown & Hill, LLP | Firm's EIN ▶ 74-2751720

Firm's address ▶ 765 E 7th Street, Brownsville, TX 78520 | Phone no. 956-544-7778

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

For Paperwork Reduction Act Notice, see the separate instructions.

HTA

Form **990** (2013)

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission:
The Food Bank of the Rio Grande Valley, Inc. supports the mission of ending hunger through member agencies by promoting healthy living in South Texas.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 29,835,928 including grants of $) (Revenue $)
The organization receives, repackages, and distributes food to various agencies.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e Total program service expenses ▶ 29,835,928

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17	X	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	X	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☐

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	51			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c		X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b		
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country: ▶					
	See instructions for filing requirements for FinCen Form 114, Report of Foreign Bank and Financial Accounts (FBAR)					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter:					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter:					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state?			13a		
	Note. See the instructions for additional information the organization must report on Schedule O.					
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 14			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 13			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Did the organization have members or stockholders?		6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official.	15a	X	
b	Other officers or key employees of the organization . . . . . If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[X] Own website [ ] Another's website [ ] Upon request [ ] Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Terri Drefke 956-682-8101
2601 Zinnia, McAllen, TX 78504

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) Jody Nelsen	2.00									
President	0.00	X								
(2) Abel Oredain	2.00									
Vice President	0.00	X								
(3) Roberto Levier	2.00									
Treasurer	0.00	X								
(4) Michelle Zamora	2.00									
Secretary	0.00	X								
(5) Romeo Cantu	2.00									
Director	0.00	X								
(6) Robert Chamberlain	2.00									
Director	0.00	X								
(7) Tony Gonzalez	2.00									
Director	0.00	X								
(8) Yolanda Gonzalez	2.00									
Director	0.00	X								
(9) Jerry Jackson	2.00									
Director	0.00	X								
(10) Chris Perez	2.00									
Director	0.00	X								
(11) Andres Rodriguez	2.00									
Director	0.00	X								
(12) Jaime Tijerina	2.00									
Director	0.00	X								
(13) Luciano S Garza III	2.00									
Director	0.00	X								
(14) Terri Drefke	40.00									
Executive Director	0.00	X		X				110,292		20,915

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(15) Rev Nancy Springer	2.00									
Director	0.00	X								
(16) Lina Cantu Cruz	2.00									
Director	0.00	X								
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total ▶								110,292	0	20,915
c Total from continuation sheets to Part VII, Section A ▶								0	0	0
d Total (add lines 1b and 1c) ▶								110,292	0	20,915

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 1

			Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Brad Cecil and Associates 2115 Arlington Downs Rd., Arlington, TX 76011	Direct mail and newsletter	164,677
		0
		0
		0
		0

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 1

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII. . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a	0				
	b Membership dues	1b	0				
	c Fundraising events	1c	0				
	d Related organizations	1d	0				
	e Government grants (contributions)	1e	5,065,414				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	25,967,113				
	g Noncash contributions included in lines 1a-1f:	$	28,659,538				
	h **Total.** Add lines 1a–1f ▶			31,032,527			
Program Service Revenue			Business Code				
	2a Shared Maintenance			649,953	649,953		
	b Other			121,730	121,730		
	c			0			
	d			0			
	e			0			
	f All other program service revenue			0			
	g **Total.** Add lines 2a–2f ▶			771,683			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			38,864			38,864
	4 Income from investment of tax-exempt bond proceeds ▶			0			
	5 Royalties ▶			0			
		(i) Real	(ii) Personal				
	6a Gross rents						
	b Less: rental expenses						
	c Rental income or (loss)	0	0				
	d Net rental income or (loss) ▶			0			
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	0	0				
	b Less: cost or other basis and sales expenses	0	0				
	c Gain or (loss)	0	0				
	d Net gain or (loss) ▶			0			
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c). See Part IV, line 18	a	155,854				
	b Less: direct expenses	b	14,733				
	c Net income or (loss) from fundraising events ▶			141,121			141,121
	9a Gross income from gaming activities. See Part IV, line 19	a	0				
	b Less: direct expenses	b	0				
	c Net income or (loss) from gaming activities ▶			0			
	10a Gross sales of inventory, less returns and allowances	a	0				
	b Less: cost of goods sold	b	0				
	c Net income or (loss) from sales of inventory ▶			0			
	Miscellaneous Revenue		Business Code				
	11a			0			
	b			0			
	c			0			
	d All other revenue			0			
	e **Total.** Add lines 11a–11d ▶			0			
	12 **Total revenue.** See instructions. ▶			31,984,195	771,683	0	179,985

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	110,292	27,573	55,146	27,573
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	1,925,684	1,265,439	445,378	214,867
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	0			
10 Payroll taxes	0			
11 Fees for services (non-employees):				
a Management	0			
b Legal	0			
c Accounting	0			
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	153,927			153,927
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	0			
12 Advertising and promotion	0			0
13 Office expenses	70,542	62,483	3,527	4,532
14 Information technology	0			
15 Royalties	0			
16 Occupancy	312,300	281,070	24,984	6,246
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	32,570	10,633	12,728	9,209
20 Interest	0	0	0	0
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	175,393	157,854	14,031	3,508
23 Insurance	83,895	76,344	6,712	839
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Food Distributions	27,418,050	27,418,050		
b Utilities	137,752	121,767	10,798	5,187
c Professional Fees	118,327	62,400	51,542	4,385
d Equipment Maintenance	108,905	95,460	4,175	9,270
e All other expenses	302,481	256,855	9,305	36,321
25 **Total functional expenses.** Add lines 1 through 24e	30,950,118	29,835,928	638,326	475,864
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		813,944	1	875,087
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		352,843	4	133,728
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		1,854,870	8	3,365,827
	9	Prepaid expenses and deferred charges		14,425	9	26,639
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,308,569			
	b	Less: accumulated depreciation	10b 1,765,033	571,657	10c	543,536
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities. See Part IV, line 11		0	12	0
	13	Investments—program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		8,915,249	15	7,771,897
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		12,522,988	16	12,716,714
Liabilities	17	Accounts payable and accrued expenses		550,643	17	297,511
	18	Grants payable			18	
	19	Deferred revenue			19	557,718
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		0	25	0
	26	**Total liabilities.** Add lines 17 through 25		550,643	26	855,229
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		10,265,973	27	10,758,000
	28	Temporarily restricted net assets		1,706,372	28	1,103,485
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC958), check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		11,972,345	33	11,861,485
	34	Total liabilities and net assets/fund balances		12,522,988	34	12,716,714

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	31,984,195
2	Total expenses (must equal Part IX, column (A), line 25)	2	30,950,118
3	Revenue less expenses. Subtract line 2 from line 1	3	1,034,077
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	11,972,345
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-1,144,937
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	11,861,485

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
FOOD BANK OF THE RIO GRANDE VALLEY, INC.

Employer identification number
74-2421560

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 [ ] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a [ ] Type I b [ ] Type II c [ ] Type III–Functionally integrated d [ ] Type III–Non-functionally integrated

e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . [ ]

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	No	(v) Did you notify the organization in col. (i) of your support? Yes	No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	No	(vii) Amount of monetary support
(A)									
(B)									
(C)									
(D)									
(E)									
Total									0

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
HTA

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	12,452,019	23,759,428	21,064,891	21,113,940	31,032,527	109,422,805
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 **Total.** Add lines 1 through 3	12,452,019	23,759,428	21,064,891	21,113,940	31,032,527	109,422,805
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						109,422,805

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	12,452,019	23,759,428	21,064,891	21,113,940	31,032,527	109,422,805
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,619	6,307	23,335	37,578	38,864	108,703
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	30,714	109,655	109,205	114,061	141,121	504,756
11 **Total support.** Add lines 7 through 10						110,036,264

12 Gross receipts from related activities, etc. (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14** 99.44%

15 Public support percentage from 2012 Schedule A, Part II, line 14 . . . . . **15** 99.53%

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ [X]

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. . . . . ▶ ☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						0
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						0
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 **Total.** Add lines 1 through 5	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b	0	0	0	0	0	0
8 **Public support** (Subtract line 7c from line 6.)						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
13 **Total support.** (Add lines 9, 10c, 11, and 12.)	0	0	0	0	0	0

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	0.00%
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	0.00%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	0.00%
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	0.00%

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

PART II, LINE 10 - OTHER INCOME

NATURE AND SOURCE	2013	2012	2011	2010	2009
MISCELLANEOUS	$ 141,121	$ 114,061	$ 109,205	$ 109,655	$ 30,714
TOTAL	$ 141,121	$ 114,061	$ 109,205	$ 109,655	$ 30,714

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Name of the organization	Employer identification number
FOOD BANK OF THE RIO GRANDE VALLEY, INC.	74-2421560

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[ ] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[X] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

HTA

Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization	Employer identification number
FOOD BANK OF THE RIO GRANDE VALLEY, INC.	74-2421560

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	U.S. DEPARTMENT OF AGRICULTURE P.O. BOX 149030 AUSTIN TX 77014 Foreign State or Province: Foreign Country:	$ 5,439,632	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
2	U.S. DEPARTMENT OF HEALTH AND HUMAN SERV 200 INDEPENDENCE AVE, S.W. WASHINGTON DC 20201 Foreign State or Province: Foreign Country:	$ 329,116	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
3	U.S. DEPARTMENT OF HOMELAND SECURITY 245 MURRAY LANE SW WASHINGTON DC 20528-0075 Foreign State or Province: Foreign Country:	$ 97,901	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
4	HEB 6606 Epson San Antonio TX 78239 Foreign State or Province: Foreign Country:	$ 2,539,583	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
5	Walmart 702 Southwest Bentonville AR 72716 Foreign State or Province: Foreign Country:	$ 1,411,681	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
FOOD BANK OF THE RIO GRANDE VALLEY, INC.	74-2421560

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	DONATED FOOD & PRODUCE	$ 4,585,238	12/31/2013

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
4	DONATED FOOD & PRODUCE	$ 2,539,583	12/31/2013

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
5	DONATED FOOD & PRODUCE	$ 1,411,181	12/31/2013

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization
FOOD BANK OF THE RIO GRANDE VALLEY, INC.

Employer identification number
74-2421560

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations total more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry.
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ $ 0
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
For. Prov. Country	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
For. Prov. Country	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
For. Prov. Country	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
For. Prov. Country	

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: FOOD BANK OF THE RIO GRANDE VALLEY, INC.

Employer identification number: 74-2421560

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	0

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.
Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	0	0	0	0	0

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %
The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	22,275		22,275
b Buildings	0	424,610	240,335	184,275
c Leasehold improvements	0	229,338	150,901	78,437
d Equipment	0	1,597,171	1,373,797	223,374
e Other	0	35,175	0	35,175
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				543,536

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	0	
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶	0	

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶	0	

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Accounts Receivable - Intercompany	431,253
(2) Loan Receivable	7,326,685
(3) BBVA Compass Securities	13,959
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	7,771,897

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	0
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	0

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☐

Part XI **Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	0
3	Subtract line 2e from line 1			3	0
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	0
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	0

Part XII **Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	0
3	Subtract line 2e from line 1			3	0
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	0
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	0

Part XIII **Supplemental Information**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIII Supplemental Information *(continued)*

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: FOOD BANK OF THE RIO GRANDE VALLEY, INC.

Employer identification number: 74-2421560

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a [X] Mail solicitations
b [X] Internet and email solicitations
c [ ] Phone solicitations
d [ ] In-person solicitations
e [X] Solicitation of non-government grants
f [X] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [ ] Yes [X] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1 Brad Cecil and Associates 2115 Arlington Downs Rd. Arlington TX 760	Direct mail and newsletter		X	353,121	188,444	164,677
2				0	0	0
3				0	0	0
4				0	0	0
5				0	0	0
6				0	0	0
7				0	0	0
8				0	0	0
9				0	0	0
10				0	0	0
Total . . . . . ▶				353,121	188,444	164,677

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
HTA

Schedule G (Form 990 or 990-EZ) 2013

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 Empty Bowls (event type)	(b) Event #2 Ten Man Jam (event type)	(c) Other events 4 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	48,890	40,044	66,920	155,854
	2 Less: Contributions			0	0
	3 Gross income (line 1 minus line 2)	48,890	40,044	66,920	155,854
Direct Expenses	4 Cash prizes			0	0
	5 Noncash prizes			0	0
	6 Rent/facility costs			0	0
	7 Food and beverages			0	0
	8 Entertainment			0	0
	9 Other direct expenses	5,009		9,724	14,733
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(14,733)
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				141,121

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				0
Direct Expenses	2 Cash prizes				0
	3 Noncash prizes				0
	4 Rent/facility costs				0
	5 Other direct expenses				0
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				(0)
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) ▶				0

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ 0 and the amount of gaming revenue retained by the third party ▶ $ 0 .

c If "Yes," enter name and address of the third party:

Name ▶

Address ▶

16 Gaming manager information:

Name ▶

Gaming manager compensation ▶ $ 0

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $ 0

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Information about Schedule M (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization: FOOD BANK OF THE RIO GRANDE VALLEY, INC.

Employer identification number: 74-2421560

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory	X	1	28,659,538	
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ ( )				
26	Other ▶ ( )				
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgment 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 - 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		X
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

HTA

Schedule M (Form 990) (2013)

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization	Employer identification number
FOOD BANK OF THE RIO GRANDE VALLEY, INC.	74-2421560

Form 990, Part VI, Line 11B - Form 990 Reveiw Process: A copy of the 990 is provided to the Board for their review.

Form 990, Part VI, Line 12C - Explanation of monitoring and enforcement of conflicts: In the course of business transactions including motions at Board Meetings, the Board discusses the potential for conflicts of interest and asks if there are any with those that are present for the vote.

Form 990, Part VI, Line 15A - Compensation review & approval process - CEO & top management: The salaries for the executive director and for other key employees are evaluated based on performance and are paid a comparable wage based on similar positions in the same type of non-profit (size, region of country, etc.)

Form 990, Part VI, Line 19 - Other organization documents publicly available: Governing documents and policies are available upon request. Form 990 and audited financial statements are available on the website.

Name of the organization	Employer identification number
FOOD BANK OF THE RIO GRANDE VALLEY, INC.	74-2421560

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
FOOD BANK OF THE RIO GRANDE VALLEY, INC.

Employer identification number
74-2421560

Part I **Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Food RGV, LP 20-2540847 P.O. Box 6251 McAllen, TX 78502-6251	Building & Operations	TX	0	0	Food Bank of the R
(2)					
(3)					
(4)					
(5)					
(6)					

Part II **Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
HTA

Schedule R (Form 990) 2013

Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) FBRGV Landlord, LLC 45-2 P.O. Box 6251 McAllen, TX 7850	Rental Real Estate	TX	FBRGV Manage	Unrelated	52,803	10,039,590		X		X		90.00%
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) FBRGV Manager, LLC 45-2846895 P.O. Box 6251 McAllen, TX 78502-6251	Investment	TX	Food Bank of t	C Corp	603	9,663,361	100.00%	X	
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V **Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b	X	
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o		X
p	Reimbursement paid to related organization(s) for expenses	1p		X
q	Reimbursement paid by related organization(s) for expenses	1q		X
r	Other transfer of cash or property to related organization(s)	1r		X
s	Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a–s)	(c) Amount Involved	(d) Method of determining amount involved
(1) FBRGV Landlord, LLC	l	227,158	Per Agreement
(2) FBRGV Manager, LLC	b	227,158	Per Agreement
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions).

Part III FBRGV Landlord, LLC 45-2846971 P.O. Box 6251 McAllen, Tx 78502-6251

Food Bank of the Rio Grande Valley, Inc.
74-2421560

Form 990, Part X, Balance Sheets, Line 10a-10c, Accumulated Depreciation

Description	Date Purchased	Cost	Accumulated Depreciation Beg. Balance	CY Additions	CY Deletions	Ending Balance	Net Book Value
LAND							
LAND	Jan-09	$ 22,275	$ -	$ -	$ -	$ -	$ 22,275
CONSTRUCTION IN PROGRESS							
CONSTRUCTION IN PROGRESS	Sep-13	35,175	-	-	-	-	35,175
BUILDINGS							
WAREHOUSE BUILDING	Mar-91	197,247	136,556	6,262	-	142,818	54,429
NEW KIKA WING	May-96	117,088	50,248	2,927	-	53,175	63,913
WING ADDITIONA	Jun-98	110,275	41,585	2,757	-	44,342	65,933
LEASEHOLD IMPROVEMENTS							
ELEC & PLUMBING IMPROVEMENTS	Jun-91	15,080	10,555	479	-	11,034	4,046
SECURITY SYSTEMS	Jun-93	940	940	-	-	940	-
OVERHEAD DOOR	Apr-93	1,534	1,534	-	-	1,534	-
ELEC TO INSTALL FANS	May-93	1,382	1,382	-	-	1,382	-
NEW LIGHT FIXTURES	Mar-95	1,875	1,875	-	-	1,875	-
PAVING	Jan-95	2,797	2,797	-	-	2,797	-
REMODELING	Dec-97	1,300	1,300	-	-	1,300	-
WALK IN COOLER	Oct-97	46,849	46,849	-	-	46,849	-
OFFICE REMODELING	Jun-98	7,582	7,582	-	-	7,582	-
TILE FLOORING IN OFFICE	Jan-94	1,694	1,667	27	-	1,694	-
REPLACE 8X8 REPAIR DOORS	Dec-00	1,718	1,433	285	-	1,718	-
REPLACE ELECTRICAL BOX	Oct-01	575	498	77	-	575	-

Form 990, Part X, Balance Sheets, Line 10a-10c, Accumulated Depreciation

Description	Date Purchased	Cost	Accumulated Depreciation Beg. Balance	CY Additions	CY Deletions	Ending Balance	Net Book Value
10X10 STRIP DOOR	Feb-01	512	451	61	-	512	-
BLDG IMP-ALVAREZ ELECTRIC	Dec-02	10,875	3,738	345	-	4,083	6,792
PLUMBING	Nov-01	5,932	5,932	-	-	5,932	-
CONFERENCE ROOM	May-03	5,368	3,610	358	-	3,968	1,400
FA OFFICE	Mar-03	280	-	280	-	280	-
NUTRITIONISTS OFFICE	Jul-03	1,835	1,209	122	-	1,331	504
WAREHOUSE IMPROVEMENTS	Mar-03	1,560	1,066	104	-	1,170	390
S.T. ELECTRICAL	Nov-01	6,835	2,514	217	-	2,731	4,104
S.T.(2) 23.800 BTULAC	Aug-02	1,030	358	33	-	391	639
ENCLOSE S.T.	Oct-01	7,800	2,893	248	-	3,141	4,659
S.T. LIGHT FIXTURES INST	Jun-02	2,750	2,635	115	-	2,750	-
S.T. TILE AND FLOOR WORK	Jan-02	714	264	23	-	287	427
ENCLOSE S.T.	Mar-10	7,800	2,914	248	-	3,162	4,638
LOADING DOCK	May-12	812	812	-	-	812	-
UPSTAIRS OFFICE	Apr-04	5,350	3,273	357	-	3,630	1,720
WAREHOUSE WORKSHOP	Apr-04	3,213	1,961	214	-	2,175	1,038
AC CENTRAL UNIT	Nov-03	3,500	3,500	-	-	3,500	-
5 TON FAN COIL FR OFF AC	Aug-04	2,100	2,100	-	-	2,100	-
WARHOUSE WATER HEATER	Feb-04	789	789	-	-	789	-
OUTSIDE PVC	Feb-04	1,475	1,475	-	-	1,475	-
LANDSCAPING	Apr-04	906	560	60	-	620	286
WAREHOUSE FREEZER P3168	Mar-04	4,133	3,821	312	-	4,133	-
WAREHOUSE FREEZER P3791	Jun-04	1,446	1,305	141	-	1,446	-
WAREHOUSE FREEZER P4181	Sep-04	3,951	3,456	395	-	3,851	100
WAREHOUSE FREEZER 2888	Feb-04	1,535	1,437	98	-	1,535	-
NEW A/C UNIT FRONT OFFICE	Oct-07	1,980	1,815	165	-	1,980	-
A/C REPAIR NEW CARRIER	May-07	2,565	1,968	597	-	2,565	-
FREEZER COMPRESSOR	May-11	10,106	4,210	2,021	-	6,231	3,875
PARKING LOT PAVING	Apr-11	48,860	3,490	1,551	-	5,041	43,819

Form 990, Part X, Balance Sheets, Line 10a-10c, Accumulated Depreciation

Description	Date Purchased	Cost	Accumulated Depreciation Beg. Balance	CY Additions	CY Deletions	Ending Balance	Net Book Value
EQUIPMENT							
CLOSED CIRCUIT SEC SYS	Sep-96	7,122	7,122	-	-	7,122	-
TELEPHONE EQUIPMENT	Mar-00	2,595	2,595	-	-	2,595	-
NAVISION SOFTWARE	Sep-01	5,201	5,201	-	-	5,201	-
PROJECTER	Sep-10	4,236	4,236	-	-	4,236	-
NAVISION SOFTWARE	Sep-02	23,942	23,942	-	-	23,942	-
DELL PE 2900 FILE SERVER	Oct-09	3,462	3,462	-	-	3,462	-
ATHENA SYSTEM	Jun-11	31,966	13,319	6,393	-	19,712	12,254
(1) PR T610 TOWER	Jun-11	4,075	1,698	815	-	2,513	1,562
(8) 146GB HARD DRIVES	Jun-11	1,658	692	332	-	1,024	634
(13) MOUSE & KEYBOARD	Jun-11	327	135	65	-	200	127
(18) MINITOWER	Jun-11	14,058	5,858	2,812	-	8,670	5,388
(9) 960 DESKTOP BASE	Jun-11	8,575	3,573	1,715	-	5,288	3,287
(1) LATITUDE L13 NOTEBOOK	Jun-11	894	373	179	-	552	342
(9) 960 DESKTOP BASE	Jun-11	10,292	4,288	2,058	-	6,346	3,946
EMBROIDERY SEWING MACHINE	May-99	3,414	3,414	-	-	3,414	-
SCALE	Apr-92	2,000	2,000	-	-	2,000	-
WAREHOUSE STORAGE RACKS	Jun-92	9,500	9,500	-	-	9,500	-
WALK-IN-FREEZER	Jul-94	84,940	84,940	-	-	84,940	-
REPACK WORKSTATION	May-95	3,397	3,397	-	-	3,397	-
1/2 HP PUMP	Jul-96	524	524	-	-	524	-
FREEZER MISSION FD PANTRY	May-97	8,100	8,100	-	-	8,100	-
FREEZER-FLAME OF TRUTH PA	May-97	4,367	4,367	-	-	4,367	-
90 FREEZER BOXES-SATELITE	Oct-97	73,620	73,620	-	-	73,620	-
NISSAN E50 FORKLIFT	Mar-99	29,450	29,450	-	-	29,450	-
NISSAN PE50Y ELE FORKLIFT	Oct-99	23,613	23,563	50	-	23,613	-
ORION STRETCH WRAPPER	Apr-00	5,850	5,765	85	-	5,850	-
KORMATSU FORKLIFT	Dec-12	19,593	19,593	-	-	19,593	-

Form 990, Part X, Balance Sheets, Line 10a-10c, Accumulated Depreciation

Description	Date Purchased	Cost	Accumulated Depreciation Beg. Balance	CY Additions	CY Deletions	Ending Balance	Net Book Value
STORAGE EQUIP FOR SALVAGE	Aug-03	2,200	2,163	37	-	2,200	-
YALE ELECT PALLET JACK	Sep-02	3,127	3,127	-	-	3,127	-
KAMATSU ELEC PALLET JACK	Jan-04	3,569	3,392	177	-	3,569	-
KOMATSU FB 18M-3 EL FORKL	Apr-08	22,913	22,913	-	-	22,913	-
CROWN ELECTRI PALLET JACK	Feb-10	6,300	4,253	1,260	-	5,513	787
CROWN ELECTRI PALLET JACK	Feb-10	6,500	4,387	1,300	-	5,687	813
CROWN ELECTRI PALLET JACK	Feb-10	6,300	4,253	1,260	-	5,513	787
CROWN ELECTRI PALLET JACK	Feb-10	6,300	4,253	1,260	-	5,513	787
CROWN ELECTR PALLET JACK	Feb-10	6,500	4,388	1,300	-	5,688	812
NISSAN FORKLIFT MODEL MCP	Feb-10	34,250	23,119	6,850	-	29,969	4,281
NOBLES SPEED SCRUB	Mar-10	8,849	5,974	1,770	-	7,744	1,105
NOBLES VACUUM CLEANER SCO	Mar-10	3,849	2,599	770	-	3,369	480
40' HIGH CUBE MODEL PCML	Mar-10	3,200	2,160	640	-	2,800	400
BALER, GPI M42 BC BALER T	Mar-10	7,764	5,241	1,553	-	6,794	970
NISSAN FORKLIFT MODEL PIB	Apr-10	36,995	24,972	7,399	-	32,371	4,624
CROWN PALLET JACK	May-13	5,500	92	1,100	-	1,192	4,308
CROWN PALLET JACK	May-13	5,500	92	1,100	-	1,192	4,308
CROWN PALLET JACK	May-13	5,500	92	1,100	-	1,192	4,308
CROWN PALLET JACK	May-13	5,500	92	1,100	-	1,192	4,308
CROWN PALLET JACK	May-13	5,500	92	1,100	-	1,192	4,308
CROWN PALLET JACK	May-13	5,500	91	1,100	-	1,191	4,309
CROWN PALLET JACK	May-13	5,500	91	1,100	-	1,191	4,309
1999 FREIGHTLINER REF BOX	Mar-99	91,881	91,881	-	-	91,881	-
1989 GREAT DANE REEFER TR	Sep-81	9,881	9,881	-	-	9,881	-
GPS TRACKING UNITS 2 TRK	Jul-01	2,578	2,578	-	-	2,578	-
2001 FREIGHTLINER FLBO	Apr-01	94,783	94,783	-	-	94,783	-
LOGO 3-SIDES OF TRAILER	Apr-01	1,724	1,724	-	-	1,724	-
01 FORD F-350 SALAD TRUCK	Apr-01	36,000	36,000	-	-	36,000	-
97 FORD AEROSTAR TRACTOR	Sep-01	40,000	40,000	-	-	40,000	-

Form 990, Part X, Balance Sheets, Line 10a-10c, Accumulated Depreciation

Description	Date Purchased	Cost	Accumulated Depreciation Beg. Balance	CY Additions	CY Deletions	Ending Balance	Net Book Value
SIGN FOR AUTO	Feb-02	349	349	-	-	349	-
8 GPS SYSTEMS @ 650 EACH	Jul-04	5,200	5,200	-	-	5,200	-
LIFTGATE FOR CONAGRA TRK	Jan-04	3,531	3,531	-	-	3,531	-
DECALS & INSTALL-NEW TRK	Mar-04	572	572	-	-	572	-
2004 FORD 550	Mar-04	50,000	50,000	-	-	50,000	-
F-450 KRAFT/FORD TRK	Mar-06	53,221	49,419	3,802	-	53,221	-
1995 TRUCK	Apr-95	52,143	52,143	-	-	52,143	-
2001 T7500 CHEVROLET	Jan-07	23,178	23,178	-	-	23,178	-
2002 KW 300 TRUCK	Aug-07	28,500	27,701	799	-	28,500	-
2010 INTERNATIONAL THERMO	Feb-10	129,970	86,105	25,994	-	112,099	17,871
2010 INTERNATIONAL THERMO	Feb-10	129,970	86,105	25,994	-	112,099	17,871
2010 INTERNATIONAL THERMO	Feb-10	129,970	86,105	25,994	-	112,099	17,871
2014 FREIGHTLINER TRUCK - M2106	Oct-13	112,098	-	15,881	-	15,881	96,217
PARTNERS PHONE SYSTEM	Mar-98	14,665	14,665	-	-	14,665	-
NETWORKING COMPUTER CABLE	Feb-98	3,070	3,070	-	-	3,070	-
		$ 2,308,569	$ 1,597,910	$ 167,123	$ -	$ 1,765,033	$ 543,536

FOOD BANK RGV

	2016 Budget
Income	
Donations	
Benevon	$200,000
Corporate Donations	$200,000
Foundation Grants	$450,000
Organization Donations	$100,000
Church Donations	$10,000
Individual Donations	$165,000
Newsletter Donations	$79,916
Direct Mail Donations	$286,632
S/T Teachers Annual Membership	$12,000
SECC/CFC	$34,000
Total Donations	**$1,537,548**
Special Events	
Events	$150,000
Total Special Events	**$150,000**
Government Support	
USDA Farmer's Market	$50,000
USDA - TEXCAP	$540,003
USDA - CSFP	$336,914
SNAP-ED	$151,500
HHSC	$82,735
EFSP - Cameron	$36,460
EFSP - Hidalgo	$137,077
EFSP - Willacy	$12,683
CDBG Grants	$59,000
Total Government Support	**$1,406,372**

	2016 Budget
Shared Maintenance Fees	
Shared Maintenance	$965,604
Less: Grant Funded Shared Maintenance	-$109,000
Bin Deposits	$6,000
Total Shared Maintenance	**$862,604**
Texas Food Bank Network	**$67,275**
New Market Tax Credit Loan Interest Income	$36,633
Interest and Investment	
Interest Income - Operating	$50
Interest - Frost Money Market	$245
Interest - IBC MM	$350
Gain on Compass Securities	$500
Total Interest and Investment	**$1,145**
Pharrmers' Market	**$3,000**
Other Income	**$24,000**
Total Income	**$4,088,577**

	2016 Budget
Expenses	
Salary Expense	
Salary and Wages	$2,136,652
PEO Fees	$264,092
Total Salary Expense	**$2,400,744**
Employee Benefits	
Mileage	$39,206
Shirts & Uniforms	$1,000
Other Benefits	$15,645
Total Benefits	**$55,851**
Professional Services	
Prof.Employe Serv	$84,685
Audit	$34,350
990 Taxes	$1,500
Total Professional Services	**$120,535**
Equip/Furniture	
Office/Warehouse Equipment	$20,900
Total Office Equip/Furniture	**$20,900**
Supplies	
Supplies (Office / Warehouse / Program)	$29,800
Printer/Copier (Ink Toner)	$2,000
Total Supplies	**$31,800**
Telephone	
Telephone	$9,238
Internet	$12,060
Cell Phone	$16,120
Total Telephone	**$37,418**
Computer	
Hardware	$17,500
Software	$45,239
Total Computer Expense	**$62,739**

	2016 Budget
Promotional	
Fundraising	$10,000
Promotions	$4,500
Recognition	$4,000
Direct Mail - Acquisition	$54,955
Direct Mail - Cultivation	$69,184
Total Promotional	**$142,639**
Postage/Shipping	
Postage	$3,000
Shipping	$750
Total Postage/Shipping	**$3,750**
Transportation	
Vehicle Insurance	$26,331
Vehicle Repair	$65,271
Vehicle Fuel	$84,974
Vehicle Preventive Maintenance	$7,400
Vehicle Tax & Registration	$4,400
Contract Trucking	$13,538
Total Transportation	**$201,914**
Occupancy	
Property Insurance	$43,416
Building Repair and Maintenance	$30,000
Electricity	$72,500
Water/Sewer	$2,740
Waste Removal	$12,737
Lease	$89,213
Off Site Storage	$2,000
Total Occupancy	**$252,606**
Insurance	
General Liability Insurance	$16,944
Directors' and Officers' Insurance	$3,442
Total Insurance	**$20,386**

	2016 Budget
Equipment Lease & Maintenance	
Equipment Preventive Maintenance	$1,555
Equipment Repair	$10,514
Equipment Lease	$24,286
Total Equipment Lease & Maintenance	**$36,355**
Printing and Publications	
Newsletter/Annual Report	$27,540
Total Printing & Publications	**$27,540**
Travel	**$20,600**
Conference/Meals	
Texas Second Chance Meals	$540
Meetings and Meals	$2,400
Training	$26,000
Total Conference/Meals	**$28,940**
Food Acquisition Expense	
Food Purchases	$200,066
Food Acquisition Expenses/FM	$41,398
Total Food Acquisition Expense	**$241,464**
Food Bank Fees	
Feeding America	$11,235
Texas Food Bank Network	$14,557
Central Region Fees/CSFP	$150
Kids In Need	$500
Total Food Bank Fees	**$26,442**
Other Fees	
Credit Card Fees	$6,200
Other Fees and Expenses	$2,300
Total Other Fees	**$8,500**
Operating Reserve Transfer to Capital	$347,454
Total Expenses	**$4,088,577**
Commodities & In kind Contributions of Inventory	$21,840,000
Cost of Inventory Distributed	$21,840,000

FOOD BANK OF THE RIO GRANDE VALLEY, INC.

ORIGINALLY ADOPTED SEPTEMBER 24, 1985

REVISED AND ADOPTED JANUARY 16, 2014

Article I

The name of the organization is the Food Bank of the Rio Grande Valley, Inc., a non-profit Corporation, chartered under the laws of the State of Texas. The Organization may also be known as The Food Bank, Food Bank RGV, Food Bank of the RGV, or FBRGV, and hereinafter called the Corporation.

Article II

Purposes

The purposes of the Food Bank of the Rio Grande Valley, Inc. are to make food available to individuals or families during emergency situations or periods of need and to serve as a central warehouse so that donations of food can be accepted and be distributed to Partner Agencies now operating through churches and other nonprofit organizations. Depending on the availability of food, the Food Bank shall serve Internal Revenue Service 501(c)(3) organizations that feed or give food to dependent children, frail elderly, other needy individuals and/or provide congregate feeding. The recipient organizations will be assessed shared maintenance. All funds raised by the Corporation to accomplish such purposes shall be used exclusively for charitable, memorial and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time. The Corporation will not engage, other than as an insubstantial part of its activities, in activities that do not further the purposes stated above. All purposes of this Organization shall be in strict accordance with §501 (3)(c) of the Internal Revenue Code of 1986, as amended from time to time.

Article III

Offices

SECTION 1. The principle office of the Corporation in the State of Texas shall be located in the City of Pharr, County of Hidalgo. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

SECTION 2. The Corporation shall have and continuously maintain in the State of Texas a Registered Office and Registered Agent whose office may be, but not need be, identical with the

principle office of the Corporation in the State of Texas. The Registered Agent and the address of the Registered Office may be changed from time to time by the Board of Directors.

Article IV

Members and Directors

SECTION 1. There shall be no membership in this Organization.

SECTION 2. The affairs and property of the Corporation shall be managed by its Board of Directors in accordance with the Articles of Incorporation and the By-Laws.

SECTION 3. The number of Directors shall be determined by the Board of Directors, but the total number shall be not less than three nor more than twenty-three (23) Members; said number of Directors may be increased to no more than thirty (30) Directors by the approval of two-thirds (2/3) of the full Board of Directors.

SECTION 4. The Directors shall serve terms of three (3) years, unless their resignation is accepted by a majority vote of the other Directors. A Director's term in Office shall be considered to begin on the first day of the fiscal year of the Corporation during which they are elected unless otherwise indicated or intended (for example, new Board members elected at the end of the current fiscal year to serve beginning in the new fiscal year). All elected Directors shall serve no more than two (2) consecutive terms and shall be off of the Board for at least one (1) year before being eligible for re-election. As the Directors' terms expire, they may be elected as Advisory Committee Members.

SECTION 5. Terms of office of the Officers and Directors of this Corporation shall begin on the first day of the fiscal year of the Corporation and end on the last day of the fiscal year of the Corporation. The annual election of Officers shall be held during the last Quarterly Meeting of the year.

SECTION 6. Directors may be removed from the Board upon a two-thirds (2/3) vote of the total Board of Directors.

SECTION 7. Three consecutive unexcused absences shall be deemed automatic resignation from the Board of Directors.

SECTION 8. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by an election held by the remaining Board of Directors. Approval of new board members requires a two-thirds (2/3) majority affirmative vote of the existing Board of Directors.

SECTION 9. Not less than one-third (1/3) of the duly elected and sitting members of the Board of Directors shall constitute a quorum for the transaction of business at any Meeting of the Board of Directors.

SECTION 10. The act of a majority of the Directors present at a Meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of the greater number is required by Law or these By-Laws.

SECTION 11. The Annual Meeting of the Board of Directors shall be held during the last quarter of each year for the purpose of electing Officers and for the transaction of other business as may come before the Meeting.

SECTION 12. The Board of Directors may provide by Resolution the time and place, either within or without the State of Texas, for the holding of any Regular or Special Meetings of the Board of Directors without other notice than such Resolution.

SECTION 13. The Board of Directors may designate any time and place as the time and place of meeting for any Annual, Regular or Special Meeting called by the Board of Directors; or it may authorize the President or Executive Director to designate the time or place, or both, of any such Meetings.

SECTION 14. Special Meetings of the Board of Directors may be called by, or at the request of the President or any three (3) Directors. The person or persons authorized to call Special Meetings of the Board may fix any place, either within or without the State of Texas, as the place for holding any Special Meetings of the Board called by them.

SECTION 15. Notice of any Regular or Special Meetings of the Board of Directors and the time and place thereof shall be given at least seven (7) days previously thereto by written notice delivered personally, sent by mail to each Director at their address shown by the records of the Corporation, or sent via email to each Director at their address shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If sent via email, such notice shall be deemed to be delivered when a return receipt is received by the Sender. Any Director may waive notice of any Meeting. The attendance of a Director at any Meeting shall constitute a waiver of notice of such Meeting, except where a Director attends a Meeting for the express purpose of objecting to the transaction of any business because the Meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice or waiver of notice of such Meeting unless specifically required by Law or by these By-Laws.

SECTION 16. Any action required by Law to be taken at a Meeting of Directors, or any action which may be taken at a Meeting of Directors, may be taken without a Meeting if each Director is sent and receives notification setting forth the action to be taken in writing, or via facsimile or via email. Each Director shall respond in equal manner and their approval or denial of said action shall be attested to by either their original or digital signature.

SECTION 17. Regular Meetings of the Board of Directors shall be held at least once during each quarter. During any meeting, the Board of Directors may choose to enter into an executive session at which time only the members of the Board of Directors and any invited guests will be

allowed in the session. Discussions during executive sessions will not be recorded in official meeting minutes. Votes on official actions of the Board may not take place during an executive session. Official actions must occur in regular or special board meetings and be recorded in the minutes.

SECTION 18. Except in instances in which a Director is engaged in gross misconduct or in gross negligence, the Corporation shall bear the legal expenses incurred by individual Directors in their defense for acts of the Corporation or agents thereof.

Article V

Contracts or Transactions Involving Interested Officers or Directors

Section 1. This section applies only to a contract or transaction between the Corporation and one or more of the Corporation's Directors or Officers; or an entity or other organization in which one or more of the Corporation's Directors or Officers is a managerial official or has a financial interest.

Section 2. An otherwise valid contract or transaction is valid notwithstanding that a Director or Officer of the Corporation is present at or participates in the Meeting of the Board of Directors, or of a Committee of the Board that authorizes the contract or transaction, or votes to authorize the contract or transaction, if (1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or are known by the Corporation's Board of Directors or a Committee of the Board of Directors, and the Board of Directors or Committee in good faith authorizes the contract or transaction by the affirmative vote of the majority of the disinterested Directors or Committee Members, regardless of whether the disinterested Directors or Committee members constitute a quorum; and (2) the contract or transaction is fair to the Corporation when the contract or transaction is authorized, approved, or ratified by the Board of Directors or a Committee of the Board of Directors.

Section 3. An interested Director(s) of a Corporation may be included in determining the presence of a quorum at a Meeting of the Corporation's Board of Directors, or a Committee of the Board of Directors, that authorizes the contract or transaction; however, said interested Director(s) shall be precluded from any discussion pertaining to said matter or from voting thereon.

Article VI

Officers

SECTION 1. The Officers of the Corporation shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other Officers including one or more Assistant

Treasurers, as it shall be deemed desirable. Such Officers shall have the authority and perform the duties prescribed from time to time, by the Board of Directors. The Officers shall constitute the Executive Committee of the Board.

SECTION 2. The Officers of the Corporation, with the exception of the President, shall be elected annually by the Board of Directors at the last Quarterly Meeting of the Board of Directors during each fiscal year. The President of the Board and future Board Presidents shall be elected for a term of two (2) years at the last Quarterly Meeting of the Board of Directors beginning in 2010. If the election of Officers shall not be held at such Meeting, such election shall be held as soon thereafter as conveniently may be possible. New officers may be created and filled at any Meeting of the Board of Directors. Each Officer shall hold office until their successor shall have been duly elected and shall have qualified.

SECTION 3. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

SECTION 4. The Officers of the Corporation shall have the powers and duties generally ascribed to the respective offices, and such additional authority or duty as may from time to time be established by the Board of Directors.

SECTION 5. A vacancy in any Office because of death, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 6. The President shall preside at all Meetings of the Board of Directors. The President shall see to it that all Orders or Resolutions of the Board are carried out, subject however, to the right of the Directors to delegate specific powers, except such as may be by Statute exclusively conferred on the President, to any other Officer of the Corporation or to the Executive Director. The President shall be an Ex-Officio member of all standing Committees. The President shall submit a report of the operations of the Corporation for the year to the Board of Directors at their Annual Meeting. The President shall be official representative of this Corporation and shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 7. The Vice-President shall preside in the absence of the President and shall perform such other duties as from time to time may be assigned to the Vice-President by the President or Board of Directors.

SECTION 8. The Secretary shall keep the Minutes of the Meetings of the Board of Directors and perform all duties incident to the Office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or Board of Directors.

SECTION 9. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, shall receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the

Corporation in such banks as selected in accordance with these By-Laws, and shall perform such other duties as from time to time may be assigned to the Treasurer by the President or the Board of Directors. The Treasurer may delegate said responsibilities and duties to qualified employees of the Corporation; however, delegation does not negate the ultimate responsibility for the Treasurer to insure the successful accomplishment of said delegated responsibilities.

SECTION 10. An Officer is not liable to the Corporation or any other person for an action taken or omission made by the Officer in the person's capacity as an Officer unless the Officer's conduct was not exercised in good faith, with ordinary care and in a manner the Officer reasonably believes to be in the best interest of the Corporation. This Section shall not affect the liability of the Corporation for an act or omission of the Officer.

Article VII

Executive Director

SECTION 1. The Board of Directors is authorized to and may at its discretion elect an Executive Director.

SECTION 2. The Executive Director shall manage and direct all activities of the Corporation, subject to the policies of the Board of Directors. The Executive Director shall be the chief executive of the Corporation and shall supervise, direct, and execute the business affairs of the Corporation. The Executive Director shall hire, supervise, evaluate and direct all employees of the Corporation and have the power to delegate responsibilities based on job description and commensurate authority to their subordinates; to supervise, direct and execute the collection and the disbursement of all funds of the Corporation in accordance with specific or general policies and instructions of the Board of Directors. The Executive Director shall attend all Meetings of the Board of Directors and all Committees and, whenever practical, serve as the staff advisor and Recording Secretary thereof; and have such other powers and duties as may be prescribed by the Board of Directors from time to time. However, the Executive Director does not count toward a quorum and cannot vote.

SECTION 3. Any of the Officers of the Corporation may, with the consent of the Board of Directors, delegate the duties of their Office to the Executive Director.

SECTION 4. The Executive Director shall be elected by and hold office at the pleasure of the Board of Directors.

SECTION 5. The Executive Director may receive a salary or other compensation, based on an annual performance evaluation. Said performance evaluation shall be performed during the last quarter of each fiscal year.

Article VIII

Committees

SECTION 1. The Board of Directors, by Resolution, may designate and appoint one or more Committees and to the extent provided in said Resolution, shall have and exercise the authority provided to the Committee by the Board. No Committee, or Member thereof, shall have authority in reference to amending, altering or repealing the By-Laws; electing, appointing or removing any Member of the Board, any member of the management or administrative staff of the Corporation; adopting or authorizing a plan of consolidation with another Corporation, entity or organization; authorizing the sale, lease, exchange, or mortgage of the property or assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings thereof; adopting a plan for the distribution of the assets of the Corporation without an Act of the Board; or amending, altering, or repealing any Resolution of the Board.

The designation and appointment of any Committee shall not operate to relieve the Board or any Director of any responsibility imposed on the Board or upon the Director by law, these By Laws or by Resolution of the Board.

SECTION 2. Each Committee Member shall continue as such until the first regular Annual Meeting of the Board of Directors during each fiscal year or until his successor is appointed and elected, unless the Committee is terminated sooner, or unless such Member is removed from such Committee or ceases to act as or to qualify as a Member of the Committee.

SECTION 3. One Member of each Committee shall be appointed Chairperson by the President of the Board, with the concurrence of a majority of the Board of Directors. The Chairperson shall be responsible for coordinating the activities of the Committee, or of the Committee Members, for scheduling Meetings, for providing Notice of Meetings of the Committee to Members, and for reports to the Board at its regular Meetings.

SECTION 4. The Chairperson of each Committee may appoint non-Directors as Members of the Committee and these Members shall have the same voting powers as Directors who are Members of the Committee in reference to matters within the scope of the objectives of the Committee.

SECTION 5. The total number of Members of each Committee shall be uneven.

SECTION 6. Vacancies in Committee Membership shall be filled by the Committee Chairperson except in instances in which all Committee seats are vacated in which case the President of the Board shall select an interim Committee Chairperson until such time that the President of the Board, with the concurrence of a majority of the Board of Directors, selects a new Committee Chairperson.

SECTION 7. Unless otherwise provided by Resolution of the Board of Directors, a majority of the whole Committee shall constitute a quorum, to include Members who are present by telephone or who subsequently cast a ballot regarding the question, after full disclosure, via e-mail, and the act of a majority of the Members in attendance at which time a quorum is present shall be the act of the Committee.

Article IX

Advisory Committee

SECTION 1. The Board of Directors shall appoint members to the Advisory Committee by a two-thirds (2/3) majority vote. The Advisory Committee shall be comprised of no more than four members. The Advisory Committee's purpose is to advise the Board on any matters pertaining to the Food Bank.

SECTION 2. An Advisory Committee member must be a former Director of the Food Bank. All Advisory Committee members may only attend meetings of the Board of Directors upon invitation of the Board and can participate in the discussion, but shall not vote.

SECTION 3. The Advisory Committee member will serve for a period of no more than three (3) years and must be approved annually by a two-thirds (2/3) majority vote of the Board of Directors. The Advisory Committee member will also be required to sign the ethics, non-disclosure, conflict of interest and whistleblower policies.

Article X

Contracts, Checks, Deposits, and Funds

SECTION 1. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these By-Laws, to enter into any contract, and execute and deliver any instrument pertaining thereto in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.
SECTION 2. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers, agent or agents of the Corporations and in such manner as shall time to time be determined by Resolution of the Board of Directors.

SECTION 3. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Corporation.

SECTION 5. Any Officer or agent responsible for the Corporation's finance shall be bonded in an amount determined by the Board of Directors.

Article XI

Books and Records

SECTION 1. The Corporation shall keep correct and complete books and records of accounts and shall also keep Minutes of the proceedings of its Board of Directors and Committees having any of the authority of the Board of Directors, and shall keep at the Registered or principal office a record giving the name and addresses of the members entitled to vote as Directors of the Corporation. All books and records of the Corporation may be inspected by any Board Member or his agent or attorney for any proper purpose at any reasonable time.

Article XII

Fiscal Year

SECTION 1. The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June of each subsequent year.

Article XIII

Waiver of Notice

SECTION 1. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the By-Laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article XIV

Amendments to By-Laws

SECTION 1. These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted by a two-thirds (2/3) majority vote of Directors present at any Regular Meeting or at any Special Meeting, if at least seven (7) days written notice is given of an intention to alter, amend, or repeal these By-Laws at such Meeting.

Article XV

Dissolution

SECTION 1. Upon the dissolution of this Corporation, its assets shall be distributed to a charitable or educational organization having purposes similar to those of the Corporation, for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding section of any future Federal Internal Revenue Tax Code. Any such assets not disposed of shall be disposed of by a Court of appropriate jurisdiction exclusively for such purpose or purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 as the Court appointed Trustee shall recommend.

ACTION OF THE BOARD

A majority of a quorum of Directors being present at the Meeting called on the16th day of January, 2014, on which date these By-Laws were approved, to be effective as of the 16th day of January, 2014. The following Officers of the Board affixed their signature below on the dates entered to signify such action.

PRESIDENT:

Jody Nelsen

_____

Signature

Date: January 16, 2014

SECRETARY:

Abel Orendain

_____

Signature

Date: January 16, 2014

30267 North Expressway 281, Edinburg, Texas 78542•956-227-2886•libbys@foodbankrgv.com

Libby Ann Saenz-Salinas

Objective

To secure a position with a well-established organization that will lead to a lasting relationship in the field of non-profit.

Experience

Jan 2002 – Current | Food Bank of the Rio Grande Valley, Inc. | Pharr, Texas

Chief Programs Officer

- Oversee all programs of the Food Bank to include; develop, expand, integrate, evaluate, manage and monitor.
- Align all business processes and reinforce organization structure to ensure the effectiveness of major programs and initiatives.
- Oversee financial management, including developing program budget, authorizing and monitoring expenditure of contract funds, and identifying opportunities for cost savings.

Aug 2000-Nov 2001 | Eagle VIP Security | Boca Raton, Florida

Office Manager/Human Resources

- General Office Work
- Interview new hires, human resources, payroll, inventory, compliance
- Scheduling over 250 employees, delegating and assisting of proper company procedures to all employees.

Aug 1997-March 1999 | Optical Outlet | Palm Springs, Florida

Office Manager

- General Office Work, data entry of medical/optical records
- Frame stylist, lab work, customer service.
- Frame stylist, contacts, lab work.

Oct 1992-March 1997 | Eyeglass World Express | Lake Worth, Florida

General Manager

- General office work, data entry of medical/optical records
- Hiring of employees, Doctors, scheduling, payroll, customer service.
- Inventory, ordering supplies; medical and optical. Lab Work.

Education

1987-1989 | Del Mar College | Corpus Christi, Texas

1983-1984 | Edinburg High School | Edinburg, Texas

References available upon request

EMPLOYMENT

Food Bank of the Rio Grande Valley

Chief Financial Officer (2013-Present)

Corpus Christi Regional Transportation Authority

Director of Finance (2009-2013)

Manager of Finance (2006-2008)

Behavioral Health Center of Nueces County

Chief Accountant (1994, 1999-2005)
Budget Analyst/Billing Supervisor/Medicaid Administrative Claiming Coordinator (1995-1999)
Staff Accountant (1992-1993.

Ada Wilson Children's Center

Business Manager (1994-1995)

Hales, Bradford & Allen, CPA's

Senior Staff Accountant (1988-1991)

EDUCATION

Masters of Science in Management - Wayland Baptist University

Bachelor of Business Administration, Eastern New Mexico University (Cum Laude)

CREDENTIALS

Texas CPA (License # 054725)

FOOD BANK OF THE RIO GRANDE VALLEY, INC.
BOARD OF DIRECTOR'S DIRECTORY
FISCAL YEAR 2016

Mrs. Terri Drefke
Chief Executive Officer, Food Bank RGV
Address: P.O. Box 6251, McAllen, TX 78502-6251
Hired: 1989 Race: Anglo

Email: terrid@foodbankrgv.com
Office: 956-904-4505
Cell: 956-227-6795

Mr. Abel Orendain – President
Attorney / Partner, Orendain & Dominguez Law Firm
Address: 320 South 8th Street
McAllen, TX 78501
Term: 2014-2016 Race: Hispanic

Email: aorendai@aol.com
Office: 956-683-0111
Cell: 956-739-3781

Ms. Michelle Zamora – Vice-President
First Vice President – Commercial Lender
Inter National Bank
Address: 1513 Merlin Dr.
Mission, TX 78572
Term: 2013-2018 Race: Hispanic

Email: mzamora@inbweb.com
Cell: 956-358-6365

Mr. Robert Levrier – Treasurer
Circulation Director, AIM Media TX
Address: 2400 Robin Ave
McAllen, TX 78504
Term: 2012-2017 Race: Hispanic

Email: rlevrier@aimmediatx.com
Office: 956-683-4000
Cell: 956-227-0546

Mrs. Andrea Rodriguez - Secretary
Director of Sales & Marketing
Double Tree Suites by Hilton
Address: 1800 S. Second St.
McAllen, TX 78503
Term: 2014-2016 Race: Hispanic

Email: arodriguez@doubletree-mcallen.com
Office: 956-686-3000 ext. 7117
Cell: 956-457-8909

Mr. Tony Gonzalez
Director of Merchandising & Marketing,
Border Region, HEB
Address: 2500 Cornerstone
Edinburg, TX 78539
Term: 2012-2017 Race: Hispanic

Email: gonzalez.tony@heb.com
Office: 956-926-4114
Cell: 956-821-9795

Mr. Gerardo "Jerry" Jackson
Jackson Business Consultant
Address: P.O. Box 1950
Pharr, TX 78577
Term: 2014-2016 Race: Hispanic

Email: jackjere@yahoo.com
Office: 956-821-2177

Ms. Yolanda Gonzalez
Regional Banking District Manager
Wells Fargo Bank
Address: 120 W. Nolana Ave
McAllen, TX 78504
Term: 2014-2018 Race: Hispanic

Email: Yolanda.gonzalez@wellsfargo.com
Office: 956-992-7390
Cell; 956-445-2697

Mr. Cristobal Perez
County Executive Director
USDA Farm Service Agency (FSA)
Address: 2315 W. Exp 83 Frontage Rd
San Benito, TX 78586
Term: 2014 - 2016 Race: Hispanic

Email: cris.perez@tx.usda.gov
Office: 956-399-1311
Cell: 956-245-3619

Mr. Jaime Tijerina
Attorney at Law
Address: 2424 E. 21st Street
Mission, TX 78572
Term: 2014 – 2016 Race: Hispanic

Email: Jaime.tijerina@gmail.com
Cell: 956-207-1074

Rev. Nancy Springer
Associate Rector
St. John's Episcopal Church
Address: 2500 N. 10th St.
McAllen, TX 78501
Term: 2015 - 2017 Race: Anglo

Email: naspringer529@gmail.com
Office: 956-687-6191
Cell: 210-382-1195

Mrs. Lina Cantu Cruz
Instructional Coach
Edinburg High School
Address: 2314 Warjebo Trail
Mission, TX 78574
Term: 2015 – 2017 Race: Hispanic

Email: linacantu@hotmail.com
Office: 956-289-2400 X6528
Cell: 956-342-9663

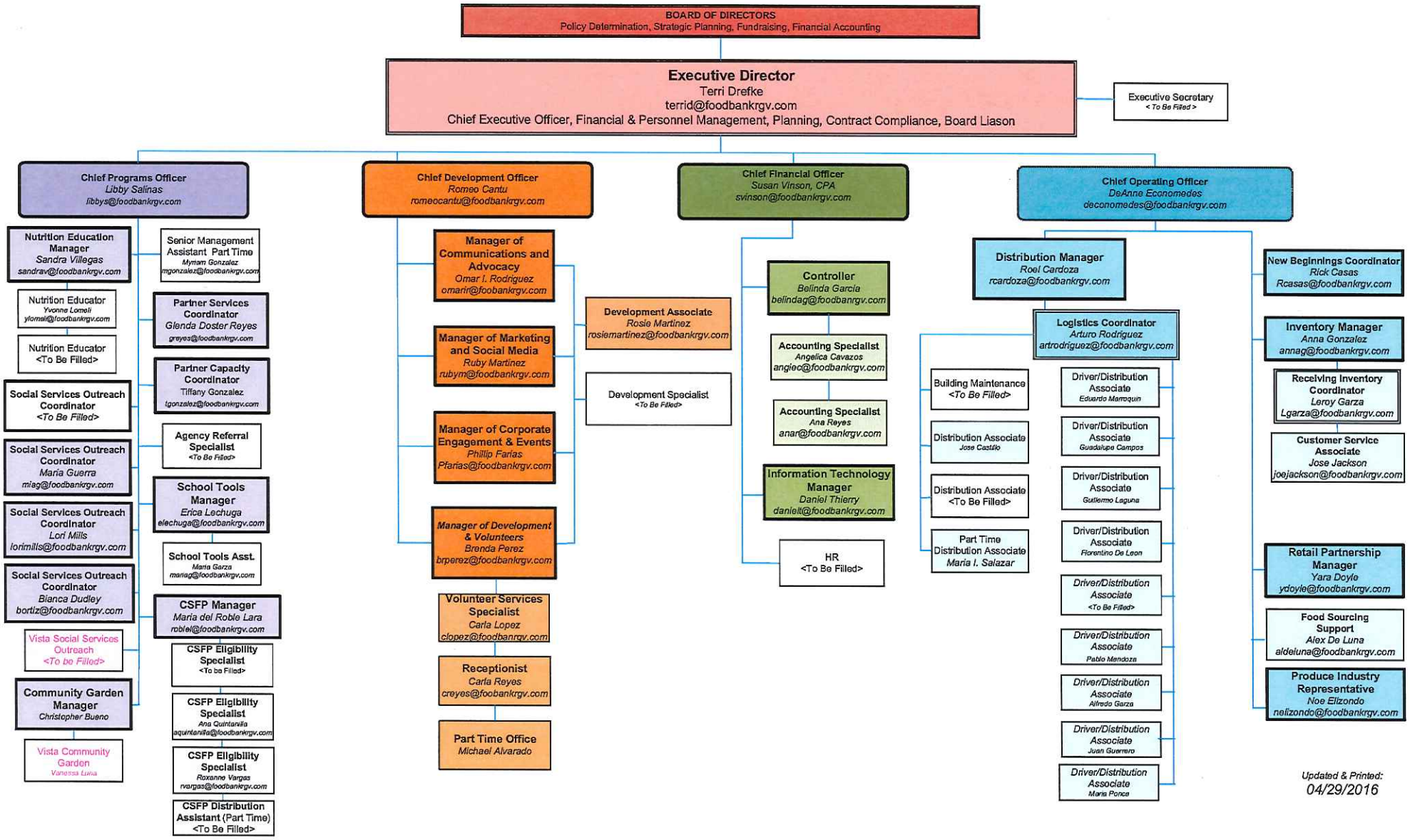
Michael A. Whitacre, Ed. D
Associate Professor
University of Texas Rio Grande Valley
Address: 717 South H Street
McAllen, TX 78501
Term: 2016 – 2018 Race: Hispanic

Email: mwhitac@swbell.net
Office: 956-665-8767
Cell: 956-821-3483

Mr. S. David Deanda, Jr.
President
Lone Star National Bank
Address: 520 E. Nolana Ave.
McAllen, TX 78504
Term: 2016 – 2018 Race: Hispanic

Email: deandads@lonestarnationalbank.com
Office: 956-984-2864
Cell: 956-605-7866

FOOD BANK OF THE RIO GRANDE VALLEY, INC.
ORGANIZATIONAL CHART



IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248421964
Feb. 10, 2009 LTR 4168C E0
74-2421560 000000 00 000
00021401
BODC: TE

FOOD BANK OF THE RIO GRANDE VALLEY
INC
PO BOX 6251
MCALLEN TX 78502-6251

14613

Employer Identification Number: 74-2421560
Person to Contact: MS. MITCHELL
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your request of Jan. 30, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in AUGUST 1986, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

Food Bank of the Rio Grande Valley
Special Board Meeting Minutes
October 3, 2012
3:00 p.m. – 5:00 p.m.

The following members were present:
Naomi Perales, Terri Drefke, Robert Levrier, Jody Nelsen, Richard Aguire, Minnie Longoria, Sonia Guajardo-Lopez, Tracy Hughes, Ignacio Almaguer and Gene Carangal

Naomi Perales called the meeting to order at 3:06pm and Richard gave the opening prayer.

By-Laws Amendments – Jody asked to remove some typographical mistakes. A request was made to change the last sentence in paragraph 2 to read "All Board Members currently serving their third term shall complete said term."

A Motion was made, seconded and carried to approve the proposed Amendments to the By-Laws. Said Amendments shall be set forth in the By-Laws as Amended October 3, 2012.

A Motion was made, seconded and carried to approve the filing of the "Change of Registered Agent/Address" with the Secretary of State.

Mileage Reimbursement – Currently, employees are reimbursed at the going IRS rate. Richard mentioned that most corporations put limit on reimbursement (about $600-1000). Food Bank employee maximum monthly reimbursement is $300. Employees carpool whenever possible.

Everybody agreed to leave mileage reimbursement terms as it is.

Insurance for Board Members – Current policy has limits of liability at $500,000/person and $1,000,000/incident. These limits are in line with the minimum required by law.

Compliance Book – A binder containing approved minutes, By-Laws and other pertinent documents will be made available at each meeting. A request was made to limit use of compliance book to the last three meeting minutes.

Food Bank event listing – weekly emails are being sent out with a listing of events as soon as information is finalized. Invitations are sent by event coordinator and/or social media manager. A request was made to increase use of Outlook reminders and Facebook event notifications.

Need for Parliamentarian/Time Keeper – Copies of *Robert's Rules of Order* were distributed to the Board Members. A suggestion was made to follow *Robert's Rules of Order* with some latitude. Robert asked for consensus on version to use.

A motion was made, seconded and passed to adopt *Robert's Rules of Order Newly Revised 10th Edition Summary Version* as a guideline and add it to the compliance book.

New Members must serve on HART Board before Food Bank Board - This issue was discussed in a previous meeting, but not found in any minutes. Arden was president of the HART Board before being voted to the Board of Directors.

The HART Board was formed specifically to help the Board raise money, therefore it should not be a prerequisite for serving on the Food Bank Board.

A Motion was made, seconded and carried that a prospective Board Member does not have to serve on the HART Board to be eligible to serve on the Board of Directors.

Contracts Review – Teri provided current listing of contracts. Most items have relatively small dollar value. Prime Source Management has the biggest contract valued at $186,000. OSHA inspections are included in the service. It is probably not cost-effective to perform H.R. Functions in house. Minnie asked about an Employee Assistance Program. Ignacio asked for a breakdown of Workman's Compensation insurance.

A motion was made, seconded and passed to leave H.R. Payroll function outsourced due to the cost and liability.

Robert asked for an itemized list of services from Prime Source.

Richard offered the services of his wife Veronica to do analysis on the Prime Source contract. The analysis can be done in 3 weeks. Veronica will be doing the work as a volunteer, so no motion was required.

Electricity Contract – There was a concern that it would be a conflict of interest if Sonia saw the contract, since contracts are proprietary. Sonia asked to see the contract language to make sure there are no hidden fees. A review can assist in future contract negotiations. An agreement was reached to let Sonia see the contract. Sonia needs about 1 week to review.

Robert made a motion to limit Board contract review to items over $100,000. Richard made an amendment to set the limit at $50,000. The amended motion was seconded, carried, and approved.

A committee of the Board will review contracts valued at $50,000 or more with multiple bids and offer guidance. Final decision will be made by Terri Drefke, CEO.

Ad-Hoc By-Laws Committee – Completed.

Meeting was adjourned after closing prayer from Gene.

Respectfully submitted,

Gene Carangal
Secretary

FOODBAN-01 NSEL

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/4/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Lamb Financial Group
145 W. 45th Street
New York, NY 10036

CONTACT NAME:
PHONE (A/C, No, Ext): (212) 375-3000 FAX (A/C, No): (718) 389-4300
E-MAIL ADDRESS: service@lambfinancialgroup.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : New York Marine And General Insurance Co.	16608
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Food Bank of the Rio Grande Valley, Inc.
P.O. Box 6251
Mcallen, TX 78502-6251

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			PK201600005812	03/05/2016	03/05/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 3,000,000 $ 3,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			AU201600006480	03/05/2016	03/05/2017	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $ $
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10,000			UM201600002759	03/05/2016	03/05/2017	EACH OCCURRENCE AGGREGATE	$ 5,000,000 $ 5,000,000 $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
A	Property			PK201500005812	03/05/2015	03/05/2016	Building & BPP	11,280,000
A	Property			PK201500005812	03/05/2015	03/05/2016	Business EE	300,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

Evidence of Coverage

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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South Texas Literacy Coalition
Funding Application
From the City of Edinburg, Texas

RECEIVED
APR 29 2016
CITY OF EDINBURG
CITY MANAGER'S OFFICE

THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989a-G

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Reading for All/Lectura Para Todos
Agency: South Texas Literacy Coalition
Executive Director: Dr. Ida Acuña-Garza
Contact Person: Dr. Ida Acuña-Garza
Address: 108 N. Jackson Road, Suite 32; Edinburg, Texas 78541
Phone Number/Fax Number: 956-292-0257/956-380-3902
E-Mail of Contact Person: stxliteracy@gmail.com
Organizations Federal Identification No. (Tax ID#): 27-0718636
Amount Requested: $10,000
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 8

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes ☒ No ☐

3. Has the agency been involved in any lawsuits? Yes ☐ No ☒

4. Are there any outstanding judgments against the agency? Yes ☐ No ☒

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☒ No ☐

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☒ No ☐

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. **Our board vice-president serves as City library director and our immediate past president is the sister of the mayor. However, these two members serve on the board and will not be directly involved in the outreach activities of this program. These members have no financial interest in the programs of the South Texas Literacy Coalition. In addition, in conflict of interest issues there are exceptions for community-based and nonprofit organizations. The intent of participation is totally without any personal benefit to these two board members.**

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes ☒ No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

Our agency qualified for a Resource Development Associate through the AmeriCorps VISTA program of the Literacy Coalition of Central Texas

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

The South Texas Literacy Coalition is a 501-c-3 nonprofit organization with a mission of leading an active coalition of literacy providers by promoting and enhancing literacy services and encouraging life-long learning. Our major outreach effort is to provide new, free books to children whose families find it financially-challenging to purchase books for their home library. We also serve as an advocate and resource to local literacy providers by facilitating professional development opportunities. We collaborate with schools, public libraries, and other grass-roots and community-based organizations to enhance literacy services targeted at families that are underserved. Literacy includes the basic skills of reading and writing which are at the core of the requirements for school success, workplace readiness and the achievement of a satisfying quality of life.

2. Indicate if this is a new or existing project below:

☐ Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? ☐ Yes or ☐ No

☒ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

☒ Edinburg
☒ Other Rio Grande Valley counties and surrounding areas

Please describe Service Areas: Cameron, Hidalgo, Starr, Willacy, Zapata, Brooks, Webb, Jim Hogg and Duval counties and these counties are supported by resources in those geographic areas. Edinburg is the home of the South Texas Literacy Coalition, consequently we do much of work in Edinburg and the surrounding communities.

4. Demand for Services
   a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation. According to the United States Census, the literacy rate for our region (south of San Antonio) is 58%--a totally unacceptable statistic that is verified by our true graduation rate (44%-62%) and our educational attainment. Only 13% of our population is the Valley has obtained a 4-year college degree. We reach out to children and students and help them and their parents learn that reading and writing skills are critical to

academic achievement which is critical to graduation from high school and college which is critical to obtaining and keeping employment in their career of choice. Literacy begins at home and this new project will help parents understand the importance of literacy to their children's success in life and to the entire family and their quality of life. Edinburg has a great school system and a wonderful library system which is constantly reaching out to families. However, our partnerships have served to enhance services, resources, and education for parents. We present bilingual sessions for parents through parental involvement sessions, housing authority special programs, and programming conducted in conjunction with the Sekula Memorial Library. Children and students who have access to quality age-appropriate reading materials will read with fluency, will be successful in school, and will have improved attitudes about education and will do better in all subjects across the curriculum. The problem is that books are expensive and attending community literacy festivals and educational sessions in English and Spanish can help families fill the gap in education. Our book distribution events have increased by 35% in the last year.

b. Was this program funded by the City in FY 2015-2016? Yes ☐ No ☒
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? _____

5. Clientele

a. How many individuals will be served by this program? Individuals 2,000+

b. What is the estimated cost to provide services to one person? $5.20

c. What is the target population? (Example: elderly, disabled, abused children etc.)
Our target populations include children and students of financially-challenged families and their parents.

6. Performance Management (Measuring Your Goals and Objectives)

Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

The program includes a pre- and post- test for parents enrolled in the series of bilingual lessons on literacy promotion in the home. Evaluation forms for each session are also included. Other indicators of success include: attendance at the sessions, degree of participation, self-reported activities at home, and notes of observation and feedback. The anticipated incomes include:

- Parents participating will learn why early literacy is important
- Parents participating will understand the basics of reading and the techniques for reading out loud
- Families will participate in a family literacy festival associated with this project.

- Parents become aware of the importance of literacy to school success
- Parents will learn strategies for creating a culture of literacy at home
-Children and students will improve their reading performance and read for longer lengths of time
-Children will produce improved attitudes toward reading and learning
-Children and students will improve writing performance and language development
-Children and students will improve their academic performance in subjects other than reading

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.
The Reading for All/Lectura Para Todos project is a bilingual family literacy program of the South Texas Literacy Coalition designed to bring awareness to the importance of the home literacy environment in preparing children and supporting older youth in achieving school success. Parents in Edinburg will benefit from the information presented by becoming engaged in their children's education, fostering school success, and post-secondary participation ultimately impacting the skills of our workforce. The program will be designed to engage residents of the Edinburg Housing Authority, parents of children participating in youth programs sponsored by the City of Edinburg, and school children, and middle school and high school parents of Edinburg students.

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	89,748	100,517
% OF EDINBURG RESIDENTS SERVED:	9.8%	10%

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) The South Texas Literacy Coalition is one of eight coalitions throughout the state. Our organization is the only designed to serve the needs of South Texas. We are represented at the state level on the board of Literacy Texas, our state coalition located in Austin, Texas and under the direction of Jennifer Edwards, CEO, Literacy Texas;

406 E. 11th Street, Austin, Texas; 1-888-577-9347.

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc. The Reading for All/Lectura Para Todos project was pilot tested at the Alamo Multipurpose Center this year where 26 parents participated in the three-lesson series and in the family literacy festival associated with this event. The program was well-received and parents were engaged in developing books for their children. They also made props and

supplies to use in reading aloud to their children. Parents were taught to use specific story-telling techniques to engage their children in interactive activities promoting literacy. Parents shared that they will use the information to create a culture of literacy in the home environment. All parents and children received new free book at each session and at the final festival.

5. Attach letter(s) of support for this event/program. Attached

6. If this event/program is unfunded or partially funded, will the event/program be carried out? If this project is not funded, we will not be able to conduct the program without support. If the project is partially funded, it will be implemented on a limited basis.

7. Is there a fee for your services? If so, please attach a fee schedule. There are no fees for the program if funded. If the program is not funded the cost is $5.25 per participant per session for a total of $21.00 for the entire series.

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 10.000.00

   B.

Other Sources	Funding Amount
Dollar General	$2,500.00
Trull Foundation	$3,000.00

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$ 2,500.00
Fringe Benefits	$.00
Utilities	$ 1,100.00
Travel	$ 300.00
Capital	$ 200.00
Postage	$ -0-
Advertising	$-0-
Program Supplies	$ 900.00

Other (Specify) book acquisitions	3,500.00
Other (Specify) Family Literacy festival supplies	$ 1,000.00
Other (Specify)Project incentives – book bags	$ 500.00
Other (Specify)	$
Total Event/Program Expenses	$ 10,000.00

3. Is event/program dependent on "Other Funds"? NO

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? 5%

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. 90%

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year? This project is designed for young families with children and will help develop the basic fundamentals of literacy in children so that they can gain an appreciation of reading and writing. More importantly, parents will gain the knowledge and skills to help their children achieve school success. Without the funding, some families will continue with low literacy rates and will eventually lack the skills to gain meaningful employment, manage finances, stay healthy, and become contributing members of the City of Edinburg.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin September, 2016 End August, 2017

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter: Beginning October 1, 2016 and ending September 30, 2017.

2016 Oct., Nov., & Dec.: $2,500 2017 Jan., Feb., March: $2,500

2017 April, May, June: $2,500 2017 July, Aug., Sept.: $2,500

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017

   2016 Oct., Nov., & Dec.: 500 2017 Jan., Feb., March: 600

   2017 April, May, June: 600 2017 July, Aug., Sept.: 300

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation
2. Proof of tax exemption (Tax ID#)
3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.
4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)
5. Current budget for agency – Show all sources of expected revenues and expenditures.
6. Applicant's By-Laws.
7. Resume of Chief Program Administrator.
8. Resume of Chief Fiscal Officer.
9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.
10. Organizational Chart.
11. Documentation of non-profit status. Include state and federal tax exempt determination letters.
12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence

2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence

2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence

2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: _____ **Date:** April 29, 2016
[must be Authorized Representative]

Please print or type name and title of signer:

Name: **Dr. Ida Acuna-Garza**

Title: **Chief Executive Officer**

South Texas Literacy Coalition

Articles of Incorporation

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

South Texas Literacy Coalition
File Number: 801171125

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/16/2009

Effective: 09/16/2009

Hope Andrade
Secretary of State

South Texas Literacy Coalition

Proof of tax exemption (Tax ID#)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: FEB 26 2010

SOUTH TEXAS LITERACY COALITION
C/O LAURA HINOJOSA
PO BOX 720272
MCALLEN, TX 78504

Employer Identification Number:
27-0718636
DLN:
17053365302039
Contact Person:
ROGER W VANCE ID# 31173
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
September 16, 2009
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

SOUTH TEXAS LITERACY COALITION

Sincerely,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)

South Texas Literacy Coalition

Most recent program audit report

SOUTH TEXAS LITERACY COALITION

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

RENEE J BARRY
Certified Public Accountant
10102 Brantley Bend, Austin, Texas 78748

SOUTH TEXAS LITERACY COALITION

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Renee J Barry

Certified Public Accountant

10102 Brantley Bend
Austin, Texas 78748

Phone: (512) 636-7022
Fax: (512) 282-0847
Email: renee.barry.cpa@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Texas Literacy Coalition

I have audited the accompanying financial statements of the South Texas Literacy Coalition (STLC) which comprise the statement of financial position as of December 31, 2013, and the related statement of activities, cash flow and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the South Texas Literacy Coalition as of December 31, 2013, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Renee J Barry, CPA

Austin, Texas
May 6, 2014

SOUTH TEXAS LITERACY COALITION
STATEMENT OF FINANCIAL POSITION
December 31, 2013

ASSETS

Current Assets	
Cash and cash equivalents	$ 68,256
Certificate of deposits	31,148
Prepaid expense	1,032
Total Current Assets	100,436
Total Assets	100,436

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accruals	1,300
Total Current Liabilities	1,300
Net Assets	
Unrestricted	99,136
Temporarily restricted	-
Total Net Assets	99,136
Total Liabilities and Net Assets	$ 100,436

The accompanying notes are an integral part of these financial statements.

SOUTH TEXAS LITERACY COALITION
STATEMENT OF ACTIVITIES
For the Twelve Month Period Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Fee for services	$ 42,958	$ -	$ 42,958
Fundraising, net of $17,735 expense	39,313	-	39,313
Donations	1,920	-	1,920
Grants	3,805	-	3,805
Interest income	579	-	579
Membership dues	425	-	425
	-	-	-
Total Support and Revenues	89,000	-	89,000
Expenses			
Program services	101,595	-	101,595
Administrative	16,558	-	16,558
Fundraising	2,889	-	2,889
Total Expenses	121,042	-	121,042
Change in Net Assets	(32,042)	-	(32,042)
Net Assets			
Beginning Balance	131,178	-	131,178
Ending Balance	$ 99,136	$ -	$ 99,136

The accompanying notes are an integral part of these financial statements.

SOUTH TEXAS LITERACY COALITION
STATEMENT OF CASH FLOWS
For the Twelve Month Period Ended December 31, 2013

OPERATING ACTIVITIES	
Change in net assets	$ (32,042)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
(Increase)/decrease in assets	
Increase in prepaid expense	(1,032)
Increase/(decrease) in liabilities	
Decrease in account payables and accrued expenses	(1,567)
Net Cash Used by Operating Activities	(34,641.0)
INVESTING ACTIVITIES	
Interest reinvested in certificate of deposit	(579)
Net Cash Used by Investing Activities	(579)
NET DECREASE IN CASH	(35,220)
CASH	
Beginning Balance , January 1, 2013	103,476
Ending Balance, December 31, 2013	$ 68,256

The accompanying notes are an integral part of these financial statements.

SOUTH TEXAS LITERACY COALITION
STATEMENT OF FUNCTIONAL EXPENSES
For the Twelve Month Period Ended December 31, 2013

	Program	Administrative	Fundraising	Total
EXPENSES				
Salaries and wages	$ 33,230	$ 6,231	$ 2,077	$ 41,538
Payroll taxes	2,542	477	159	3,178
Advertising	1,487	-	-	1,487
Dues and subscriptions	191	21	-	212
Insurance	809	90	-	899
Miscellaneous expense	-	801	-	801
Office supplies	3,071	341	-	3,412
Postage and delivery expense	107	20	7	134
Printing and copying	683	128	43	854
Professional services	-	6,520	-	6,520
Program expenses	39,382	-	-	39,382
Rent expense	9,649	1,809	603	12,061
Staff development	1,060	-	-	1,060
Telephone expense	1,077	120	-	1,197
Travel expense	7,625	-	-	7,625
Volunteer expense	682	-	-	682
Total Expenses	$ 101,595	$ 16,558	$ 2,889	$ 121,042

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The South Texas Literacy Coalition (STLC) is a 501(c)(3) non-profit organization incorporated in the State of Texas on September 20, 2009 that envisions South Texas as a community where every child and adult is a life-long learner skilled with the highest levels of literacy. The STLC leads an active coalition of South Texas literacy programs promoting and expanding literacy and encouraging life-long learning.

In 2013, the STLC rendered the following services and resources to our community:

- 15 Parent programs promoting literacy
- 19 Family Literacy Festivals
- 6 Financial literacy workshops and programs
- 6 Collaborative programs with other community-based organizations serving severely economically-challenged families
- Professional development training for literacy providers in the areas of Workplace literacy and English as a Second Language
- Distributed over 46,880 books with a retail value to the communities served of $553,184

The South Texas Literacy Coalition serves a population in Deep South Texas that encompasses over 15 million people, 30% of whom are children and youth under the age of 18. The population in this eleven-county area is 91% Hispanic with 35% at or below the poverty level. The per capita income is approximately $14,500. The average graduation rate is 59% and the unemployment rate varies from 8.9-12%. STLC work is critical to the region to increase basic literacy skills which impacts social and economic factors, and community programs.

Basis of Accounting

The financial records of STLC are maintained on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. The financial statements have been prepared under generally accepted accounting principles.

Donated Services

STLC receives donated services from a variety of unpaid volunteers assisting STLC in carrying out its activities. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS no 116 have not been satisfied.

Financial Statement Presentation

STLC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted net assets – Net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets – Net assets that result from contributions and other inflow of assets that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2013, STLC had no temporarily restricted net assets.

Permanently restricted net assets – Net assets that are subject to donor-imposed restrictions that such assets are maintained permanently. Generally, the donor permits the organization to expend all or part of the income from the related assets for general or specific purposes. STLC has no permanently restricted net assets as of December 31, 2013.

Cash and Cash Equivalents

STLC's cash and cash equivalents consist of cash on hand, amounts in demand deposits and investment instruments purchased or donated with original maturities of three months or less.

Certificates of Deposit

STLC's certificates of deposit consist of a certificate that has an original maturity date of sixty months.

Furniture and Equipment

Furniture and equipment are reported at cost, or if donated, STLC uses the estimated fair market value at the date of donation. STLC capitalizes assets with a cost/fair value of $1,000 or more and a useful life of more than one year. Depreciation expense is computed over the estimated useful lives of the fixed assets (generally 3-10 years) using the straight-line method. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations. STLC has no capitalized assets as of December 31, 2013.

Income Taxes

STLC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. As such, no provision for federal income taxes has been made in the accompanying financial statements. STLC is no longer subject to income tax examination by federal authorities for years prior to December 31, 2010.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses

STLC allocates common costs, such as salaries, postage, supplies, telephone, and other expenses between program services and supporting services depending on the estimated activities of STLC. The resulting allocations are reviewed periodically, and the allocation revised, if necessary, to reflect changes in the activities

Subsequent Events

In preparing these financial statements, events and transactions have been evaluated for potential recognition or disclosure through May 6, 2014, the date the financial statements were available to be issued.

NOTE 2 – CERTIFICATES OF DEPOSIT

STLC's certificates of deposit consisted of the following as of December 31, 2013:

Certificate of Deposit – Lone Star National Bank
- Original date – November 22, 2011
- Maturity date – November 22, 2016
- Interest rate – 1.00%
- Amount - $31,148

NOTE 3 – LEASES

STLC leases office space which expires on November 30, 2015 with monthly payments of $824. In addition STLC leases two storage facilities for a total monthly payment of $207.60 which is based on a month-to-month lease arrangement. STLC had $12,061 in lease payments ending December 31, 2013.

Future minimum payments under the office space agreements as of December 31, 2013 are stated as follows:

Year Ending	Amount
2014	$ 9,888
2015	9,064
	$ 18,952

NOTE 4 – CONCENTRATION OF RISK

STLC maintains its cash balances in one bank. Management believes that its concentration of credit risk is minimum due to the accounts are insured by the Federal Deposits Insurance Corporation (FDIC) up to $250,000. As of December 31, 2013 , the bank balances were fully insured.

NOTE 5 – FAIR VALUE DISCLOSURES

The requirements of *Fair Value Measurements and Disclosures* of the Accounting Standards Codification ("ASC") apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair Value Measurements and Disclosures also establish a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

South Texas Literacy Coalition

2015 990 Tax Return

Form **990-EZ**

Department of the Treasury
Internal Revenue Service

Short Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

► Do not enter social security numbers on this form as it may be made public.

► Information about Form 990-EZ and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-1150

2015

Open to Public Inspection

A For the 2015 calendar year, or tax year beginning , 2015, and ending ,

B Check if applicable: [ ] Address change [ ] Name change [ ] Initial return [ ] Final return/terminated [ ] Amended return [ ] Application pending

C Name of organization: SOUTH TEXAS LITERACY COALITION

Number and street (or P.O. box, if mail is not delivered to street address): P O BOX 3882 | Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: EDINBURG TX 78540

D Employer identification number: 27-0718636

E Telephone number: (956) 279-1689

F Group Exemption Number ►

G Accounting Method: [X] Cash [ ] Accrual Other (specify) ►

H Check ► [ ] if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

I **Website:** ► N/A

J Tax-exempt status (check only one) — [X] 501(c)(3) [ ] 501(c) ( ) ◄(insert no.) [ ] 4947(a)(1) or [ ] 527

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other

L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are $200,000 or more, or if total assets (Part II, column (B) below) are $500,000 or more, file Form 990 instead of Form 990-EZ ► $ 146,702.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)

Check if the organization used Schedule O to respond to any question in this Part I [X]

REVENUE	1	Contributions, gifts, grants, and similar amounts received		1	12,000.
	2	Program service revenue including government fees and contracts		2	53,634.
	3	Membership dues and assessments		3	415.
	4	Investment income		4	601.
	5a	Gross amount from sale of assets other than inventory	5a		
	b	Less: cost or other basis and sales expenses	5b		
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)		5c	
	6	Gaming and fundraising events			
	a	Gross income from gaming (attach Schedule G if greater than $15,000)	6a		
	b	Gross income from fundraising events (not including $ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds $15,000)	6b	80,052.	
	c	Less: direct expenses from gaming and fundraising events	6c	42,358.	
	d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)		6d	37,694.
	7a	Gross sales of inventory, less returns and allowances	7a		
	b	Less: cost of goods sold	7b		
	c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)		7c	
	8	Other revenue (describe in Schedule O)		8	
	9	**Total revenue.** Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 ►		9	104,344.
EXPENSES	10	Grants and similar amounts paid (list in Schedule O)		10	
	11	Benefits paid to or for members		11	0.
	12	Salaries, other compensation, and employee benefits		12	44,716.
	13	Professional fees and other payments to independent contractors		13	6,000.
	14	Occupancy, rent, utilities, and maintenance		14	11,357.
	15	Printing, publications, postage, and shipping		15	179.
	16	Other expenses (describe in Schedule O)	See Form 990-EZ, Part I, Line 16 Other Expenses	16	41,779.
	17	**Total expenses.** Add lines 10 through 16 ►		17	104,031.
NET ASSETS	18	Excess or (deficit) for the year (Subtract line 17 from line 9)		18	313.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		19	57,092.
	20	Other changes in net assets or fund balances (explain in Schedule O)		20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20 ►		21	57,405.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

Form **990-EZ** (2015)

DO NOT FILE

Part II Balance Sheets (see the instructions for Part II)

Check if the organization used Schedule O to respond to any question in this Part II . . . [X]

		(A) Beginning of year		(B) End of year
22	Cash, savings, and investments	58,166.	22	58,473.
23	Land and buildings	0.	23	0.
24	Other assets (describe in Schedule O)	0.	24	0.
25	**Total assets**	58,166.	25	58,473.
26	**Total liabilities** (describe in Schedule O) See L-26 Stmt	1,074.	26	1,068.
27	**Net assets or fund balances** (line 27 of column (B) **must** agree with line 21)	57,092.	27	57,405.

Part III Statement of Program Service Accomplishments (see the instructions for Part III)

Check if the organization used Schedule O to respond to any question in this Part III . . . [X]

What is the organization's primary exempt purpose? See attached Schedule O

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

Expenses (Required for section 501 (c)(3) and 501(c)(4) organizations; optional for others.)

28	FAMILY LITERACY FESTIVALS - community literacy events promoting reading and writing skills, featuring author presentations and story time, inter-active parent-child literacy activities, bilingual parent sessions and a book distribution event at each festival. (Grants $ 7,500.) If this amount includes foreign grants, check here ► [ ]	28a	8,358.
29	PROFESSIONAL DEVELOPMENT FOR LITERACY PROVIDERS - training and educational information for volunteer teachers, literacy providers, and outreach workers providing curriculum resources, teaching strategies, and marketing and promotion ideas targeting adult education literacy needs in the community. A region-wide symposium was held in 2015. (Grants $ 10,000.) If this amount includes foreign grants, check here ► [ ]	29a	11,242.
30	BOOK DISTRIBUTION EVENTS - purchased new books from the national book bank and distributed to at risk children and families through literacy events to promote reading and early literacy; distributed 52,289 books with a retail value of $146,991.42 reaching the most underserved children and students and their families in our region. (Grants $ 10,000.) If this amount includes foreign grants, check here ► [ ]	30a	21,293.
31	Other program services (describe in Schedule O) See attached Sch.O (Grants $) If this amount includes foreign grants, check here ► [ ]	31a	
32	**Total program service expenses** (add lines 28a through 31a) ►	32	40,893.

Part IV List of Officers, Directors, Trustees, and Key Employees (list each one even if not compensated — see the instructions for Part IV)

Check if the organization used Schedule O to respond to any question in this Part IV . . . [ ]

(a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC) (if not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
RICARDO CONTRERAS PRESIDENT	10.00	0.	0.	0.
MARIA ELENA OVALLE President-elect	0.00	0.	0.	0.
LETICIA LEIJA VICE-PRESIDENT	10.00	0.	0.	0.
VERONICA RODRIGUEZ SECRETARY	10.00	0.	0.	0.
KRISTY DE LA GARZA-WARDELL TREASURER	10.00	0.	0.	0.
DR DAHLIA GUERRA IMMEDIATE PAST PRESIDENT	10.00	0.	0.	0.
DR IDA ACUNA-GARZA EXECUTIVE DIRECTOR	40.00	41,538.	0.	0.

DO NOT FILE

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V . . . . . [X]

			Yes	No
33	Did the organization engage in any significant activity not previously reported to the IRS? If 'Yes,' provide a detailed description of each activity in Schedule O	33		X
34	Were any significant changes made to the organizing or governing documents? If 'Yes,' attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)	34		X
35a	Did the organization have unrelated business gross income of $1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a		X
b	If 'Yes,' to line 35a, has the organization filed a Form 990-T for the year? If 'No,' provide an explanation in Schedule O	35b		
c	Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If 'Yes,' complete Schedule C, Part III	35c		X
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If 'Yes,' complete applicable parts of Schedule N	36		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions ► 37a 0.			
b	Did the organization file **Form 1120-POL** for this year?	37b		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee **or** were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a		X
b	If 'Yes,' complete Schedule L, Part II and enter the total amount involved 38b			
39	Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on line 9 39a			
b	Gross receipts, included on line 9, for public use of club facilities 39b			
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ► ; section 4912 ► ; section 4955 ►			
b	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I	40b		X
c	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ►			
d	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization ►			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T	40e		X
41	List the states with which a copy of this return is filed ►			

42a The organization's books are in care of ► SOUTH TEXAS LITERACY COALITION Telephone no. ► (956) 292-0257
Located at ► P O BOX 3882 EDINBURG TX ZIP + 4 ► 78540-3882

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country: ►	42b		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
c	At any time during the calendar year, did the organization maintain an office outside the U.S.? If 'Yes,' enter the name of the foreign country: ►	42c		X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041** – Check here ► [ ]
and enter the amount of tax-exempt interest received or accrued during the tax year ► 43

			Yes	No
44a	Did the organization maintain any donor advised funds during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ	44a		X
b	Did the organization operate one or more hospital facilities during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ	44b		X
c	Did the organization receive any payments for indoor tanning services during the year?	44c		X
d	If 'Yes' to line 44c, has the organization filed a Form 720 to report these payments? *If 'No,' provide an explanation in Schedule O*	44d		
45a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a		X
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b		X

DO NOT FILE

		Yes	No
46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I	46		X

Part VI **Section 501(c)(3) organizations only**

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

		Yes	No
47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II	47		X
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E	48		X
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a		X
b If 'Yes,' was the related organization a section 527 organization?	49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
NONE				

f Total number of other employees paid over $100,000 ►

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over $100,000 ►

52 Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations must attach a completed Schedule A ► [X] Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

► Signature of officer — Date

► RICARDO CONTRERAS — President

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [X] if self-employed	PTIN
Emilio Zarate	Emilio Zarate	04/25/16		P00974416

Firm's name ► Specialty + Business Services, Co

Firm's address ► P O Box 2844 McAllen TX 78502-2844

Firm's EIN ► 27-0608699

Phone no. (956) 686-5549

May the IRS discuss this return with the preparer shown above? See instructions ► ☐ Yes [X] No

DO NOT FILE

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► **Attach to Form 990 or Form 990-EZ.**

► **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization: SOUTH TEXAS LITERACY COALITION

Employer identification number: 27-0718636

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)

3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 [ ] An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.

a [ ] **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b [ ] **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c [ ] **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d [ ] **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e [ ] Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations . . . . . [ ]

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2015

DO NOT FILE

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants.')	260,107.	106,537.	100,955.	71,863.	112,252.	651,714.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	260,107.	106,537.	100,955.	71,863.	112,252.	651,714.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						651,714.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4	260,107.	106,537.	100,955.	71,863.	112,252.	651,714.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						651,714.

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ► ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	100.00 %
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	100.00 %

16a **33-1/3% support test – 2015.** If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ► ☒

b **33-1/3% support test – 2014.** If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ► ☐

17a **10%-facts-and-circumstances test – 2015.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization . . . . . ► ☐

b **10%-facts-and-circumstances test – 2014.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization . . . . . ► ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ► ☐

DO NOT FILE

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include any 'unusual grants.')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7 a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2015** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2014** Schedule A, Part III, line 17	18	%

19 a **33-1/3% support tests – 2015.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b **33-1/3% support tests – 2014.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

DO NOT FILE

Part IV Supporting Organizations
(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

		Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? *If 'No,' describe in **Part VI** how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain*	1		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If 'Yes,' explain in **Part VI** how the organization determined that the supported organization was described in section 509(a)(1) or (2)*	2		
3 a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If 'Yes,' answer (b) and (c) below*	3a		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If 'Yes,' describe in **Part VI** when and how the organization made the determination*	3b		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If 'Yes,' explain in **Part VI** what controls the organization put in place to ensure such use*	3c		
4 a Was any supported organization not organized in the United States ('foreign supported organization')? *If 'Yes' and if you checked 11a or 11b in Part I, answer (b) and (c) below*	4a		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If 'Yes,' describe in **Part VI** how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations*	4b		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If 'Yes,' explain in **Part VI** what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes*	4c		
5 a Did the organization add, substitute, or remove any supported organizations during the tax year? *If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in **Part VI**, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document)*	5a		
b **Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c **Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If 'Yes,' provide detail in **Part VI***	6		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ)*	7		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ)*	8		
9 a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If 'Yes,' provide detail in **Part VI***	9a		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If 'Yes,' provide detail in **Part VI***	9b		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If 'Yes,' provide detail in **Part VI***	9c		
10 a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If 'Yes,' answer 10b below*	10a		
b Did the organization, have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

DO NOT FILE

Part IV Supporting Organizations *(continued)*

		Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?			
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b A family member of a person described in (a) above?	11b		
c A 35% controlled entity of a person described in (a) or (b) above? *If 'Yes' to a, b, or c, provide detail in* ***Part VI***	11c		

Section B. Type I Supporting Organizations

		Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If 'No,' describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year*	1		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If 'Yes,' explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization*	2		

Section C. Type II Supporting Organizations

		Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If 'No,' describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s)*	1		

Section D. All Type III Supporting Organizations

		Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If 'No,' explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s)*	2		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If 'Yes,' describe in* ***Part VI*** *the role the organization's supported organizations played in this regard*	3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year* ***(see instructions):***

a ☐ The organization satisfied the Activities Test. *Complete* ***line 2*** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* ***line 3*** *below.*

c ☐ The organization supported a governmental entity. *Describe in Part VI how you supported a government entity (see instructions).*

		Yes	No
2 Activities Test. ***Answer (a) and (b) below.***			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If 'Yes,' then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities*	2a		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If 'Yes,' explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement*	2b		
3 Parent of Supported Organizations. ***Answer (a) and (b) below.***			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* ***Part VI***	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If 'Yes,' describe in* ***Part VI*** *the role played by the organization in this regard*	3b		

DO NOT FILE

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on November 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6 and 7 from line 4)	8		

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1 a		
b Average monthly cash balances	1 b		
c Fair market value of other non-exempt-use assets	1 c		
d **Total** (add lines 1a, 1b, and 1c)	1 d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C – Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).

DO NOT FILE

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** *(continued)*

Section D – Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in **Part VI**). See instructions	
7 **Total annual distributions.** Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E – Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required – see instructions)			
3 Excess distributions carryover, if any, to 2015:			
a			
b			
c			
d From 2013			
e From 2014			
f **Total** of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7: $			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 **Excess distributions carryover to 2016.** Add lines 3j and 4c			
8 Breakdown of line 7:			
a			
b			
c Excess from 2013			
d Excess from 2014			
e Excess from 2015			

DO NOT FILE

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b;Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

DO NOT FILE

Schedule B
(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► Attach to Form 990, Form 990-EZ, or Form 990-PF.
► Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2015

Name of the organization	Employer identification number
SOUTH TEXAS LITERACY COALITION	27-0718636

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

[ ] For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (**1**) $5,000 or (**2**) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year . . . . . ► $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

DO NOT FILE

Name of organization: SOUTH TEXAS LITERACY COALITION

Employer identification number: 27-0718636

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ALFREDO CISNEROS DEL MORAL FOUNDATION 2511 MONTERREY STREET SAN ANTONIO TX 78283	$ 17,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2	STL SYMPOSIUM 400 EAST 11TH AT AUSTIN TX 78701	$ 10,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

DO NOT FILE

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered 'Yes' on Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

► Attach to Form 990 or Form 990-EZ.

► Information about Schedule G (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization: SOUTH TEXAS LITERACY COALITION

Employer identification number: 27-0718636

Part I **Fundraising Activities.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? . . . . . ☐ Yes ☐ No

b If 'Yes,' list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in column (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total . . . . . ►							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

DO NOT FILE

Part II **Fundraising Events.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GALA (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add column (a) through column (c))
REVENUE	1 Gross receipts	39,068.			39,068.
	2 Less: Contributions	0.			0.
	3 Gross income (line 1 minus line 2)	39,068.			39,068.
DIRECT EXPENSES	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d) ►				
	11 Net income summary. Subtract line 10 from line 3, column (d) ►				39,068.

Part III **Gaming.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add column (a) through column (c))
REVENUE	1 Gross revenue				
DIRECT EXPENSES	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ►				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) ►				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If 'No,' explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If 'Yes,' explain: _____

DO NOT FILE

11 Does the organization conduct gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity conducted in:

a The organization's facility . . . . . 13a %

b An outside facility . . . . . 13b %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____

Address ► _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If 'Yes,' enter the amount of gaming revenue received by the organization ► $ _____ and the amount of gaming revenue retained by the third party ► $ _____.

c If 'Yes,' enter name and address of the third party:

Name ► _____

Address ► _____

16 Gaming manager information:

Name ► _____

Gaming manager compensation ► $ _____

Description of services provided ► _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? _____ ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► $

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).

DO NOT FILE

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
► Attach to Form 990 or 990-EZ.
► Information about Schedule O (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization: SOUTH TEXAS LITERACY COALITION

Employer identification number: 27-0718636

Other

Other

What is the primary exempt purpose?

The South Texas Literacy Coalition (STLC) is a 501-c-3 nonprofit organized and managed to increase awareness and promotion of literacy and its importance to school and life success. We are one of eight literacy coalitions throughtout the state. The STLC provides outreach to children and students whose families are financilly-challenged and underserved. Parents are also engaged in educational sessions helping them understand the importance of literacy - reading and writing skills - to school success and academic achievement in post-secondary educational settings. The STLC also serves as a resource and advocate for adult education and early literacy for local literacy providers. In addition, we gather research information and data on regional family reading habits, literacy attainment, and literacy needs of families.

Other

DO NOT FILE

990-EZ, 990, 990-T and 990-PF Information Worksheet

2015

Part I – Identifying Information

Employer Identification Number . 27-0718636

Name . . . . . SOUTH TEXAS LITERACY COALITION

Doing Business As . . . . . .

Address . . . . . P O BOX 3882 Room/Suite .

City. . . . . EDINBURG State . . . TX ZIP Code. . 78540

Province/State . . . . . Foreign Postal Code. .

Foreign Code . . . . . Foreign Country

Telephone Number . . . . . (956) 279-1689 Extension . . . . .
Fax. . . . . E-Mail Address . . stxliteracy@gmail.com

☐ **Eligible for hurricane tax relief legislation benefits, check here**

Part II – Type of Return

- [X] Form 990-EZ **only**
- [ ] Form 990 **only**
- [ ] Form 990-PF **only**
- [ ] Form 990-T **only**
- [ ] Form 990-EZ **with** Form 990-T
- [ ] Form 990 **with** Form 990-T
- [ ] Form 990-PF **with** Form 990-T
- [ ] Form 990-N (gross receipts $50,000 or less) **for Electronic Filing only**

☐ **QuickBooks Import Users & 990 to 990-EZ Data Transfer Option:** Check if you're filing the EZ & want 990 imported data copied to the EZ **OR** for those not importing from QuickBooks who transferred from prior year 990 and now qualify to file the EZ this year, check this box to transfer 990 data to the EZ.

IMPORTANT

Before transferring data from Form 990 to Form 990-EZ , refer to "How to transfer data from filing Form 990 to 990-EZ" listed above in the Most Common Support Questions or Tax Help for this line.

Part III – Type of Organization

- [X] 501(c) Corporation/Association 3 (subsection number)
- [ ] 501(c) Trust ____ (subsection number)
- [ ] 4947(a)(1) Trust
- [ ] 408(e) Trust
- [ ] 401(a) Trust
- [ ] Other _____ (describe)
- [ ] Corporation/Association Or Trust . . . . . .
- [ ] 220(e) Trust
- [ ] 408A Trust
- [ ] 529(a) Corporation
- [ ] 529(a) Trust
- [ ] 530(a) Trust
- [ ] 527 Organization
- [ ] 501(c) Association

Part IV – Tax Year and Filing Information

- [X] Calendar year
- [ ] Fiscal year – Ending month . . . ____
- [ ] Short year – Beginning date . . _____ Ending date . . . _____

[X] Check this box if the organization is enrolled in the Electronic Federal Tax Payment System (EFTPS)

DO NOT FILE

Part V – 2015 Estimated Taxes Paid

☐ Check this box if the organization is a private foundation

	Form 990-T	Form 990-PF
Amount of 2014 overpayment credited to 2015 estimated tax		

		Form 990-T		Form 990-PF	
Payment Quarters	Due Date	Date Paid	Amount Paid	Date Paid	Amount Paid
1st Quarter Payment	04/15/15				
2nd Quarter Payment	06/15/15				
3rd Quarter Payment	09/15/15				
4th Quarter Payment	12/15/15				
Additional Payment 1					
Additional Payment 2					
Additional Payment 3					
Additional Payment 4					

Part VI – Electronic Filing Information

IMPORTANT: Do **not** use the Miscellaneous Statement or Additional Information if filing Form 990 or Form 990-EZ. These statements will **not** be transmitted with the return. Use Schedule O or the applicable Supplemental Information for the appropriate Schedule.

Electronic Filing:

[X] File the federal return electronically
[ ] File the state(s) electronically

* Select the state or states to file electronically. (Multiple states can be entered)

State(s) *

☐ File Form 114 Report of Foreign Bank and Financial Accounts (FBAR) electronically

Practitioner PIN program:

[X] Sign this return electronically using the Practitioner PIN
[X] ERO entered PIN

Officer's PIN (enter any 5 numbers) . . 18636
Date PIN entered 02/16/2016

Information required for Electronic Filing:

Officer's Name . . . . . RICARDO CONTRERAS

QuickZoom to the Electronic Filing Information Worksheet . . . . . ►

Electronic Filing of Extensions:

☐ Check this box to file **Form 8868** (application for extension of time to file return) electronically

Electronic Filing of Amended Return:

☐ Check this box to file **amended return** electronically
☐ Check this box to file the state and/or city amended return(s) electronically

* Select the state and/or city amended return(s) to file electronically.

DO NOT FILE

State(s) *

☐ File Amended Form 114 Report of Foreign Bank and Financial Accounts (FBAR) electronically

Part VII – Electronic Funds Withdrawal Information *(Form 990PF filers only)*

Yes	No	
☐	☐	Use **electronic funds withdrawal** of **federal balance due** (EF only)?
☐	☐	Use **electronic funds withdrawal** of **Form 8868 balance due** (EF only)?
☐	☐	Use **electronic funds withdrawal** of **amended return balance due** (EF only)?

If any options selected above, enter information below, **(Review transferred information for accuracy)**

Bank Information

Name of Financial Institution (optional) . . . _____

Check the appropriate box . . . . . ☐ Checking ☐ Savings

Routing number . . . . . _____

Account number. . . . . _____

Payment Information

Enter the payment date to withdraw tax payment . . . . . _____

Balance due amount from this return . . . . . _____

Enter an amount to withdraw tax payment . . . . . _____

If partial payment is made, the remaining balance due . . . . _____

Payment date for amended returns . . . . . _____

Balance due amount for amended returns . . . . . _____

Part VIII – Information for Client Letter

	Form 990-EZ or Form 990	Form 990-PF	Form 990-T
Extended Due Date			

Letter Salutation. . MR RICARDO CONTRERAS

Part IX – Return Preparer

Enter preparer code from Firm/Preparer Info (See Help) . . . 1

QuickZoom to Firm/Preparer Info . . . . . ► _____

QuickZoom to Form 990-EZ, Pages 1 through 4 . . . . . ► _____

QuickZoom to Form 990, Page 1 . . . . . ► _____

QuickZoom to Form 990-PF, Page 1 . . . . . ► _____

QuickZoom to Form 990-T, Page 1 . . . . . ► _____

QuickZoom to Form 990-N, e-PostCard . . . . . ► _____

QuickZoom to Client Status . . . . . ► _____

DO NOT FILE

IRS *e-file* Authentication Statement

2015

► Keep for your records

Name(s) Shown on Return	Employer ID Number
SOUTH TEXAS LITERACY COALITION	27-0718636

A – Practitioner PIN Authorization

Please indicate how the taxpayer(s) PIN(s) are entered into the program.

Officer(s) entered PIN(s) . . . . . ► [ ]

ERO entered Officer's PIN . . . . . ► [X]

B – Signature of Electronic Return Originator

ERO Declaration:

I declare that the information contained in this electronic tax return is the information furnished to me by the Corporation. If the Exempt Organization furnished me a completed tax return, I declare that the information contained in this electronic tax return is identical to that contained in the return provided by the Exempt Organization. If the furnished return was signed by a paid preparer, I declare I have entered the paid preparer's identifying information in the appropriate portion of this electronic return. If I am the paid preparer, under the penalties of perjury, I declare that I have examined this electronic return, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information of which I have any knowledge.

I am signing this Tax Return by entering my PIN below.

ERO's PIN (EFIN followed by any 5 numbers) . . . . . EFIN 700926 Self-Select PIN 03374

C – Signature of Officer

Perjury Statement:

Under penalties of perjury, I declare that I am an officer of the above Exempt Organization and that I have examined a copy of the Exempt Organization's 2015 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete.

Consent to Disclosure:

I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the Exempt Organization's return to the IRS and to receive from the IRS (a) and acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund.

Electronic Funds Withdrawal Consent (if applicable):

I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the Exempt Organization's Federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institution involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

I am signing this Tax Return and Electronic Funds Withdrawal Consent, if applicable, by entering my self-selected PIN below.

Officer's PIN 18636

Date 02/16/2016

DO NOT FILE

Electronic Filing Information Worksheet

► Keep for your records

2015

Name(s) shown on return: SOUTH TEXAS LITERACY COALITION

Identifying number: 27-0718636

Part I – State Electronic Filing:

Check this box to force state only filing for all states selected to be filed electronically ☐

Part II – Electronic Return Originator Information

The ERO Information below will automatically calculate based on the preparer code entered on the return.

For returns that are prepared as a "Non-Paid Preparer" (XNP) or "Self-Prepared" (XSP) enter the EFIN for the ERO that is responsible for this return . . . . . ► 700926

For returns that are marked as a "Non-Paid Preparer" (XNP) or "Self-Prepared" (XSP) enter a PIN for the ERO that is responsible for filing return . . . . . ►

ERO Name: Emilio Zarate

ERO Electronic Filers Identification Number (EFIN): 700926

ERO Address: P O Box 2844

ERO Employer Identification Number: 27-0608699

City: McAllen State: TX ZIP Code: 78502-2844

ERO Social Security Number or PTIN:

Country:

Part III – Paid Preparer Information

Firm Name: Specialty + Business Services, Co

Preparer Social Security Number or PTIN: P00974416

Preparer Name: Emilio Zarate

Employer Identification Number: 27-0608699

Address: P O Box 2844

Phone Number: (956) 686-5549 Fax Number: (956) 631-5588

City: McAllen State: TX ZIP Code: 78502-2844

Country:

Preparer E-mail Address:

Part IV – Amended Returns

Enter the payment date to withdraw tax payment . . . . . ►

Amount you are paying with the amended return . . . . . ►

☐ Check this box to file another **federal** amended return electronically

☐ File another Amended Form 114 Report of Foreign Bank and Financial Accounts (FBAR) electronically

☐ Check this box to file another **state and/or city** amended return electronically

* Select the state and/or city amended return(s) to file electronically.

State/City *
☐ California State Exempt

Part V – Name Control

Name Control, enter here to override default . . . . . SOUT

DO NOT FILE

Schedule O (Form 990 or 990-EZ), Supplemental Information to Form 990 or 990-EZ
Form 990-EZ, Part I, Line 16 Other Expenses

Other expenses (describe in Schedule O)	
Web Page	511.
Minor Equipment	143.
Travel in service area-mthly	504.
Travel-professional developement	612.
Telephone	1,306.
Postage	922.
Property Insurance	898.
Office Supplies	4,315.
BANK & MERCHANT FEES	36.
Book Distributions	21,930.
Family Literacy Festivals	1,138.
Community Programs	2,054.
Festiva Events	5,000.
Family Literacy Nights	824.
Awards	300.
Dues & Subscriptions	497.
Membership dues	125.
Markeing	80.
Volunteer Mgmt & Recognition	584.
Total	41,779.

Schedule O (Form 990 or 990-EZ), Supplemental Information to Form 990 or 990-EZ
Form 990-EZ, Page 1, Part II, Line 26

Line 26 - Total Liabilities:	**Beginning of Year**	**End of Year**
Payroll taxes	1,074.	1,068.
Current Payables		
Total	1,074.	1,068.

DO NOT FILE

Supporting Statement of:

Form 990-EZ/Line 1

Description	Amount
FINANCIAL fITNESS fESTIVAL	2,500.
MACY'S	4,000.
OTHER GRANTS	2,500.
YOUTH LITARACY GRANT	3,000.
Total	12,000.

Supporting Statement of:

Form 990-EZ/Line 2

Description	Amount
INCOME:Fee for Services-Reg I ESC-GU	50,218.
INCOME:Fee for Services-TAMIU-GU	3,416.
Total	53,634.

Supporting Statement of:

Form 990-EZ/Line 3

Description	Amount
Membership Dues	415.
Total	415.

Supporting Statement of:

Form 990-EZ/Line 4

Description	Amount
Interest-savings, Short-term CD	601.
Total	601.

DO NOT FILE

Supporting Statement of:

Form 990-EZ/Line 6b

Description	Amount
INCOME:Fund Dev & Donations (BBB)	10,934.
INCOME:Fund Dev. & Donations	9,050.
INCOME:Gala	39,068.
INCOME:Fund Dev. & Donations:Cisneros	10,000.
INCOME:Fund Dev. & Donations:Guerra Bro	500.
INCOME:Fund Dev. & Donations:STL Symposium	10,500.
Total	80,052.

Supporting Statement of:

Form 990-EZ/Line 6c

Description	Amount
EXPENSES:3.0 • Fund Development:3.1 • Annual Gala	5,824.
EXPENSES:3.0 • Fund Development:3.1 • Annual Gala:3.1.a • Annual Gala-Speaker	1,500.
EXPENSES:3.0 • Fund Development:3.1 • Annual Gala:3.1.b • Annual Gala-Rent	13,648.
EXPENSES:3.0 • Fund Development:3.1 • Annual Gala:3.1.c • Gala - misc.	300.
EXPENSES:3.0 • Fund Development:3.2 • Other Funding Expenses(BBB)	10,262.
EXPENSES:3.0 • Fund Development:3.4 • GEAR UP	5,949.
EXPENSES:3.0 • Fund Development:3.5 • Vista Project	4,875.
Total	42,358.

Supporting Statement of:

Form 990-EZ/Line 12

Description	Amount
EXPENSES:1 • Administrative:1.01 • Payroll:1.01a • Payroll Expenses-Staff	20,769.
EXPENSES:2 • Program Services:2.15 • Program Salary-Staff Time	20,769.
EXPENSES:1 • Administrative:1.01 • Payroll:1.01c • Payroll Tax Expense	3,178.
Total	44,716.

Supporting Statement of:

Form 990-EZ/Line 13

Description	Amount
EXPENSES:1 • Administrative:1.13 • Professional Fees	6,000.

DO NOT FILE

Continued

Supporting Statement of:

Form 990-EZ/Line 13

Description	Amount
Total	6,000.

Supporting Statement of:

Form 990-EZ/Line 14

Description	Amount
EXPENSES:1 • Administrative:1.05 • Facilities-Office/storage rent	11,357.
Total	11,357.

Supporting Statement of:

Form 990-EZ/Line 15

Description	Amount
EXPENSES:1 • Administrative:1.09 • Printing	179.
Total	179.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-1

Description	Amount
EXPENSES:1 • Administrative:1.08 • Web Page	511.
Total	511.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-2

Description	Amount
EXPENSES:1 • Administrative:1.12 • Minor Equipment	143.
Total	143.

DO NOT FILE

Supporting Statement of:

Form 990-EZ/Line 16, Amount-3

Description	Amount
EXPENSES:1 • Administrative:1.03 • Travel-outside service area	504.
Total	504.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-4

Description	Amount
EXPENSES:1 • Administrative:1.04 • Travel-Professional Development	612.
Total	612.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-5

Description	Amount
EXPENSES:1 • Administrative:1.06 • Telephone	1,306.
Total	1,306.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-6

Description	Amount
EXPENSES:1 • Administrative:1.07 • Postage	922.
Total	922.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-7

Description	Amount
EXPENSES:1 • Administrative:1.10 • Property Insurance	898.
Total	898.

DO NOT FILE

Supporting Statement of:

Form 990-EZ/Line 16, Amount-8

Description	Amount
EXPENSES:1 • Administrative:1.11 • Office Supplies	4,315.
Total	4,315.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-9

Description	Amount
EXPENSES:1 • Administrative:1.14 • Bank Fees	36.
Total	36.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-10

Description	Amount
EXPENSES:2 • Program Services:2.01 • Book Distribution	21,930.
Total	21,930.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-11

Description	Amount
EXPENSES:2 • Program Services:2.02 • Family Literacy Festivals	1,138.
Total	1,138.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-12

Description	Amount
EXPENSES:2 • Program Services:2.03 • Community Programs	2,054.
Total	2,054.

DO NOT FILE

Supporting Statement of:

Form 990-EZ/Line 16, Amount-13

Description	Amount
EXPENSES:2 • Program Services:2.05 • Festiba	5,000.
Total	5,000.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-14

Description	Amount
EXPENSES:2 • Program Services:2.06 • Family Literacy Nights	166.
EXPENSES:2 • Program Services:2.06 • Family Literacy Nights:2.6.a • STLC Board Mthly & Qtrly Mtgs	658.
Total	824.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-15

Description	Amount
EXPENSES:2 • Program Services:2.04 • Awards	300.
Total	300.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-16

Description	Amount
EXPENSES:2 • Program Services:2.10 • Membership & Dues	497.
Total	497.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-17

Description	Amount
EXPENSES:2 • Program Services:2.10 • Membership & Dues	125.

DO NOT FILE

Continued

Supporting Statement of:

Form 990-EZ/Line 16, Amount-17

Description	Amount
Total	125.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-18

Description	Amount
EXPENSES:2 • Program Services:2.13 • Marketing	80.
Total	80.

Supporting Statement of:

Form 990-EZ/Line 16, Amount-19

Description	Amount
EXPENSES:2 • Program Services:2.14 • Volunteer Mgmt & Recognition	584.
Total	584.

Supporting Statement of:

Form 990-EZ/Line 22, Column (B)

Description	Amount
Certificate of Deposit	32,339.
Bank checking account-LSNB	26,134.
Total	58,473.

Supporting Statement of:

Sch. A, page 2/Line 1-3

Description	Amount
FEE FOR SERVICES-REG I ESC-GU	36,808.
FEE FOR SERVICES-TAMIU-GU	6,150.
FUND DEVELOPEMENT & DONATIONS	1,720.

DO NOT FILE

Continued

Supporting Statement of:

Sch. A, page 2/Line 1-3

Description	Amount
GALA	56,277.
Total	100,955.

Supporting Statement of:

Sch. A, page 2/Line 1-5

Description	Amount
INCOME:Fee for Services-Reg I ESC-GU	50,218.
INCOME:Fee for Services-TAMIU-GU	3,416.
INCOME:Fund Dev. & Donations	9,050.
INCOME:Fund Dev. & Donations:Cisneros	10,000.
INCOME:Fund Dev. & Donations:Guerra Bro	500.
INCOME:Gala	39,068.
Total	112,252.

Supporting Statement of:

Sch. G, page 2/Event 1 Gross Receipts

Description	Amount
INCOME:Gala	39,068.
Total	39,068.

DO NOT FILE

Sch. B, page 2 (Copy 1): Contributors

General Information Smart Worksheet

A Description for this copy of Schedule B, Part I . . . . . Copy 1

DO NOT FILE

South Texas Literacy Coalition

2016 Budget

South Texas Literacy Coalition 2016 Budget					
					2016
ANTICIPATED INCOME					
	Gala				$ 20,000.00
	Books, Boots, and Brew				$ 15,000.00
	Donations				$ 1,000.00
		Cisneros carryover			$ -
		Guerra Brothers			$ 250.00
		On-line			$ 500.00
		South Texas Literacy Symposium			$ 10,000.00
	Memberships				$ 1,200.00
	Program Grants				
		Dollar General			$ 3,000.00
		AKR Foundation			$ 3,000.00
		South Texas Reading Initiative HEB, DHR, Stripes, VTX1, Britannica, UTPA Found., Wells Fargo,			$ 25,000.00
		BBVA Compass - financial literacy			$ 2,500.00
		Other Grants			$14,300.00
		Region One GEAR UP			$ 52,825.00
	Earned Income - fees for services	Texas A&M Intl			$ 2,500.00
		Reading for All Intiative			$ 5,000.00
		Young Writers Workshops with school districts			$ 156,075.00
	Totals				
ANTICIPATED EXPENSES					22,500
	ADMINISTRATIVE				6,500
1.01	Payroll				6,500
1.1a	Payroll - Salary - Executive Director - Admin				3,200
1.1b	Payroll - Salary -VISTA				500
	Payroll - Salary - VISTA				1,500
1.1c	Payroll Taxes				1,000
1.2	Travel - in service area @.57 mile - ED				
	Travel - in service area@ .57 mile - VISTA				
1.3	Travel - outside service area				
	a. Mileage or rental car				1000
	b. Lodging				
	c. Per diem ($39 per day)				
1.4	Travel - Professional conferences (Staff & Board)				

	a. Registration fees				
	b. Transportation - rental car, mileage, airfare				11,500
	c. Lodging				1,350.00
	d. Parking fees				200
1.5	Facilities - office and storage rooms				600
1.6	Office - telephone				300
1.7	Postage				900
1.8	Web Page				4,500
1.9	Printing - in house				1000
1.1	Liability Insurance				
1.11	Office supplies				6000
1.12	Equipment				3800
1.13	Professional fees				100
	Accounting				
	Audit				
1.14	Bank Fees				
	2. PROGRAM SERVICES				
2.1	Book Acquisitions - book dist. Events				22,000
2.2	Festivals - family literacy and financial literacy				3000
2.3	Community programs				1000
2.4	Awards				
	a.Librarians - 3@$300				900
	b. Literacy Champions - $900				900
	c.Certificates for librarians $50				50
2.5	FESTIBA				5,000
	a. Educator/Librarian Day				
	b. Community Day - supplies				
2.6	STLC Board Meetingsand Quarterly Meetings				1,500
2.7	Advertising expenses				250
2.8	Memberships - TANO, Greenlights, GrantWatch, Int. Reading Assoc., Hispanic Chamber				625
2.9	Reference books and subscriptions				0
2.11	Contributions and donations				0
2.12	Printing - professional				1000
2.13	Marketing				500
2.14	Volunteer management and recognition				1000
2.15	Staff Time - Program Salary				22500
2.16	IndirectCosts				2000
2.17	Professional deveopment for literacy providers				2500

	a. ESL - collaboration with South Texas College				
	b. WorkReady				
	c. Reading for All/Lectura Para Todos				
	3. FUND DEVELOPMENT				
3.1	Annual Gala				12,500
	a. Venue				
	b. Decorations				
	c. Meal				
	d. Beverages				
	e. Courtesies - bags				
	f. Books by invited author				
	g.Entertainment				
	h. Photography				
	i. Invited Author- travel, honorarium, meals, travel				
	j. Marketing materials				
	k. Silent Auction				
	l. Raffle				
	m. Miscellaneous				
3.2	Other fundraising Expenses				
	Books, Boots, Brew				4900
	a. Venue				
	b. Decorations				
	c. Meal				
	d. Beverages				
	e. Courtesies - bags				
	f. Book distribution				
	g.Entertainment				
	h. Photography				
	i. Miscellaneous				
3.3	Printing and postage for fundraising				
3.4	Other fundraising Expenses				1000
					156,075

South Texas Literacy Coalition

By-Laws

SOUTH TEXAS LITERACY COALITION BYLAWS

Original Date Adopted: 2008

ARTICLE I: NAME

Section 1.01
The name of the organization shall be the South Texas Literacy Coalition.

ARTICLE II: OFFICES

Section 2.01 Location.
The principal office of South Texas Literacy Coalition shall be located within South Texas, at such place as the Board of Directors shall from time to time designate. The Corporation may maintain additional offices at such other places as the Board of Directors may designate. The South Texas Literacy Coalition shall continuously maintain within South Texas a registered office at such place as may be designated by the Board of Directors.

ARTICLE III: PURPOSES

Section 3.01:Purposes

The purposes for which the corporation is organized are exclusively charitable and educational, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations within the meaning of the Internal Revenue Service Code, Section 501(c) (3) or the corresponding section of any future federal tax code, The Texas Business Organization Code and the Texas Tax Code, Section 11.18.

In addition, the mission of the organization is to lead an active coalition of South Texas literacy programs, learners, and supporters by promoting and enhancing literacy services and encouraging life-long learning..

ARTICLE IV: MEMBERSHIP AND DUES

Section 4.01: Eligibility
Application for voting membership in the Coalition shall be open to all organizations and individuals engaged in the instruction, supervision, support or advocacy of literacy and to all other organizations and individuals that support the purpose statement in Article III. Approval of application for membership shall be determined by a majority of the Board of Directors

based on membership criteria set by a majority of the membership.

Section 4.02: Dues
Dues for individual membership in the South Texas Literacy Coalition shall be set at the annual meeting of the Coalition for the ensuing year. The amount required for annual dues shall be set by a majority vote of members. Continued membership is contingent upon being up-to-date on membership dues.

Section 4.03: Rights of members
Each member organization shall be eligible to appoint one voting representative to cast the member's vote in Coalition elections.

Section 4.04: Resignation and termination
Any member may resign by filing a written resignation with the Coalition secretary. Resignation shall not relieve a member of unpaid dues, or other charges previously accrued. A member can have their membership terminated by a 2/3 vote of the membership.

Section 4.05: Non-voting membership
The board shall have the authority to establish and define non-voting categories of membership.

ARTICLE V: MEETINGS OF MEMBERS

Section 5.01: Regular meetings
Regular meetings of the members shall be held quarterly, at a time and place designated by the Executive Committee.

Section 5.02: Annual meetings
An annual meeting of the members shall take place in the month of December, the specific date, time and location of which will be designated by the president. At the annual meeting the members shall elect directors and officers, receive reports on the activities of the coalition, and determine the direction of the association for the coming year.

Section 5.03: Special meetings
A special meeting may be called by the President, the Executive Committee, or a simple majority of the board of directors. A petition signed by five percent of voting members may also call a special meeting.

Section 5.04: Notice of meetings
Printed notice of each meeting shall be given to each voting member, by mail or email, not less than two weeks prior to the meeting.

Section 5.05: Quorum
The members present at any properly announced meeting shall constitute a quorum.

Section 5.06: Voting
All issues to be voted on shall be decided by a simple majority of those present at the meeting in

which the vote takes place.

ARTICLE VI: ELECTED AND APPOINTED OFFICERS

Section 6.01: Officers
a. The elected officers of the South Texas Literacy Coalition shall be President, President-Elect, Vice President, Secretary and Immediate Past President. All Coalition officers are elected from South Texas at large. The elected Vice President enters the presidential succession—President-Elect, President, Past President.
b. The Treasurer shall be appointed by the President, with approval of the Board of Directors.
c. For the presidential succession, a nominee must also have served as a member of the Board of Directors for at least one year of have served two years as a chair of a committee.

Section 6.02: Term of Office
a. The term of office of each officer shall be one year.
b. At the expiration of the term of office, the President shall become the Past President for a period of one year.
c. At the expiration of the term of office, the President-Elect shall become the President for a period of one year.
d. At the expiration of the term of office, the Vice President shall become the President-Elect for a period of one year.

Section 6.03: Nomination and Election
a. Recommendations for nominations shall be made to the Governance Committee no later than 4 weeks prior to the annual meeting of the Coalition membership.
b. It shall be the responsibility of the Governance Committee to prepare a slate of nominees from the submitted nominees of at least one and no more than eight nominees for each vacant elective office. If there are eight or fewer nominees, all names will be placed on the ballot. If more than eight nominees, the Governance Committee will prepare a slate of eight from those nominated that reflects a balance according to organization size and geographic region, race, ethnic origin, and gender.
c. In the event that no candidate is nominated for any one or more of the offices listed in Article VI, Section 1, Item a, nominations for such office or offices shall be made by the Governance Committee, as outlined in the criteria in Item b above.
d. The ballot shall be accompanied by a vita for each nominee which must be received by the Governance Committee no later than 3 weeks prior to the annual meeting of the Delegates Assembly.
e. The ballot shall be mailed or emailed separate from any other South Texas Literacy Coalition communication.
f. The ballot shall be mailed or emailed to all eligible members of the South Texas Literacy Coalition no later than 2 weeks prior to the annual meeting of the membership.
g. Hard copies of marked ballots must be received by the Governance Committee

Chair no later than 1 week prior to the annual meeting of the membership.
h. Election ballots will be counted by a representative of designee of the Governance Committee and the Executive Director of STLC. The nominee receiving a majority of the votes for each office shall be declared elected.
i. In the event no nominee receives a majority of the votes for the office he/she is seeking, a run-off election shall be conducted between the two candidates receiving the greatest number of votes. A ballot prepared by the Chair of the Governance Committee shall contain the name of the office and the two candidates for each office for which a run-off election is required and shall be mailed or emailed no later than 3 weeks prior to the annual meeting of the membership.
j. Hard copies of marked run-off ballots must be received by the Governance Committee no later than one week prior to the annual meeting of the membership. Members of the Governance Committee will count the run-off ballots and report the results to the Board at the next board meeting.
k. Results of the election will be announced at the annual membership meeting.

Section 6.04: Installation
a. Each officer shall be installed at the annual membership meeting.
b. Although installed at the annual membership meeting, each officer shall assume the duties of office at the beginning of the new fiscal year following election.
c. The fiscal year shall begin January 1. All records maintained by all officers shall be given to the incoming officers by January 1.

Section 6.05: Duties
a. Duties of the President
The President shall act as Executive Officer of the South Texas Literacy Coalition and shall preside at the annual meeting of the Coalition membership.
During the one-year term of office, the President shall direct the affairs of the organization, plan and preside at all meetings of the Board of Directors, carry out such duties as the Board of Directors shall assign, and co-sign with the Treasurer vouchers for expenditures of the organization's funds as outlined in the current edition of the STLC policy manual.
b. Duties of the President-Elect
The President-Elect shall assume and perform the duties of the President in event of absence or incapacity of the President and fulfill such duties as are assigned by the Board of Directors.
c. Duties of the Vice President
The Vice President shall assume the management and monitoring of the coalition programs and perform such duties as are assigned by the Board of Directors.
d. Duties of the Past President
The immediate Past President will perform such duties as the President or the Board of Directors may assign.

e. Duties of the Secretary
The Secretary shall execute the duties essential to the recording of all business and happenings at all general meetings and all meetings of the Board of Directors, keep a permanent book of the minutes of all meetings, and furnish a copy of such

minutes to all members of the Board of Directors and coalition membership.

f. Duties of the Treasurer
The Treasurer, having custody of the funds of the Association, shall be bonded. The Treasurer shall maintain accurate records of all funds received and dispersed. The Treasurer shall monitor the deposit of funds and the issuance of all checks issued by the Executive Director as outlined in the current edition of the STLC policy manual.

Section 6.06: Interim Replacement of Officers
a. In the event of a vacancy of an office of the South Texas Literacy Coalition, other than the presidential succession, the Board of Directors shall have the power to fill the vacancy until the next regular election is held.

b. In the event of a vacancy between elections of the office of President, the President-Elect shall continue his/her present office and shall also assume the duties of the vacant office. In the following year, this person shall become President.

c. Should the office of the President –elect become vacant, the Vice President shall serve the unexpired portion of the President-Elect's term in addition to continuing his/her duties as Vice President. The following year, this person shall become President, and at the regular election, the membership shall elect a new President-Elect and Vice President.

d. In the event of a vacancy in the office of Vice President, the Board of Directors shall have the power to fill the vacancy until the next regular election is held.

e. In the event that any officer or committee chairperson fails to perform the duties of that office, the Board of Directors shall declare that office vacant and fill the office as prescribed in this constitution.

ARTICLE VII: BOARD OF DIRECTORS

Section 7.01: Composition
The members of the Board of Directors shall be the elected officers of the South Texas Literacy Coalition, and the Treasurer.

Section 7.02: Duties
a. The Board of Directors shall exercise supervision and control over all the activities of the South Texas Literacy Coalition and shall take such actions as are necessary to facilitate the purpose of the South Texas Literacy Coalition within the powers delegated by the Bylaws.

b. The Board of Directors shall be responsible for the expenditure of funds relating to coalition activities and is authorized to make expenditures.

c. The Vice President shall develop and promote membership for the organization. The Vice President will select target group(s) appropriate for local, special interest, and plan recruitment strategies. The Vice President well prepare and send membership reports to members.

Section 7.03: Quorum
A Quorum shall consist of a majority of the members of the Board of Directors.

Section 7.04 Resignation, termination, and absences
Resignation from the board must be in writing and received by the Secretary. A board member shall be terminated from the board due to excess absences, more than two unexcused absences from board meetings in a year. A board member may be removed for other reasons by a three-fourths vote of the remaining directors.

Section 7.05: Meetings
The Board of Directors shall meet monthly and during the annual membership meeting. The President shall call such additional meetings as are necessary to carry out the duties and responsibilities of the Board of Directors.

ARTICLE VIII: COMMITTEES

Section 8.01: Standing Committees
a. The standing committees shall include: Executive, Governance, Program, Fundraising and Audit.
b. The duties and responsibilities of the standing committees shall be as specified in the current edition of the South Texas Literacy Coalition Policy Manual.
c. The Chairperson and members of each committee shall be appointed by the President and approved by the members of the Board of Directors.

Section 8.02: Ad Hoc Committees
The President may appoint ad hoc committees with the approval of the Board of Directors.

ARTICLE IX: REFERENCE

Section 9.01: Reference of Authority
Robert's Rules of Order, Newly Revised shall serve as reference of authority regarding questions of procedure, order, and/or organization.

ARTICLE X: DISSOLUTION

Section 10.01: Dissolution

Upon the dissolution of the corporation, pursuant to Section 22.304 of the Texas Business Organizations Code, property held by the corporation on a condition requiring return, transfer, or conveyance because of the winding up or termination shall be returned, transfeed, or conveyed in accordance with that requirement; and the remainingassets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue

Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XI: DIRECTOR AND STAFF

Section 11.01: Executive Director
The executive director is hired by the board. The executive director has day-to-day responsibilities for the organization, including carrying out the organization's goals and policies. The executive director will attend all board meetings, membership meetings, report on the progress of the organization, answer questions of the board members and carry out the duties described in the job description. The Executive Director shall have the responsibilities to develop grants, enter into contracts, and have signatory powers as designated by the board. The board can designate other duties as necessary.

ARTICLE XII: AMENDMENTS

Section 12.01: Amendments
These bylaws may be amended when necessary by two-thirds majority of the board of directors. Proposed amendments must be submitted to the Secretary to be sent out with regular board announcements.

Reviewed: 2010; 2011; 2012; Amended – 2013.

CERTIFICATION

These bylaws were approved at a meeting of the board of directors by a two-thirds majority vote on April 16, 2013.

Veronica Rodriguez 4/16/13

Secretary Date

South Texas Literacy Coalition

Resume

Executive Director

Ida H. Acuna-Garza, Ed.D.

1907 Renee Lane
Edinburg, Texas 78539
Email: idagarza2010@gmail.com; stxliteracy@gmail.com
Home: (956) 279-1689 - cell
Work: (956) 292-0257

PROFESSIONAL PROFILE

- Bilingual - English and Spanish – fluent
- Produced "Ida's Kitchen" television program promoting nutrition and food preparation for 18 years on KGBT-TV Channel 4, Harlingen, Texas. Also, produced the program in Spanish for the Hispanic program segment.
- Radio program experience - English and Spanish.
- Program Development – needs assessment, program design, program planning, implementation, curriculum development, documentation and evaluation.
- Technology skills – Microsoft Office, On-line teaching in higher education; internet research.
- Research skills
- Administrative and supervisory skills
- Community outreach skills
- Professional trainer

EDUCATION

Doctor of Education, Adult and Extension Education, Texas A&M University, College Station, Texas, 1990; Dissertation: *"Quality of Life Perceptions among Residents of Rural, Unincorporated Subdivisions in Hidalgo County, Texas."*

Master of Education, Counseling and Guidance, Pan American University (now University of Texas - Pan American), Edinburg, Texas, 1978.

Bachelor of Science, Home Economics with specialization in Foods and Nutrition, Texas A&I University (now Texas A&M University - Kingsville), Kingsville, Texas, 1970.

PROFESSIONAL WORK EXPERIENCE

Executive Director, South Texas Literacy Coalition, non-profit organization serving a ten-county area (Cameron, Willacy, Hidalgo, Starr, Zapata, Webb, Jim Hogg, Brooks, Jim Wells, Duval), *October, 2010 – Present*

- Responsible for the day-to-day operations of the Coalition
- Assist with Board development
- Public Relations; bilingual marketing strategies
- Volunteer Management – recruitment, maintenance, recognition
- Researching literacy outcomes
- Grant Development and Fundraising; Event Coordination
- Program Planning, Implementation, and Evaluation
- Technical assistance to Coalition partners/literacy providers

Executive Director for Research and Training, Abriendo Puertas, Inc., Texas A&M University, Edinburg, Texas, *November 1, 2003 – August 31, 2010.*

- Research in the area of outreach strategies to underserved Audiences; Bilingual (English/Spanish) curriculum development; Volunteer management - recruitment, training, supervision, evaluation; Program evaluation; Bilingual marketing strategies; Community partnership development; Supervise volunteer coordinator and serve as South Texas Team Staff Leader; development of the

Abriendo Puertas - Opening Doors for Your Child's Education volunteer teaching curriculum in English and Spanish

County Extension Agent - Family and Consumer Sciences, Texas Cooperative Extension, Texas A&M University System, Hidalgo County, Edinburg, Texas; November 1, 1976-September 30, 2003.

- Served as County Coordinator for a staff of eight professionals, four para-professionals, and 5 administrative assistants
- Extension educator – conducted educational programs in nutrition, family financial management, housing, family life education, and youth development.

ACADEMIC/TEACHING EXPERIENCE

Part-time Lecturer, University of Texas - Pan American, Edinburg, Texas; 2001-2009; Courses taught: Department of Educational Psychology - EPSY 6390 - Human Growth and Development; EPSY 6366 – Career and Lifestyle Development – 2002-2009.

CONSULTING EXPERIENCE

Private educational consultant; sole proprietorship - 1980-present

- Educational presentations on nutrition, child growth and development, parenting, leadership, health, housing, group dynamics, food safety.
- Outreach strategies
- Promotora outreach skills and subject matter training
- Teacher in-service – after-school programming and parent outreach/parental involvement.

COMMUNITY

Member, Dustin Michael Sekula Memorial Library Advisory Board
Member, Lower Rio Workforce Solutions Board of Directors
Member, Literacy Texas Board of Directors
Past Trustee, Saint Matthew's Episcopal Church, Edinburg, Texas; 2000-2009
Past Chair, Edinburg Police Officers Civil Service Commission, 1991-2003
Past Chair and Current Member, City of Edinburg Health and Human Services Committee, 1999-2003
Past Member, Saint Matthew's Episcopal School Board of Trustees, 1998-2000; 2002-2006.
Past Member, Saint Matthew's Episcopal Church Vestry, 2005-2007
Member and Officer, Rainbow Extension Education Club – community and civic
Chair, Texas Extension Education Association-Hidalgo County

REFERENCES

Available upon request.

South Texas Literacy Coalition

Resume – Financial Officers

Bookkeeping Firm

SPECIALTY + BUSINESS SERVICES, CO

e-mail: ezarate.spbsc@gmail.com

Phone: (956) 686-5549 **Fax: (956) 631-5588**

Physical: 3400 N. McColl Rd.,Ste.#39
McAllen, Texas 78501

Mailing: P.O. Box 2844
McAllen, Texas 78502

SPBS may be a relatively new company, but it comes with many years of experience in maintaining accounting/bookkeeping records for several types of businesses.

- We are equipped to handle complete bookkeeping services using QuickBooks or other software
- Check processing for accounts payable, employee payroll and tax payments, quarterly and year-end payroll reports, and preparation of year-end reports for IRS reports
- Accounts receivable
- Accounts payable
- Daily bank reconciliations

With today's technology and communication resources, our office can serve as your satellite business office. We are located on McColl Rd, available to the McAllen, Mission, Pharr, and Edinburg area.

Our rates are reasonable and competitive. Also, be assured that we take pride in maintaining confidentiality with all records kept. Please call me to discuss in more detail how our services can fit your business needs. References are available upon request.

VERONICA RODRIGUEZ

3008 XENOPS AVE., MCALLEN, TX 78504

(956) 687-1767 PH, VRODRIG651@HOTMAIL.COM

EDUCATION

2000 M. Ed Early Childhood, University of Texas Pan American, Graduated Magna Cum Laude.

1998 Undergraduate studies: 8 hours in Infant/Toddler Development, Pacific Oaks College

1994 Certified Trainer for The Program for Infant/Toddler Caregivers (PITC) Modules I, II, III, IV WestEd/Far West Laboratory for Educational Research and Development

1991 BS in Child Development; Minors include Business Administration and English Literature, Texas Woman's University. Graduated Summa Cum Laude

PROFESSIONAL EXPERIENCE

2008 – Present *Program Chair*, Child Development Department, South Texas College, McAllen, TX

Responsibilities include serving as immediate supervisor for all departmental faculty and provide district wide leadership for planning, development, evaluations, and improvement of instruction within the department/program to ensure student success, retention, and transfer/placement/graduation.

2005 – 2008*Faculty,* Child Development, South Texas College, McAllen, TX

Responsibilities include teaching child development courses, maintaining currency in subject matter through professional development, plan and organize instruction in ways which maximize student learning, evaluate student learning, support college policies and procedures, participate in college, division, and program activities, contribute to the growth and enhancement of college mission and programs, perform other duties as assigned.

2005 Adjunct Faculty, South Texas College. McAllen, TX.

Teach child care and development courses as needed.

2004 - 2005 *Child Development Specialist,* AVANCE RGV Even Start. McAllen, TX.

Responsibilities included supervising child care staff in providing stimulating learning experiences and environments to children between the ages of birth to four years of age whose parents are enrolled in the Even Start Program; provide staff development to child care staff; assess children zero to five years of age using TEA approved assessments; conduct a home assessment and visits.

1997-2004 Senior *Program Associate,* Center for Child and Family Studies (Sausalito, CA) WestEd/FarWest Laboratory for Educational Research and Development, San Francisco, CA

Responsibilities included working independently and as a member of a team in providing staff at Early Head Start programs, Head Start Quality Improvement Centers, and Administration for Children and Families current state-of-the-art information, materials, and training/technical assistance available that relate to best practices in providing services to pregnant women and families with infants and toddlers; Oversaw 19 Regional PITC Consultants; Promoted the dissemination of information and materials to the public regarding the Program for Infant/Toddler Caregivers' videos, intensives, and print materials; member of PITC Intensive faculty; served as a key contact for Early Head Start individuals trained at PITC intensives;

participated in Early Head Start Infant/Family Network events; served as WestEd liaison in all EHS NRC staff meetings and related activities; involved in the creation of ready to use PITC training activities for the PITC website.

2003- *Consultant*: Community Development Institute – Interim Head Start Grantee Contractor, Denver, CO. Provide training and technical assistance to Early Head Start/Head Start staff on various child development content areas.

1999- 2003 *Consultant,* Head Start Quality Improvement Center, BHM International, Inc. Little Rock, ARK. Provided staff development to Early Head Start staff on infant/toddler care and development content areas.

1997-2004 *Consultant,* Texas Workforce Solutions, Child Care Services, Pharr, TX Provided staff development on various Child Development content areas.

1997-2006 *Consultant* Excellence for Children, Breaux Bridge, LA Provide staff development on infant/toddler care and development.

1996- 2003 *Consultant*, Head Start Quality Improvement Center- Institute for Child and Family Studies, Texas Tech University, Lubbock, TX. Provided staff development to Early Head Start staff on various infant/toddler care and development content areas.

1994-96 *Coordinator,* Child Care Training Program, Texas Migrant Council, Inc. Pharr, TX

Responsibilities included overseeing program planning, implementation, and budgets for two Child Care Training Programs covering seven counties; oversaw an assistant in implementing program goals and objectives in four of the seven counties; coordinated, planned, surveyed, and implemented educational and training opportunities for child care providers; worked in cooperation with local resources to plan and implement educational and training opportunities for child care providers; wrote and implemented a training plan for both service delivery areas.

1992-94 *Special Projects Coordinator,* Child Care Management Services, Texas Migrant Council, Inc. Harlingen, TX

Responsibilities included writing training plans and planning, implementing, and overseeing the budget for two projects: Early Childhood Development Resources and Child Care Training Project. The ECDR involved qualifying, ordering, and inventorying equipment for CCMS Child Care Vendors and monitoring program agreements between the agency and the vendor. The CCT involved coordinating, planning, and implementing educational and training opportunities for child care providers within the three county service delivery area.

1991-92 *Vendor Management Specialist* Child Care Management Services, Texas Migrant Council, Inc. Mercedes, TX

Visited, monitored, and provided training and technical assistance to child care facilities and homes that had contracts with the CCMS to provide child care for eligible clients.

SELECTED PRESENTATIONS

Rodriguez, V. & Greenwald D. (2009) The Program for Infant/Toddler Care: New Perspectives for Infant/Toddler Care and Development. Presented at the Birth to Three Conference in Washington DC.

Rodriguez, V. & Greenwald D. (2008) Introduction into the Program for Infant/Toddler Care. Presented at the Birth to Three Pre-Institue Conference in Washington DC.

Rodriguez, V. & Greenwald, D. (2007). Program for Infant/Toddler Care. Presented at the Birth to Three Pre-Institute in Washington DC.

Rodriguez, V & Tsao, C. (2006) Program for Infant/Toddler Caregivers. Presented at the Birth to Three Pre-Institute in Baltimore, MD.

Rodriguez, V.& Tsao, C. (2005) Program for Infant/Toddler Caregivers. Presented at the Birth to Three Pre-Institute in Washington DC

Rodriguez, V. (2004) Documentation Strategies and Tools. Presented at the Birth to Three Pre-Institute in Baltimore, MD.

Rodriguez, V. (2003) PITC Advanced Seminar. Presented at the Birth to Three Pre-Institute in Washington D.C.

Rodriguez, V. (2002). Early Literacy in Infants and Toddlers. Keynote presented at the West Hub EHS Summer Institute in Dallas, TX.

Rodriguez, V. & DeMartini, T. (2002) Next Step. Presented at the Birth to Three Pre-Institute in Washington D.C.

Rodriguez, V. & DeMartini, T. (2001) Staff Development Strategies. Presented at the Birth to Three Pre-Institute in Washington D.C.

Rodriguez, V. (2000). *Discoveries of Infancy*. Keynote presented at The National Head Start Child Development Institute in Washington, D.C.

Rodriguez, V. (2000) In Our Hands. Keynote presented at the Brain Development Conference in Weslaco, TX.

Rodriguez, V. (2000) *PITC Orientation and One on One Dialog*. Presented at Early Head Start Conferences in Wilmington, DE., Albuquerque, NM., & Seattle, WA.

Rodriguez, V. (1999) Implementing *PITC in your Program, Culturally Responsive Care, & Adult Teaching Strategies*. Presented at 99 Early Head Start Infant/Toddler Institute in Washington D.C.

Rodriguez, V. (1998) *Infant/Toddler Indoor Environments, Responsive and Continuity of Care for Infants and Toddlers*. Both presented at 98 Texas Head Start Association Conference in El Paso, TX.

Rodriguez, V. (1998) *Infant/Toddler Outdoor Environments*. Presented at 1998 Infant/Toddler Caregiver Conference in Lafayette, LA.

Rodriguez, V. (1998) *Responsive and Continuity of Care, Culture and Family, and Social Emotional Growth and Development*, All three presented at 1998 Midwinter Administrators and Management Conference in Dallas, TX.

Rodriguez V. (1998) *In Our Hands*. Presented at 1998 National Migrant Head Start Conference in Washington DC.

Rodriguez, V. (1997) *Culturally Sensitive Care for Young Children*. Presented at 1997 Texas Head Start Association Conference, Dallas, TX.

Rodriguez, V. (1997). *An Overview of the Early Head Start Curriculum: the program for infant/toddler caregivers.* Keynote address to Infant/Toddler Caregiver's Conference BHM International, Inc. and Excellence for Children, Baton Rouge, LA.

Rodriguez, V. & Earle, K. (1997). *Staff Development for Early Head Start*. Presented at National Head Start Association Conference. Boston, MA.

Rodriguez, V. (1997). *Implementing Culturally Sensitive Care*. Presented at Infant/Toddler Caregiver's Conference, Baton Rouge, LA.

Rodriguez, V. & Ramos, G. (1995). *Infant and Toddler Temperaments*. Presented at the National Association for the Education of Young Children Conference, Washington D.C.

Rodriguez V. & Earle, K. (1995). *Multicultural Curriculum: Tourist to Realist.* Presented at Holloman Air Force Base, Alamogordo, NM.

Rodriguez V. & Earle, K. (1994). *Multicultural Curriculum: Tourist to Realist.* Presented at National Association for the Education of Young Children, Atlanta, GA.

SELECTED PROFESSIONAL ACTIVITIES

- 97-2004 Advisory Committee Member, Chairperson 2003-2004 Texas Workforce Solutions Child Care Services, Pharr, TX.
- 96-2004 Advisory Committee Member and Past Chair, Child Care and Development Department, South Texas Community College, McAllen, TX
- 96-99 President, Hidalgo/Starr Association for the Education of Young Children, McAllen, TX
- 2006 Education Advisory Committee Member, Hidalgo County Head Start, Edinburg, TX
- 2008 – present Member, South Texas Literacy Coalition, Hidalgo County, Texas
- 2009 – 2011 Vice chair, Extension Economic Development Advisory Committee, Agri life Extension Services, Edinburg, TX
- Faculty Senator at South Texas College 2011-2013; 2008-2010, 2013-2014
- Vice President of Faculty Senate at South Texas College 2010-2011
- NAEYC ECADA Peer Reviewer 2012 - Present

PROFESSIONAL AFFILIATIONS

- Phi Upsilon Omicron
- Phi Kappa Phi
- National Association for the Education of Young Children
- South Texas Literacy Coalition

AWARDS:

- NISOD Excellence Award (The National Institute for Staff and Organizational Development)
- JAGUAR Excellence Award (South Texas College)
- PITC Faculty Award (WestEd Program for Infant/Toddler Care)

South Texas Literacy Coalition
Board of Directors

2016 South Texas Literacy Coalition Officers

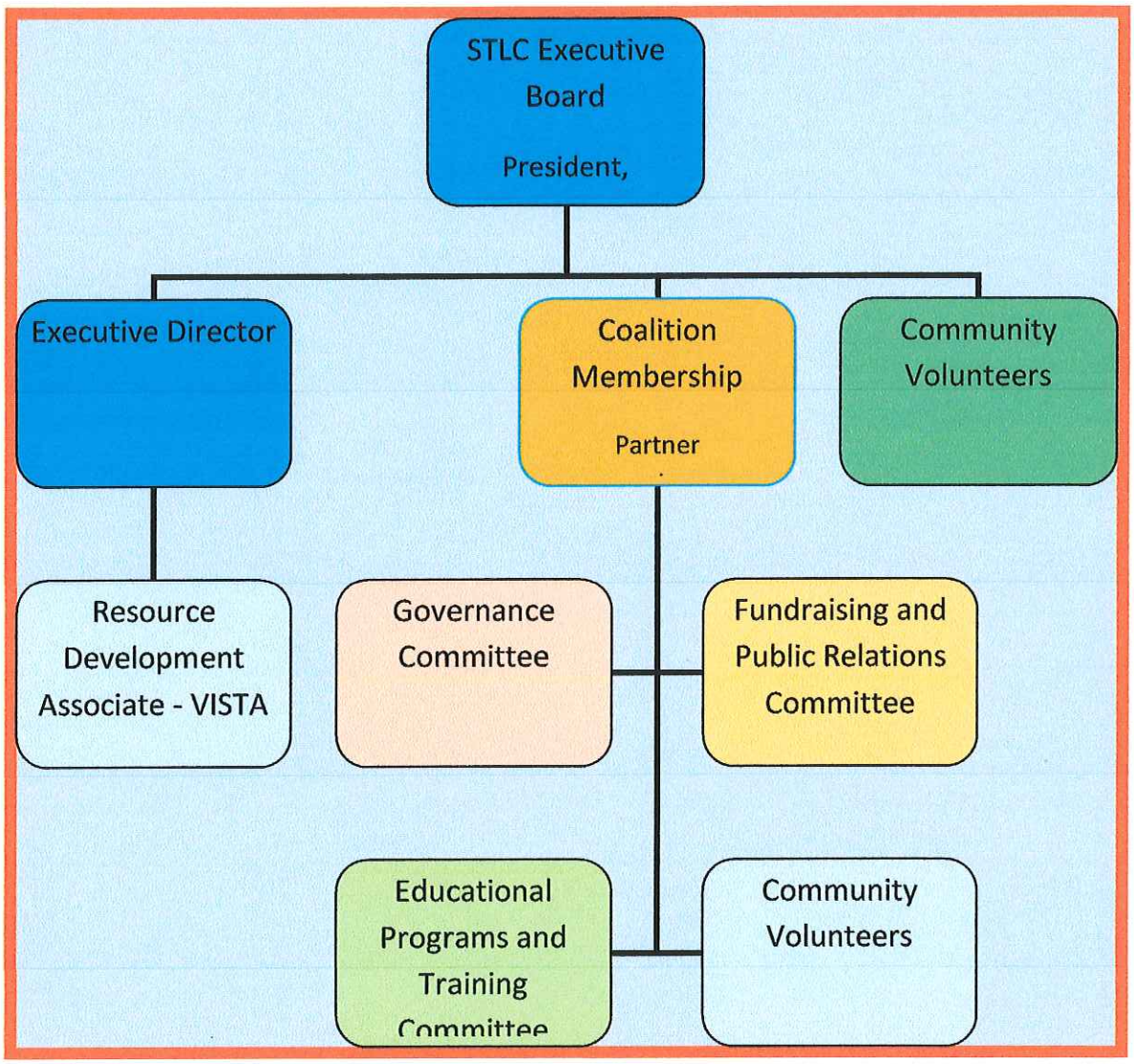
OFFICE	NAME	CONTACT INFORMATION	AFFILIATION OR REPRESENTATIVE INTEREST
President	Ricardo Contreras	ricardo.contreras@co.hidalgo.tx.us	Chief of Administration & Public Information Office of Laura Hinojosa, Hidalgo County District Clerk
President-elect	Maria Elena Ovalle	meovalle@gmail.com	Retired library director of services – Region One
Vice-President - Programs	Letty Leija	letty@edinburg.lib.tx.us	Library Director Dustin Michael Sekula Memorial Library City of Edinburg
Vice-President – Governance	Robert Rosell	Robert.rosell@bbva.com	Compliance Officer BBVA Compass Bank
Secretary	Lorena Trevino	lori@southtexascollege.edu	Director Continuing Education, South Texas College
Treasurer	Veronica Rodriguez	vrodrig2@southtexascollege.edu	Department Chair, Child Development South Texas College
Immediate Past President	Dr. Dahlia Guerra	guerrad@utpa.edu	Dean, College of Arts & Humanities, University of Texas-Pan American
President's Council	Laura Hinojosa	Laura.hinojosa@co.hidalgo.tx.us	Hidalgo County District Clerk

Executive Director	Dr. Ida Acuña-Garza	Dr.Ida.stxliteracy@gmail.com iacuna@aol.com	Community Outreach/Adult Education
Resource Development Associate – VISTA	Gabrielle Jimenez	Gjimenez1987@gmail.com	Grant writing and fund development

South Texas Literacy Coalition

Organizational Chart

South Texas Literacy Coalition Board Structure



July, 2015

South Texas Literacy Coalition
Documentation of Nonprofit Status

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: FEB 26 2010

SOUTH TEXAS LITERACY COALITION
C/O LAURA HINOJOSA
PO BOX 720272
MCALLEN, TX 78504

Employer Identification Number:
27-0718636
DLN:
17053365302039
Contact Person:
ROGER W VANCE ID# 31173
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
September 16, 2009
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

South Texas Literacy Coalition

Authorized Officials

SOUTH TEXAS LITERACY COALITION

www.southtexaslitcoalition.org

Ricardo Contreras
President

Maria Elena Ovalle
President-elect

Leticia Leija
Vice-President—Programs

Robert Rosell
Vice-President—Governance

Lorena Trevino
Secretary

Veronica Rodriguez
Treasurer

Dr. Dahlia Guerra
Immediate Past President

Dr. Ida Acuña - Garza
Executive Director

Gabrielle Jimenez
Resource Development Associate—VISTA

108 N. Jackson Road, Suite 32
Edinburg, Texas 78541
956-292-0257 or 956-279-1689

April 28, 2016

Mr. Richard Hinojosa
City Manager
415 W. University
Edinburg, Texas 78539

Dear Mr. Hinojosa,

This letter will serve as confirmation of the Authorized Officials in the South Texas Literacy Coalition who are designated as authorized to enter into contracts. As confirmed by the South Texas Literacy Coalition (STLC) Executive Board, Dr. Ida Acuña-Garza and myself, Ricardo Contreras have been designated as those representatives with signatory powers and authorized to enter into contracts. Such contracts include grants, venue agreements, and other documents for services utilized by the STLC in the course of carrying out the day-to-day operations, marketing and our strategic plan.

The goal of the South Texas Literacy Coalition is to continue to make a difference in the academic success of our youth, encouraging life-long learning and a post-secondary education.

Thank you for your continued support of our literacy outreach efforts.

Sincerely,

Ricardo Contreras
President

Literacy for Life!

South Texas Literacy Coalition

Insurance Coverage

MONITOR
LIABILITY MANAGERS
a W. R. Berkley Company

233 S. Wacker Drive, Suite 3900
Chicago, IL 60606
(312) 800-6200
Fax (312) 207-1839

Quotation for Nonprofit Liability Insurance

This quotation expires on May 8, 2016. If between the date of this quotation and the effective date of the policy, there is a significant adverse change in the condition of the applicant or an occurrence of an event which could substantially change the underwriting evaluation of the applicant, then, at Carolina Casualty Insurance Company's option, this quotation may be withdrawn by written notice to the proposed insured. In the event of any conflict or ambiguity between the proposed policy and any statements made concerning this coverage, the proposed policy shall control.

Subject to the terms and conditions contained herein, Monitor Liability Managers, on behalf of Carolina Casualty Insurance Company provides a quotation for Nonprofit Liability Insurance as follows:

Insured:	**South Texas Literacy Coalition**
Policy Period:	**May 8, 2016 to May 8, 2017**
Policy Type:	**Primary**
Carrier:	**Carolina Casualty Insurance Company** rated A+ (Superior), Financial Size Category XV
Quotation Number:	**1464746**
Policy Form:	**CT 22335 (09-06) / NP 23300 (09-06)**
Additional Coverage Sections:	**EPL 23300 (09-06)**
Quotation Expires:	

Option 1 Separate Aggregate Limit of Liability		*Limit*	*Deductibles*	*Premium*
Directors, Officers and Organization Liability	☒ Yes ☐ No	$1,000,000	$0; $0; $500	Included
Employment Practices Liability	☒ Yes ☐ No	$1,000,000	$1,000	Included
Fiduciary Liability	☐ Yes ☒ No	Not Applicable	Not Applicable	Not Applicable
Total Premium:				$915

Additional Terms

Extended Reporting Period**	Option 1: 12 months for 40 percent

**Premium is calculated as a percentage of the "full annual premium".

Conditions

This quotation is subject to the following conditions:

➢ PLEASE NOTE: If a claim is received prior to the renewal date, the quoted terms will be void and details will have to be reviewed by an Underwriter for further consideration.

➢ PLEASE NOTE: The increase in premium is due to the increase in rated employees since the last application was received.

➢ PRIOR TO BINDING: Terms and conditions subject to change. Provide a 2015 Form 990 or balance sheet. Terms are based upon the 2014 Form 990 including a positive fund balance.

➢ Contact your underwriter for a specimen copy of the policy

Monitor reserves the right to modify the final policy terms and conditions upon review of any of the information received.

Endorsements

Form ID Number	*Form Name*	*Form Description*
028-OFAC (03-16)	**Trade and Economic Sanctions**	The Policy does not provide coverage for loss which is uninsurable under the laws of the U.S. concerning trade or economic sanctions.
265 (01-15)	**POLICYHOLDER DISCLOSURE**	NOTICE OF TERRORISM INSURANCE COVERAGE.
CT 234265 (09-06)	**Addition to Section IV. Broad Abuse or Molestation Exclusion**	Adds to section IV. of the Common Policy Terms and Conditions Section of the Policy to exclude coverage for Loss arising out of any abuse or molestation.
CT 236054 (09-06)	**Modification to Section VI. D. Cooperation Clause and Reduction of Deductible**	Amends section VI. D. of the Common Policy Terms and Conditions Section of the Policy to allow alternative percentages and a reduction in the Deductible if the Insured consents to settlement recommendation.
CT 237022 (09-06)	**Modification to Section VII. A. Extended Notice of Claim**	Amends section VII. A. of the Common Policy Terms and Conditions Section of the Policy to revise the reporting provisions of the Policy for Claims.
CT 238030 (11-13)	**Modification to Section VIII. B. Proposal**	Amends section VIII. B. Proposal.
EPL 233074 (09-06)	**Addition to Section III. F. Addition of Domestic Partner Coverage**	Adds to section III. F. of the Employment Practices Liability Insurance Coverage Section of the Policy to include Domestic Partner Coverage.
EPL 233630 (rev. 05-14)	**Wage and Hour Wrongful Acts Endorsement with Costs of Defense Sub-Limit**	Adds definition of Wage and Hour Wrongful Acts with a sub-limit for Costs of Defense.
NP 230215 (09-06)	**Texas Directors, Officers and Organization Liability Amendatory Endorsement**	Modifies the Policy to include state amendatory provisions.
NP 230219 (09-06)	**Texas IMPORTANT NOTICE**	IMPORTANT NOTICE TO TEXAS POLICYHOLDERS.

Endorsements

Form ID Number	*Form Name*	*Form Description*
NP 233054 (09-06)	**Addition to Section III. D. Addition of Domestic Partner Coverage**	Adds to section III. E. of the Directors, Officers and Organization Liability Insurance Coverage Section of the Policy to include Domestic Partner Coverage.
NP 234354 (06-09)	**Addition to Section IV. Professional Services for Others Exclusion**	Adds to section IV. of the Directors, Officers anc Organization Liability Insurance Coverage Section of the Policy to exclude coverage for Loss arising out of any professional services performed for others.
NP 234400 (09-06)	**Addition to Section IV. Broad Intellectual Property Exclusion**	Adds to section IV. of the Directors, Officers anc Organization Liability Insurance Coverage Section of the Policy to exclude coverage for Loss based upon intellectual property.

Please note that the title and brief description for each endorsement listed in this quotation does not describe the scope or intent of such endorsement. Please read each endorsement carefully.

South Texas Literacy Coalition

Letter of Support

4/28/2016

Maria Melida Ochoa
1820 N. Cesar Chavez Road; Edinburg, TX
Edinburg, TX 78541

Mr. Richard Hinojosa, City Manager
City of Edinburg

Dear Mr. Hinojosa,

I am writing this letter of support for the application of the South Texas Literacy Coalition for funding for nonprofit organizations from the City of Edinburg. I am the former director of the Alamo Community Center, Hidalgo County, and Precinct 2 but before I retired our center partnered with the South Texas Literacy Coalition to implement a literacy project titled Reading for All/Lectura Para Todos. It was a wonderful literacy program that served the needs of parents in the neighborhoods around the center. The sessions were bilingual and reached over twenty-seven parents who attended all of the sessions and who wanted more sessions. The parents learned how to interact more with their children and grandchildren and promote literacy in the home environment. This program is most appropriate for all parents, but especially those with low literacy. The parents are encouraged to create a positive home literacy environment; and they are involved in learning activities during the class and are given "homework" to begin the interaction process with their families at home. Each time that the parents attended they received a free book. On the fourth and last session the parents were involved in a family literacy festival where they were exposed to a local author who read to them and emphasized the lesson objectives by sharing how to read aloud with their children. The parents were very positive about the program and shared their comments on evaluation forms.

I believe that this program would be well received by residents in public housing and parents of children participating in city youth development programs. The staff of the South Texas Literacy Coalition was instrumental in the design of the program and presented the lessons in English and Spanish. These types of programs are making a real difference in the lives of children and impact the entire family. I witnessed this first hand at our center.

Thank you for considering the request for funding by the South Texas Literacy Coalition. I live in Edinburg and I know that this program will make a difference in the lives of families.

Respectfully yours,

Maria Melida Ochoa
Retired Community Center Director and Community Volunteer
1820 N. Cesar Chavez Road; Edinburg, TX

THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Edinburg Creative ARTreach
Agency: Edinburg Arts Foundation
Executive Director: Marisa Rivera
Contact Person: Marisa Rivera
Address: 1906 S. Closner Blvd. Edinburg, TX 78539
Phone Number/Fax Number: (956) 383-6246 / (956) 318-3446
E-Mail of Contact Person: mrivera@newkirkandnewkirk.com
Organizations Federal Identification No. (Tax ID#): 46-1557426
Amount Requested: $25,000
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

RECEIVE
APR 29 2016
CITY OF EDINBURG
CITY MANAGER'S OFFICE

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 4 Years

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes ☒ No ☐

3. Has the agency been involved in any lawsuits? Yes ☐ No ☒

4. Are there any outstanding judgments against the agency? Yes ☐ No ☒

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☐ No ☒

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No ☒

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. Library & Cultural Arts Director, Leticia Leija, is designated as the City Liaison and considered as part of the Edinburg Arts Foundation but is not an official Board Member.

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes ☒ No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

The Edinburg Arts Foundation is comprised of highly professional members who contribute their time and provide their professional skills on a voluntary basis. As a very cohesive group, they assertively fundraise and seek donations to ensure that costs are minimal. Cost is always considered before purchases and members have been instructed to ensure all purchases are limited to only required items.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

The Edinburg Arts Foundation is a 501 © (3) nonprofit organization whose mission is to provide inspiring cultural and artistic experiences for the Edinburg community through advocacy and economic support. Its vision is to establish the City of Edinburg as the cultural center of the Rio Grande Valley. EAF strongly supports all City initiated Art and Cultural Events.

2. Indicate if this is a new or existing project below:

☒ Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? ☒ Yes or ☐ No

☐ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

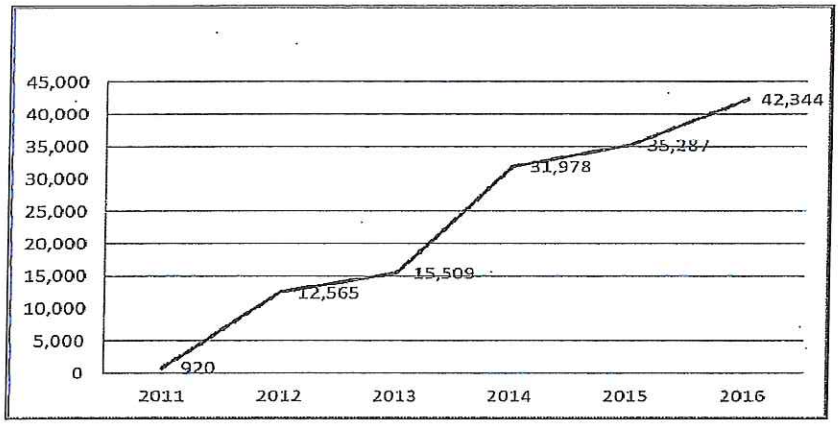
☒ Edinburg
☒ Other

Please describe Service Areas: The Edinburg Arts Foundation serves residents of Edinburg and surrounding areas in an effort to establish The City of Edinburg as a cultural center (capitol) of the Rio Grande Valley.

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation. The Edinburg Arts Foundation aims to create a community wide outreach by serving elderly citizens, pediatric cancer patients, and troubled youth residents of Edinburg through Edinburg Creative ARTreach programs. The Edinburg Arts Foundation is the first of its kind in the Rio Grande Valley to establish a program offering free creative outlet opportunities of this type.

Current Edinburg Arts efforts are annually quantified in the chart below and demonstrate the increase of demand annually. By the end of 2016 calendar year, the expected interest/attendance is at 42,344 visitors that are not just from Edinburg but surrounding areas compared to five (5) years ago of only 920 individuals served over all.



b. Was this program funded by the City in FY 2015-2016? Yes ☒ No ☐
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? The Edinburg Creative ARTreach program will offer an outreach to Children's Hospitals, Troubled Youth at ECISD, Juvenile detainees, and Senior Citizen Centers. It will also expand on subjects taught and offer pay to participating instructors.

5. Clientele

a. How many individuals will be served by this program? 5,930 direct individuals (initial estimates)

b. What is the estimated cost to provide services to one person? $4.22

c. What is the target population? (Example: elderly, disabled, abused children etc.) Pediatric oncology patients, Elderly, Troubled Youth

6. Performance Management (Measuring Your Goals and Objectives)

Impact results are quantified through surveys from patrons served. Questions include: how has this program benefitted you? 90% say it keeps their mind active and inspires positive outlook in life.

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.

Edinburg Creative ARTreach was created to serve the community by providing art related programs in a safe and nurturing environment that can ensure participants will remain all-inclusive members of the All American City of Edinburg. Edinburg Creative ARTreach enables Edinburg residents to benefit from free artistic development resources.

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	500	22,703
% OF EDINBURG RESIDENTS SERVED:	85%	90%

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) There are no other similar projects in the Rio Grande Valley that offer tuition-free community creative outlets.

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc.

5. Attach letter(s) of support for this event/program. Please see attached letters.

6. If this event/program is unfunded or partially funded, will the event/program be carried out? The program will be carried out to the extent that funds will allow.

7. Is there a fee for your services? If so, please attach a fee schedule. No fee.

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 25,000

   B. **Other Sources** **Funding Amount**

   _____ _____

   _____ _____

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$ 5,676
Fringe Benefits	$ 0
Utilities	$ 0
Travel	$ 918.93
Capital	$ 0
Postage	$ 0
Advertising	$ 1,378.40
Program Supplies	$ 17,026.67
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	$ 25,000

3. Is event/program dependent on "Other Funds"? No

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? 25%

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. 75%

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year? Consequences may result in troubled youth continuing on to juvenile detention; juvenile detainees may be hindered in their rehabilitative stages; senior citizens may further experience mental deterioration; pediatric patients could experience depression and lack of creative motivation.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin Oct 1st 2016 End Sep 30th 2017

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter: Beginning October 1, 2016 and ending September 30, 2017.

   2016 Oct., Nov., & Dec.: $5,760.69 2017 Jan., Feb., March: $5,040.73
   2017 April, May, June: $5,040.73 2017 July, Aug., Sept.: $9,157.85

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:
   Beginning October 1, 2016 and Ending September 30, 2017

   2016 Oct., Nov., & Dec.: 1,520 2017 Jan., Feb., March: 1,500
   2017 April, May, June: 1,330 2017 July, Aug., Sept.: 1,580

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation

2. Proof of tax exemption (Tax ID#)

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws.

7. Resume of Chief Program Administrator.

8. Resume of Chief Fiscal Officer.

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence

2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: _____ **Date:** 4-29-2016
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Marisa Rivera

Title: EAF President

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

John Steen
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Edinburg Arts Foundation
File Number: 801698282

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 12/12/2012

Effective: 12/13/2012

John Steen
Secretary of State

Texas Secretary of State

SOSDIRECT@sos.state.tx.us

eaf@edinburglibrary.us

username: eaf

password: Sekula-01

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAR 19 2013

EDINBGURG ART FOUNDATION
C/O EDNA PENA
1906 S CLOSNER BLVD
EDINBURG, TX 78540

Employer Identification Number:
46-1557426
DLN:
17053030408013
Contact Person:
NICHOLAS R HINDS ID# 31662
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
September 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
December 12, 2012
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

EDINBGURG ART FOUNDATION

Sincerely,

Holly O Paz

Holly O. Paz
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

US 990 Main Information Sheet 2014

For calendar year 2014 or tax year beginning Jan 01, 2014 and ending Dec 31, 2014

Name: EDINBURG ARTS FOUNDATION
Name line 2:
Address: 1906 S Closner Blvd
City, State, and Zip Code: EDINBURG TX 78539

EIN: 46-1557426
Telephone No: 956-607-9048

Email address
Web site address
Fiduciary name, if applicable
Name of officer signing return: VIRGINA CHAVEZ
Title of officer/trustee/fiduciary signing return: TREASURER
Group exemption number
Check if exemption application is pending ☐
Accounting method: Cash: ☒ Accrual: ☐ Other: ☐ Specify:
List states desired: TX

Type of exempt organization:

☐ Organization exempt under section 501(c), 527 or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) (Form 990)
☒ Organization exempt under section 501(c), 527 or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) with gross receipts less than $200,000 and total assets less than $500,000 at the end of the year (Form 990-EZ)
☐ Private foundation or section 4947(a)(1) nonexempt charitable trust treated as a private foundation (Form 990-PF)
☐ Exempt organization with unrelated business income (Form 990-T)

Preparer ID:
Preparer name:
Firm's name:
Address:
City, State, ZIP Code:

Time in this return: 405 minutes
Date:
PTIN:
Self-employed: ☐
Firm's EIN:
Phone:

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US990MI1

Form **990-EZ**

Short Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-EZ and its instructions is at *www.irs.gov/form990.*

Department of the Treasury
Internal Revenue Service

OMB No. 1545-1150

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning Jan 01 , 2014, and ending Dec 31, 2014

B Check if applicable: [ ] Address change [ ] Name change [ ] Initial return [ ] Final return /terminated [ ] Amended return [ ] Application pending

C Name of organization: EDINBURG ARTS FOUNDATION

Number and street (or P.O. box, if mail is not delivered to street address): 1906 S Closner Blvd — Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: EDINBURG TX 78539

D Employer identification number: 46-1557426

E Telephone number: 956-607-9048

F Group Exemption Number ▶

G Accounting Method: [X] Cash [ ] Accrual Other (specify) ▶

H Check ▶ [ ] if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

I Website: ▶

J Tax-exempt status (check only one) - [X] 501(c)(3) [ ] 501(c)( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other

L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are $200,000 or more, or if total assets (Part II, column (B) below) are $500,000 or more, file Form 990 instead of Form 990-EZ . . . . . ▶ $ 17,878.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)

Check if the organization used Schedule O to respond to any question in this Part I . . . . . [ ]

Revenue	1	Contributions, gifts, grants, and similar amounts received		1	17,878.
	2	Program service revenue including government fees and contracts		2	
	3	Membership dues and assessments		3	
	4	Investment income		4	
	5 a	Gross amount from sale of assets other than inventory	5a		
	b	Less: cost or other basis and sales expenses	5b		
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)		5c	
	6	Gaming and fundraising events			
	a	Gross income from gaming (attach Schedule G if greater than $15,000)	6a		
	b	Gross income from fundraising events (not including $ 47,776. of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceed $15,000)	6b		
	c	Less: direct expenses from gaming and fundraising events	6c		
	d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)		6d	
	7 a	Gross sales of inventory, less returns and allowances	7a		
	b	Less: cost of goods sold	7b		
	c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)		7c	
	8	Other revenue (describe in Schedule O)		8	
	9	**Total revenue.** Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 ▶		9	17,878.
Expenses	10	Grants and similar amounts paid (list in Schedule O)		10	
	11	Benefits paid to or for members		11	
	12	Salaries, other compensation, and employee benefits		12	
	13	Professional fees and other payments to independent contractors		13	
	14	Occupancy, rent, utilities, and maintenance		14	4,445.
	15	Printing, publications, postage, and shipping		15	
	16	Other expenses (describe in Schedule O)		16	39,020.
	17	**Total expenses.** Add lines 10 through 16 ▶		17	43,465.
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)		18	(25,587.)
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		19	1,985.
	20	Other changes in net assets or fund balances (explain in Schedule O)		20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20 ▶		21	(23,602.)

For Paperwork Reduction Act Notice, see the separate instructions.

Part II **Balance Sheets** (see the instructions for Part II)

Check if the organization used Schedule O to respond to any question in this Part II . . . . . ☐

	(A) Beginning of year		(B) End of year
22 Cash, savings, and investments		22	15,506.
23 Land and buildings	1,052.	23	
24 Other assets (describe in Schedule O)	933.	24	
25 Total assets	1,985.	25	15,506.
26 Total liabilities (describe in Schedule O)		26	
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	1,985.	27	15,506.

Part III **Statement of Program Service Accomplishments** (see the instructions for Part III)

Check if the organization used Schedule O to respond to any question in this Part III. . . ☐

What is the organization's primary exempt purpose? INSPIRE CULTURE ARTISTIC EXPERI

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

		Expenses (Required for section 501(c)(3) and 501(c)(4) organizations; optional for others.)
28 STRONG SUPPORTER AND ACTIVE ADVOCATE FOR THE ARTS IN EDINBURG WITH A SPECIAL EMPHASIS IN SUPPORTING THE CITY ART INITIIATIVES (Grants $) If this amount includes foreign grants, check here . . . ▶ ☐	28a	
29 (Grants $) If this amount includes foreign grants, check here . . . ▶ ☐	29a	
30 (Grants $) If this amount includes foreign grants, check here . . . ▶ ☐	30a	
31 Other program services (describe in Schedule O) (Grants $) If this amount includes foreign grants, check here . . . ▶ ☐	31a	
32 Total program service expenses (add lines 28a through 31a) . . . ▶	32	

Part IV **List of Officers, Directors, Trustees, and Key Employees.** (list each one even if not compensated - see the instructions for Part IV)

Check if the organization used Schedule O to respond to any question in this Part IV. . . . . ☐

(a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC) (If not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans & deferred comp.	(e) Estimated amount of other compensation
EDNA PENA PRESIDENT	20	0		
RAMON VELA PARLAMENTARIAN	20	0		
VIRGINA CHAVEZ TREASURER	20	0		
REBEKA GONZALEZ SECRETARY	20	0		
VIVIAN MARTIN OFFICER	20	0		
BENNIE KAY CARLSON OFFICER	20	0		
LETTY REYES OFFICER	20	0		
LEE CASTRO OFFICER	20	0		
MARIA ELENA MACIAS OFFICER	20	0		
AUGUSTINE LOZANO JR OFFICER	20	0		
MARISSA RIVERA OFFICER	20	0		

Part V **Other Information** (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V . . . . ☐

			Yes	No
33	Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O	33		X
34	Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)	34		X
35a	Did the organization have unrelated business gross income of $1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a		X
b	If "Yes", to line 35a, has the organization filed a Form 990-T for the year? If "No", provide an explanation in Schedule O	35b		
c	Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III	35c		
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a 0			
b	Did the organization file **Form 1120-POL** for this year?	37b		
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a		X
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b			
39	Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on line 9 39a			
b	Gross receipts, included on line 9, for public use of club facilities 39b			
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911▶ ; section 4912▶ ; section 4955▶			
b	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b		X
c	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶			
d	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e		X

41 List the states with which a copy of this return is filed. ▶

42a The organization's books are in care of ▶ Edinburg ArtS Foundation Telephone no. ▶ 956-607-9048

Located at ▶ 1906 S CLOSNER TX EDINBURG ZIP + 4 ▶ 78539

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	42b		X
	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.? If "Yes," enter the name of the foreign country: ▶	42c		X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041** - Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43

			Yes	No
44a	Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a		X
b	Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b		X
c	Did the organization receive any payments for indoor tanning services during the year?	44c		X
d	If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	44d		
45a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a		X
45b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b		X

		Yes	No
46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46		X

Part VI **Section 501(c)(3) organizations only**

All section 501(c)(3) organizations must answer questions 47–49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

		Yes	No
47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	47		X
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48		X
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a		X
b If "Yes," was the related organization a section 527 organization?	49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
NONE				

f Total number of other employees paid over $100,000 . . . . . ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over $100,000 . . . . . ▶

52 Did the organization complete Schedule A? **Note.** All section 501(c)(3) organizations must attach a completed Schedule A . . . . . ▶ ☒ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date 06/01/2015

▶ VIRGINA CHAVEZ TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Ana Vasquez	Ana Vasquez	6/1/15		P01027873

Firm's name ▶ Addison Gallagher — Firm's EIN ▶

Firm's address ▶ 108 N. Jackson Suite 26 Edinburg TX 78541 — Phone no. 956 221 2404

May the IRS discuss this return with the preparer shown above? See instructions . . . . . ▶ ☒ Yes ☐ No

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2014

Open to Public Inspection

Name of the organization: EDINBURG ARTS FOUNDATION

Employer identification number: 46-1557426

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 [X] An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.

a [ ] **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b [ ] **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c [ ] **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d [ ] **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e [ ] Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations . . . . . [ ]

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document? Yes	No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2014

BCA

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(a) 2011	(a) 2012	(a) 2013	(a) 2014	(a) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose				1308.		1308.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5				1308.		1308.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						1308.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(a) 2011	(a) 2012	(a) 2013	(a) 2014	(a) Total
9 Amounts from line 6				1308.		1308.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30,1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)				1308.		1308.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	100.00 %
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	100.00 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	0.00 %
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	0.00 %

19a 331/3% support tests - 2014. If the organization did not check the box on line 14, and line 15 is more than 331/3%, and line 17 is not more than 331/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☒

b 331/3% support tests - 2013. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 331/3%, and line 18 is not more than 331/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2014

Name of the organization
EDINBURG ARTS FOUNDATION

Employer identification number
46-1557426

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	☒ 501(c)(3) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☐ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 331/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 BOOTH SALES (event type)	(b) Event #2 TICKET SALES (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c)
Revenue	1 Gross receipts	34,785.	6,524.	6,428.	47,737.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	34,785.	6,524.	6,428.	47,737.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				47,737.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No 0.0%	☐ Yes ☐ No 0.0%	☐ Yes ☐ No 0.0%	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary. Subtract line 7 from line 1, column d ▶				

9 Enter the state(s) in which the organization conducts gaming activities:

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain:

11 Does the organization conduct gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity conducted in:

a The organization's facility	13a	0.00 %
b An outside facility	13b	0.00 %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?..... ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).

US **Detail Sheet** 2014

Name: EDINBURG ARTS FOUNDATION ID: 46-1557426

Description: FUND RAISING EVENTS

Type	Amount
BOOTH FEES	34,785.
SPONSORSHIP	6,428.
TICKET SALES	6,524.
REFUND LODGING	39.
Total	47,776.

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US **Detail Sheet** 2014

Name: EDINBURG ARTS FOUNDATION ID: 46-1557426

Description: OTHER EXPENSES

Type	Amount
ADVERTISEMENT	721.
BANK FEES	25.
CATERING	4,200.
EVENT ENTERTAINMENT FEES	27,639.
LODGING	1,369.
OFFICE SUPPLIES	3,548.
TRAVEL MEALS	819.
UNIFORMS	591.
WORKSHOP FEES	108.
Total	39,020.

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Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS *e-file* Signature Authorization for an Exempt Organization

For calendar year 2014, or fiscal year beginning Jan 01, 2014, & ending Dec 31, 20 14

▶ Do not send to the IRS. Keep for your records.

▶ Information about Form 8879-EO and its instructions is at *www.irs.gov/form8879eo.*

OMB No. 1545-1878

2014

Name of exempt organization: EDINBURG ARTS FOUNDATION

Employer identification number: 46-1557426

Name and title of officer: VIRGINA CHAVEZ TREASURER

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ▶ ☐	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	
2a Form 990-EZ check here ▶ ☒	b Total revenue, if any (Form 990-EZ, line 9)	2b	17,878.
3a Form 1120-POL check here ▶ ☐	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here ▶ ☐	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here ▶ ☐	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2014 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgment of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize ADDSUM BALANCE (ERO firm name) to enter my PIN 12345 (Enter five numbers, but do not enter all zeros) as my signature

on the organization's tax year 2014 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2014 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ 06/01/2015

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN. 74783112345 (do not enter all zeros)

I certify that the above numeric entry is my PIN, which is my signature on the 2014 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ Ana Vazquez Date ▶ 06/10/2015

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form.

BCA

Edinburg Arts Foundation
2016 Budget

Anticipated Income

Artrageous		$22,500
Building Fund		$10,000
Library ($70,000)		$59,500
Membership dues		$500
Library 15%		$10,500
Grants		$50,000

Total Anticipated Income **$153,000**

Anticipated Expenses

Business Expenses

General Business Expenses		$1,000
Accounting & Audit Fees		$7,500
Bank Fees		$100
Awards & Grants fees		$250
Membership: Chamber		$135
Workshops & other dues		$1,100

Total Business Expenses $10,085

Operations Expenses

Supplies		$250
Postage		$350
Printing		$750
Cultural Event Sponsorships		$2,000
Marketing/Advertising/webpage		$525
Reimbursement Expenses		$750

Total Operations Expenses $4,625

Event Expenses – Artrageous

Venue		$2,500
Media Advertising		$5,000
Promotion		$3,000
Correspondence/supplies/postage		$1,000
Entertainment		$5,000

Total Event Expenses $16,500

Membership Expenses (2 Events)

Venue		$500
Food/Catering		$1,000
Decorations/ Flowers		$400
Printing		$100
General office supplies & Postage		$100
Music & Entertainment		$500
Set up & Other Rentals		$400

Total Membership Expenses $3,000

Libray Expenses

Venue ECC/UTRGV PAC		$3,000
Food/Catering		$5,000
Decorations/ Flowers		$1,500
Printing & Special Effects		$3,000
Music & Entertainment		$20,000
Set up & Other Rentals		$10,000
Gifts & Awards		$1,000
Online Payments		$1,000
Advertising & Media		$20,000
General Office Supplies		$500

Total Library Expenses $65,000

Grant Expenses

Art Projects		$30,000
Community Projects		$20,000

Total Grant Expenses $50,000

Total Anticipated Expenses $149,210

The Edinburg Arts Foundation, a TEXAS NONPROFIT CORPORATION

ARTICLE I

These bylaws constitute the code of rules adopted by the board of Directors for the regulation and management of its affairs.

ARTICLE II
Purpose

The Edinburg Arts Foundation is organized exclusively for religious, charitable, scientific, literary or educational purposes within the meaning of section 501(c) (3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code or the corresponding section of any future United States Internal Revenue law. In particular, the Edinburg Arts Foundation is organized to be a strong supporter and active advocate for the Arts in Edinburg with a special emphasis is supporting the City's art initiatives.

ARTICLE III
Board of Directors

(1) **Powers**

The Board of Directors (Directors) of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Texas Business Organizations Code, the Certificate of Formation, and these bylaws.

(2) **Qualifications**

Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin.

(3) **Number of Directors**

The Board of Directors will consist of eighteen (18) members. Upon majority resolution of the Board of Directors, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three Directors. Until the first meeting for electing the Directors occurs, the initial Board of Directors shall consist of the persons listed in the Certificate of Formation as constituting the initial Board.

Board members must be active paying members in order to serve on the board.

ARTICLE IV
Committees

(1) **Executive Committee**

The President, President-Elect, Treasurer, and Secretary of the Corporation shall constitute the executive committee. The executive committee shall have the authority to act on behalf of the Corporation in between Regular Meetings of the Board of Directors. The Board of Directors must validate the actions of the executive committee at its next Regular or Special Meeting. Any such action not so validated will not be legally binding on the Foundation. The President shall act as chairperson of the executive committee. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and all decisions shall be by majority vote of those present.

(2) **Standing Committees**

The Corporation shall have four standing committees which shall assist the Board of Directors in carrying out the management of the Corporation: The Governance Committee, the Internal Relations Committee, the External Relations Committee, and the Finance Committee. The Executive Committee shall appoint the chair of each committee. Employees of the Corporation and members of the community may be appointed to serve as committee members. Committees shall meet upon call of the Board of Directors or the chair of the Committee, review the activities of the Corporation in the Committee's respective areas, and make recommendations to the Board of Directors for the Board's final approval. The Treasurer of the Corporation shall serve as the Chair of the Finance Committee. The Chair of each committee shall ensure that minutes of the committee meetings are taken and present a copy of the minutes to the Secretary within the two weeks following the meeting. Committee meetings shall be open to all members of the Board of Directors.

(a) The Finance Committee shall assist the President/Chief Executive Officer in preparing and presenting the annual budget to the Board of Directors, make necessary investment choices, and generally protect the soundness of the corporation's finances and fiscal operations.

(b) The External Relations Committee shall be responsible for fundraising and capital campaigns, public relations, maintaining the visibility of the corporation, and governmental relations.

(c) The Internal Relations Committee shall be responsible for planning, developing, and evaluating the Corporation's programs and operations.

(d) The Governance Committee shall be responsible for recruiting, nominating, and managing members of the Board of Directors; and evaluating the performance of the Board

(3) **Additional Committees**

The Board of Directors may from time to time designate and appoint additional standing or temporary committees by majority vote of the Board of Directors. Such committees shall have and exercise such prescribed authority as is designated by the Board of Directors. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Certificate of Formation and these bylaws.

(7) **Open Meetings**
Meetings shall be open to the general public, except when personnel, real estate, or litigation matters are being discussed.

(8) **Proxy Voting Prohibited**
Proxy voting is not permitted.

ARTICLE VII
Officers

(1) **Roster of Officers**
The Corporation shall have a Board President, President Elect, Secretary, and Treasurer. The Corporation may have, at the discretion of the Board of Directors, such other officers as may be appointed by the Directors.

(2) **Election and Removal of Officers**
All officers shall serve one-year terms. The election shall be conducted at the Board of Directors' first meeting of the fiscal year and following the election of the new Board of Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Board of Directors attending the meeting. Officers must be active, paid members in good standing.

(3) **Vacancies**
If a vacancy occurs during the term of office for any elected officer, the Board of Directors shall elect a new officer to fill the remainder of the term as soon as practical, by majority vote of Directors present.

(4) **President**
The President will supervise and control the affairs of the Corporation and shall exercise such supervisory powers as may be given by the Board of Directors.

The President will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board of Directors.

The President shall preside at all board meetings and shall exercise parliamentary control.

The President shall serve as an ex-officio member of all standing committees, unless otherwise provided by the Board of Directors or these bylaws.

In the case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to fulfill the duties of Secretary, the Vice President shall perform the functions of the Secretary.

(7) **Treasurer**

The Treasurer will have charge and custody of all funds of the Corporation, will oversee and supervise the financial business of the Corporation, will render reports and accounting to the Directors as required by the Board of Directors, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Certificate of Formation, or by these bylaws, or which may be assigned from time to time by the Board of Directors.

The Treasurer and the staff of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation which shall be approved by the Board of Directors.

The Treasurer, with the approval of the Board of Directors, shall set up all checking, savings, and investment accounts of the Corporation and deposit all such funds in the name of the Corporation in such accounts.

The Treasurer's signature along with the President's shall be the authorized signatures for all checking, savings, and investment accounts of the Corporation unless the Treasurer, with the approval of the Board of Directors, designates another member of the Board of Directors or employee of the Corporation as the authorized signatory for a particular type of disbursement.

The Treasurer shall prepare a monthly report for the Board of Directors, providing an accounting of all transactions and of the financial conditions of the Corporation.

The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and make them available at the request of any Director or member of the public during regular business hours for inspection and copying.

ARTICLE VIII
Executive Director/Chief Executive Officer

The Board of Directors may, upon resolution, appoint a Chief Executive Officer to serve as the Chief Executive Officer at the board's discretion and to carry out whatever tasks the board from time to time resolves. The CEO shall be paid an annual salary set by the Board of Directors. Subject to such supervisory powers as are vested in the Board of Directors, the CEO shall act as Chief Executive Offer to supervise, direct, and control the business of the and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these bylaws.

(5) **Inspection of Books and Records**
All books and records of this Corporation may be inspected by any Director for any purpose at any reasonable time on written demand.

(6) **Loans to Management**
The Corporation will make no loans to any of its Directors or Officers.

(7) **Amendments**
The Board of Directors may adopt amendments to the Certificate of Formation by a vote of two-thirds of Directors present at a meeting where a quorum is present. The bylaws may be amended at any time by a vote of the majority of Directors at a meeting where a quorum is present.

(8) **Fiscal Year**
The fiscal year for the Corporation will be Oct. 1 – Sept. 30th.

(9) **Audit**
The Corporation shall have an annual audit to be completed by April of each year for the previous fiscal year.

CERTIFICATION

I hereby certify that these bylaws were adopted by the Board of Directors of the _____ at its meeting held on _____.

_____

Board Secretary

Marisa Rivera, Edinburg, Texas
956/867-2226 (c) – isarivera93@yahoo.com

Qualifications Summary

I am a performance-driven, insightful Manager and Sales Person with additional experience in Marketing, Public Relations, and Human Resources. As a salesperson I have a proven ability to achieve and exceed business development goals in high-pressure environments. Skilled in operational strategies requiring implementation and enforcement of rules, policies, procedures and goals. I am skilled in consulting with clients (internal & external), analyzing situations and developing strategic solutions. Additionally, I have relationship-development expertise that complements the ability to aggressively build solid client base and drive revenue growth, also, experience in leveraging numerous products and services in a variety of scenarios, proven leadership and team building skills, coupled with the ability to direct strong teams in managing employee or customer relationships and providing the appropriate service.

Professional Experience

Newkirk & Newkirk, Inc. – McAllen
Servicing Agent, Office Manager and Insurance Licensed Sales Person

MTPCS, LLC dba CellularOne – McAllen
Human Resource Associate (liaison to HR Director of Montana)

Chase Bank, Rio Grande Valley, McAllen, Texas
Workplace Financial Services Specialist, Small Business Relationship Manager, International Relationship Mgr.

Independent Agent
State of Texas Group I Licensed

Council of South Texas Economic Progress, McAllen, Texas
Vice Pres. of Marketing, Vice Pres. of Operations, Manager of Lender & Guarantor Services & Acquisitions

Education and Credentials

Pan American University, Edinburg, Texas
Majored in business with a minor in psychology.

Professional Training - Continuing Education courses in business management, supervisory, organizational skills, budgeting, human resources and annual planning.

State of Texas Group 1 License
Gained Group I licensing for the sale of insurance products and attend ongoing continuous education to maintain licensing with the State of Texas.

Bilingual

References provided upon request

Volunteer Activities

1980 – Present
Children's Haven – Volunteer and Support
Easter Seal Rehabilitation Center – Volunteer of Events
Valley Special Olympics – Volunteer of Events
Civitan Group – Golf Tournament Volunteer
McAllen Business & Professional Women's Club
    Chairman of Public Relations
    Chairman of Career Advancement Award
    Officer - First Vice President
American Heart Association – Golf Tournament Volunteer
Women's Employment and Education Service (WEES) – Recognition for valuable contribution
Edinburg Chamber of Commerce – past member
McAllen Chamber of Commerce – past member
McAllen Hispanic Chamber of Commerce

- Member 1996 to present
- Board Member 1998 - 2001
- Vice Chair of Education 1998 – 2001 – Recognition by Options High School
- Volunteer of Events 1996 - present

Edinburg Boys and Girls Club – Basketball Coach
Edinburg Parks and Recreation – Volunteer
JPMorgan Chase Foundation Volunteer Program – Awarded Grant issued for Educational Scholarship monies for local high school graduates
Pharr Chamber of Commerce – past member
Options High School, Lamar Academy – Recognition of appreciation
PTA member
PTA Chair of Membership
PTA Parliamentarian
Mission Chamber of Commerce – past member
NAMI –Coordinator of "Walk" and volunteer
RGV Diabetes Association
South Texas Association of Health Underwriters - 2015

- Organization of New Chapter in RGV
- Membership Chair

Edinburg Arts Foundation – 2014 to present

Hobbies

Spending time with family
Attending sports events, theatre, concerts
Reading mysteries and/or detective stories
Travel
Volunteering
Home Improvement

ELIAS LONGORIA, JR.

EXPERIENCE

2013-Present Texas Regional Bank McAllen, TX
First Vice President/Commercial Loan Officer

Responsible for loan production and operation of Edinburg branch
Increased volumes and deposits in branch during tenure

2006-2013 Lone Star National Bank McAllen, TX
Senior Vice President/ Commercial Loan Officer

- Loan production in excess of $1,000,000 per month
- Loan portfolio in excess of $50,000,000
- Responsible for Edinburg branch
- Deposit portfolio in branch of $50,000,000

1996-2006 International Bank of Commerce McAllen, TX
Vice President and Branch Manager

- Production volumes in excess of $15,000,000 per year
- Production leader in construction lending
- Deposit portfolio in excess of $25,000,000
- Responsible for $2.5 million growth for branch
- In charge of operation of Edinburg branch

1991-1996 First Mortgage Brokers, Inc. McAllen, TX
Vice President/ Sales Manager and Loan Officer

- Increased volumes from $2.5 million to $4.0 million
- Managed sales staff of four lenders
- Developed training manual for future sales staff

1985-1991 Magic Valley Savings Weslaco, TX
Branch Manager/ Loan Officer

- Managed McAllen location with a staff of seven
- Increased deposits for the branch by 25%
- Produced highest volume of consumer and mortgage loans for bank

EDUCATION

Pan American University Edinburg, TX

- BBA Business Administration, Finance

COMMUNITY INVOLVEMENT

Edinburg Boys and Girls Club board member seven year and past president
RGV Food Bank board member for nine years and past president
Past Mayor Pro Tem and Council Member for City of Edinburg
Past Member of Edinburg Chamber of Commerce and Treasurer
Board member of Edinburg Housing Authority
Board member of Edinburg Arts Foundation and Treasurer

906 E. CANTON RD. EDINBURG, TX 78539 (956) 739-8507

EDINBURG ARTS FOUNDATION

Members 2015-16

1. Marissa Rivera **(President)**
   956-867-2226
   mrivera@newkirkandnewkirk.com

2. Elias Longoria **(Treasurer)**
   PH: (956) 661-7805
   elongoria@texasregionalbank.com

3. Bennie Kay Carlson **(Secretary)**
   956-383-4843
   benniecarlson@sbcglobal.net

4. Agustin Lozano
   956-778-5677
   AugustinL@BertOgden.com

5. Vivian Martin
   956-330-8594
   vivleemartin@aol.com

6. Rebeka Gonzalez
   956-607-6858
   gonzalez_rebeka@yahoo.com

7. Ramon V. Vela, Jr.
   956-607-9048
   ramonvvela@hotmail.com

8. Edna Peña
   956-393-1909
   edna.pena@sbcglobal.net

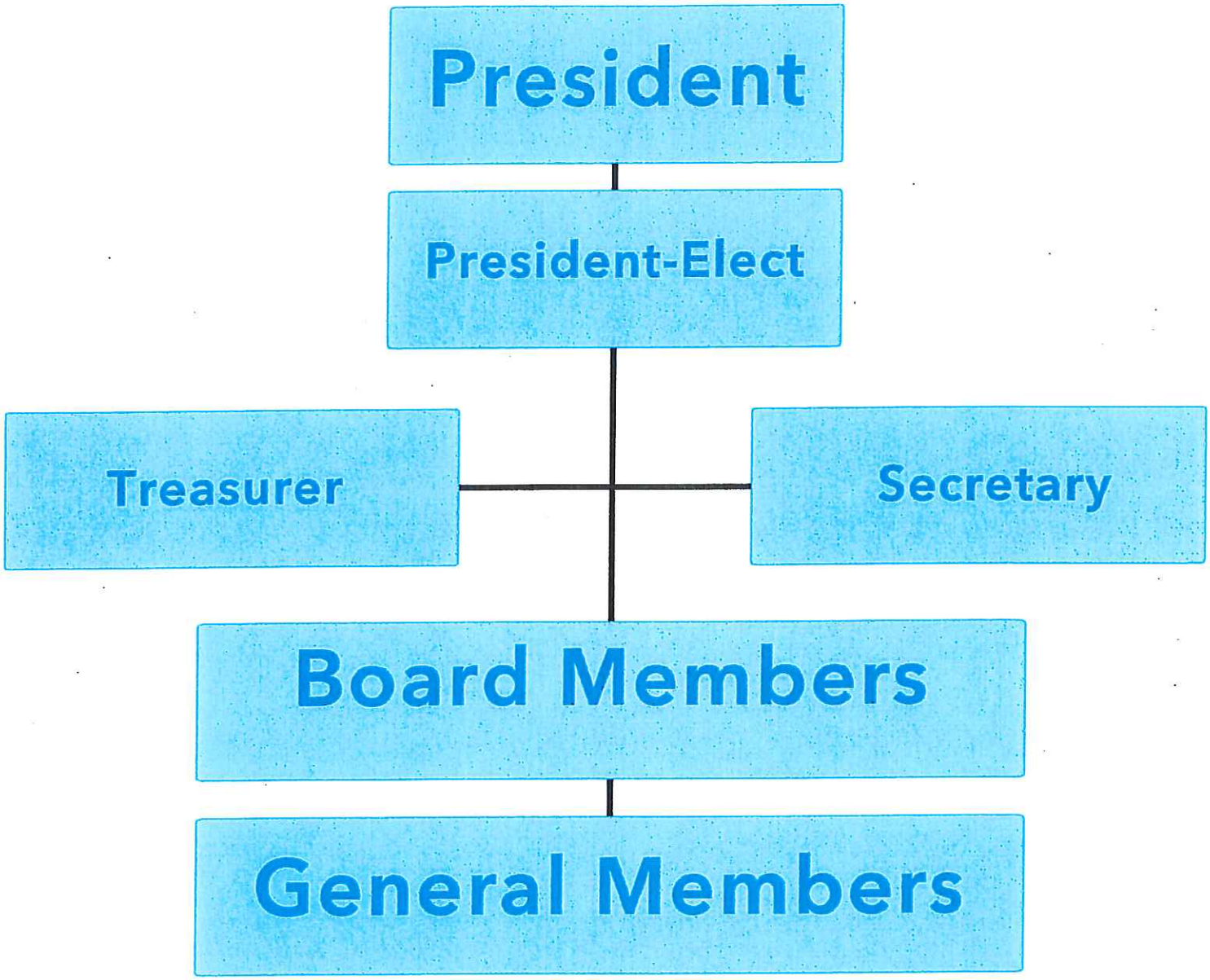
9. Maria Elena Macias
   956-225-5437
   emacias1@utpa.edu

10. Letty Reyes, EEDC
    956-534-0562
    letty@edinburgedc.com

11. Elsa Sanchez de Gutierrez
    956-407-2920
    elsarte@gmail.com

12. Frances Whitworth
    fwhitworth@gmail.com

Edinburg Arts Foundation
Organizational Chart



Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

John Steen
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Edinburg Arts Foundation
File Number: 801698282

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 12/12/2012

Effective: 12/13/2012

John Steen
Secretary of State

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

John Steen
Secretary of State

Office of the Secretary of State

December 13, 2012

Attn: Edinburg Arts Foundation

Edinburg Arts Foundation
601 N. 10th Street
Edinburg, TX 78539 USA

RE: Edinburg Arts Foundation
File Number: 801698282

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at http://window.state.tx.us/taxinfo/franchise/index.html. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at http://window.state.tx.us/taxinfo/exempt/index.html. Information on exemption from federal taxes is available from the Internal Revenue Service web site at www.irs.gov.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure

Form 202

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: $25

Certificate of Formation
Nonprofit Corporation

Filed in the Office of the
Secretary of State of Texas
Filing #: 801698282 12/12/2012
Document #: 456852730002
Image Generated Electronically
for Web Filing

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

Edinburg Arts Foundation

Article 2 – Registered Agent and Registered Office

☐ A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

☑ B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:
Edna Pena

C. The business address of the registered agent and the registered office address is:

Street Address:
601 N. 10th St Edinburg TX 78539

Consent of Registered Agent

☐ A. A copy of the consent of registered agent is attached.

OR

☑ B. The consent of the registered agent is maintained by the entity.

Article 3 - Management

☐ A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

☑ B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Edna Pena** Title: **Director**

Address: **601 N. 10th St Edinburg TX, USA 78539**

Director 2: **Ramon V Vela** Title: **Director**

Address: **20417 Buck Fawn Dr. Edinburg TX, USA 78542**

Director 3: **Joel Jason Rodriguez** Title: **Director**

Address: **2301 W. Pecan Blvd McAllen TX, USA 78501**

Article 4 - Organization Structure

☐ A. The corporation will have members.

or

☑ B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

The purposes for which the corporation is organized are exclusively charitable and educational, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations within the meaning of

Internal Revenue Service Code, Section 501(c)(3) or the corresponding section of any future federal code, The Texas Business Organization Code and the Texas Tax Code, Section 11.18.

The mission of the Edinburg Arts Foundation is to provide inspiring cultural and artistic experiences for the Edinburg community through advocacy and economic support.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal revenur Code, or the corresponding section of any future federal tax code.

Supplemental Provisions / Information

Article 6
Upon the dissolution of the corporation, pursuant to Section 22.304 of the Texas Business Organizations Code, property held by the corporation on a condition requiring return, transfer, or conveyance because of the winding up or termination shall be returned, transferred, or conveyed in accordance with that requirement; and the remaining assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for public purpose. Any such asssets not so disposed of shall be disposed by a Court of Competent Jurisdiction of the county of which the principal office of the corporation is then located, exclusively for such purposes or to such organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

☐ A. This document becomes effective when the document is filed by the secretary of state.

OR

☑ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is: **December 13, 2012**

Organizer

The name and address of the organizer are set forth below.

Edna Pena **601 N. 10th St. Edinburg, Tx 78539**

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Edna Pena

Signature of organizer.

FILING OFFICE COPY

EDINBURG ARTS FOUNDATION

April 28, 2016

To Whom It May Concern:

The Edinburg Arts Foundation, a 501c3 organization, currently has two authorized officers to sign checks. These officers are; President – Marisa Rivera and Treasurer Elias Longoria.

All requests for checks must be submitted with an invoice and describing the purpose, the amount, and the payable party name and must be authorized by the Board of Directors. Any expense necessary for under $500.00 may be authorized by the President, Secretary, and Treasurer unanimously with the same back-up information previously described.

For further information, please feel free to contact me at (956) 867-2226

Thank you,

Marisa Rivera
Edinburg Arts Foundation
President

Bennie Kay Carlson
927 Fairway Dr., Edinburg, TX 78539

The Edinburg Arts Foundation
1906 South Closer
Edinburg, TX 78539

Dear Board Members:

As a member of the Edinburg Arts Foundation, I have been approached by parents and school teachers to the possibility of offering instructions and training in the arts here in Edinburg.

I have been a part of this endeavor at an art studio outside of Edinburg. It was successful for a while, but the number of students wanting to participate was more than the studio could accommodate at one time. Being a private studio we had to ask a small charge to cover cost.

This need came about when the public schools stopped offering art as part of their curriculum. We see a need to have a facility large enough to accommodate more children at a time. We want to give children the opportunity to be educated in the many fields of art. Some of the schools, in addition to Edinburg and located in the Rio Grande Valley have expressed an interest in busing their students to a facility offering the opportunity and experience. There are already instructors available and offering their services and encouragement to take on the training, so there would be no charge to the individual student. This program is not only for now, but for future generations.

Respectfully,

Bennie Kay Carlson

Bennie Kay Carlson

Dear Honorable Mayor and City Council Members,

The importance of a supportive art community setting has a crucial impact on the developmental process for any person of society. As a retired educator, I can personally speak of experiences in which I have seen the opportunity for creativity to pave a road for success in the lives of young people. It is these younger people and this upcoming generation of our world that will reap the benefits from our decisions that we can make today. As individuals who hold such important decisions in your hands, I encourage you to continue supporting the greatly impactful Edinburg Arts Program and Edinburg Arts Foundation. The proposal to offer these new community outreach programs will bring along educational opportunities that are unlike any in the Rio Grande Valley. This program encourages citizens to unite as one and celebrate the diverse culture that is art itself. We have many differences as members of society, but when art is considered, we all speak the same language.

Providing the City of Edinburg and the Rio Grande Valley with these new programs will offer an even more beautiful name for our city and the awareness of how important it is to include all members of our community. With these newly proposed programs, lives may be transformed, passions may be fostered, and hope may be planted in the form of encouragement for our upcoming generation. With these art programs, the residents of our community will find a place to unite in a supportive setting. The leaders of this artistic growth, including our current Director of Dustin M. Sekula Memorial Library and Cultural Arts, Leticia Leija, are doing a wonderful job at creating these new and exciting opportunities to create unity in our city.

I support the proposal for the Edinburg Art Foundation to offer outreaches in the city of Edinburg and envision this city to be a landmark in artistic development. These community art outreaches will provide Edinburg with many opportunities to positively impact the lives of our community members both old and young. Art will forever be an effective tool that may be used to enrich the well being of society; let us join together and proudly serve our city. I hope that you continue to support Edinburg Arts and all of the great programs that are rising for the city of Edinburg.

Sincerely,

Lizandra Riojas

UTRGV
The University of Texas
Rio Grande Valley

Assistant Vice President for Public Art
University of Texas Rio Grande Valley
PACB 2.133
1201 W. University Drive Edinburg, Texas 78539-2999
Dept. 956-665-3471
Cell. 956-655-2811

Date: April 29, 2016

It is my pleasure to write a letter in support of the Edinburg Arts Foundation. As the Assistant Vice-President of Public Art at the University of Texas Rio Grande Valley, and as the Chair of the Edinburg Cultural Activities Board, I have had the privilege of working with the Edinburg Arts Foundation in various events designed to help promote the cultural arts in the community.

The Arts can improve the quality of life in our community and make an economic impact on our region. Art has a profound impact on our culture as it helps us to celebrate our diverse society. The rich variety and high caliber of events that the Edinburg Arts Foundation has organized and promoted has had an enormous impact on the citizens of Edinburg, providing life changing and community transforming experiences for the community.

The Edinburg Arts Foundation raises funds to promote unique presentations and celebrations enhancing life in Edinburg and attracting visitors to our City. They are seeking funds to provide new art classes for the elderly, at risk youth, autistic, and blind students who would like to learn how to paint. The Edinburg Arts Foundation is an organization that is dedicated to transforming our community and changing many lives in our City for the better.

Please consider funding the Edinburg Arts Foundation so they can add this significant and impactful program. If I can be of any further assistance, or provide you with any further information, please do not hesitate to contact me.

Sincerely,

Dguerra

Dr. Dahlia Guerra
Assistant Vice President for Public Art
University of Texas Rio Grande Valley

THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program:	Nevaeh's Haven of Warriors
Agency:	Nevaeh's Haven of Warriors
Executive Director:	Felicia Casas
Contact Person:	Felicia Casas or Ana Vasquez
Address:	108 N. Jackson Suite 26.
Phone Number/Fax Number:	956-313-2768 / 956-221-2464
E-Mail of Contact Person:	nevaehswarriors@gmail.com.
Organizations Federal Identification No. (Tax ID#):	47-1932106
Amount Requested:	$ 50,000.00
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.	
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.	

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

RECEIVED
APR 28 2016
BY:

Application for City of Edinburg Funds

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 7 months

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes ☑ No ☐

3. Has the agency been involved in any lawsuits? Yes ☐ No ☑

4. Are there any outstanding judgments against the agency? Yes ☐ No ☑

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☐ No ☑

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No ☑

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. _____

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes ☑ No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

See attachment.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

See attachment.

2. Indicate if this is a new or existing project below:

☐ Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? ☐ Yes or ☐ No

☑ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

☐ Edinburg
☑ Other Rio Grande Valley.

Please describe Service Areas: Hidalgo, Cameron, Willacy, and Star Counties.

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation. _____

See attachment.

b. Was this program funded by the City in FY 2015-2016? Yes ☐ No ☑
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? _____

5. Clientele

a. How many individuals will be served by this program? Individuals See attachment

b. What is the estimated cost to provide services to one person? See attachment

c. What is the target population? (Example: elderly, disabled, abused children etc.) See attachment

_____

6. Performance Management (Measuring Your Goals and Objectives) See attachment.

   Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.

   See attachment

2. Please provide the number of individuals assisted in the following fiscal years:

   See attachment

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	_____	_____
% OF EDINBURG RESIDENTS SERVED:	_____	_____

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person) _____

   See attachment

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc. _____ See attachment

5. Attach letter(s) of support for this event/program. See attached letter.

6. If this event/program is unfunded or partially funded, will the event/program be carried out?

   Yes.

7. Is there a fee for your services? If so, please attach a fee schedule. _____

   The services that we will provide are at no charge.

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 50,000.00 .

   B.

Other Sources	Funding Amount
None	0
None	0

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	20,000 $
Fringe Benefits	$
Utilities	$
Travel	$
Capital	$
Postage	~~7,900~~ conv. $
Advertising	conv. 8,000 $
Program Supplies	8,000 $
Other (Specify) Education Books	14,000 $
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	50,000 $

3. Is event/program dependent on "Other Funds"? No

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations? ~~100%~~ 50%

5. Identify what percentage of City of Edinburg funding will be used for direct benefit. 50%

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year? _____

See attachment.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin ~~2015~~ End ~~2016~~.
October 1, 2016 - September 30, 2017.

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter:

   Beginning October 1, 2016 and ending September 30, 2017.

   2016 Oct., Nov., & Dec.: $12,500 2017 Jan., Feb., March: $12,500

   2017 April, May, June: $12,500 2017 July, Aug., Sept.: $12,500

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017

   2016 Oct., Nov., & Dec.: 50 2017 Jan., Feb., March: 50

   2017 April, May, June: 50 2017 July, Aug., Sept.: 50

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation

2. Proof of tax exemption (Tax ID#)

3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings. See attachments

4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868) See attachment

5. Current budget for agency – Show all sources of expected revenues and expenditures.

6. Applicant's By-Laws.

7. Resume of Chief Program Administrator.

8. Resume of Chief Fiscal Officer.

9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.

10. Organizational Chart.

11. Documentation of non-profit status. Include state and federal tax exempt determination letters.

12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

    A. Workers Compensation
    In accordance with the State statute See attachment

    B. Comprehensive General Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence
2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
   $100,000 each person
   $500,000 each occurrence
2. Property Damage
   $100,000 each occurrence
   $100,000 aggregate

   or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
   $250,000 each person
   $500,000 each occurrence

2. Property Damage
   $100,000 each occurrence
   $100,000 each aggregate

   or $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement.

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: Ana Vasquez **Date:** 4/28/2016
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Ana Vasquez
Title: Assistant Director

THE CITY OF EDINBURG

ATTACHMENTS TO REQUEST FOR FUNDING APPLICATION

Part I. Agency Information

Line 7

The steps we have taken to manage this organization at a more cost effective way is through the request of private donations, Sponsorships, in-Kind donation, and volunteer services. A Christmas toy drive was also done at all Valley Wide Storage Depots and The Edinburg Executive Center.

Part II. Agency Overview

Line 1

It is our mission is to enrich the lives of children battling cancer while in active treatment and their families at a time in their lives when other avenues of help and hope are out of reach. We provide a variety of resources and group support, while promoting public awareness free of charge.

Our vision is to allow a chance of normalcy in the lives of children battling cancer that they are forced to lose. We resolve to create opportunities in a place where these children can gain back their childhood and come together not only for fun but also for better understanding and social interaction with one another.

Line 4

a. Services for children battling cancer in the Rio Grande Valley are nonexistent. Guidance and support for these children and their families are in high demand due to the fact that there are none available locally. Childhood Cancer Awareness in the entire valley is also little to none and serves as a great importance for the reason being that 1 in 285 children will be diagnosed with cancer. I in 4 schools have a child with cancer. Approximately 43 children per day or 15,780 children per year are expected to be diagnosed with cancer (10,450 ages 0 to 14, and 5,330 ages 15 to 19). 71 is the average years of life lost when a child dies from cancer and yet there is no public awareness, support services or guidance in the entire Rio Grande Valley Region.

Line 5 Clientele

a. Our projected amount is 250 – 300.

b. The estimated cost to provide services at this time is unknown because some of the services are not active. The services that are being provided at this time are support groups, community outreach, and public awareness.

c. Our program's targeted population will be open to the children inactive treatment and their families. It will also be open to parents, siblings, and guardians who have been affected by this insidious disease.

Line 6

Performance Management

- Planning work and setting expectations
- Continually monitoring performance
- Developing the capacity to perform
- Periodically rating performance in a summary fashion and
- Rewarding good performance

Part III. Event/Program Description

1. Nevaeh's Haven of Warriors is an organization focused in assisting with direct and indirect services through outreach, and to help recognize the unique challenge cancer presents to a child's physical, social, emotional, and spiritual life, and the impact cancer has on everyone sharing in the life of the child. There are many families that are residents in Edinburg that are in need of the services and families have voiced out opinions regarding this issue. The Rio Grande Valley doesn't have enough public awareness and funding to help fund pediatric research and lead to a cure for ALL childhood cancers.

2. TOTAL # ASSISTED

FY 2015/16	PROPOSED FOR 2016/17
We are a start up organization as of September 2015 and we are in the process in assisting families with support groups and books to educate on childhood cancer. The total number is unknown but we are determined to reach as many as possible during the remaining of 2016.	We are proposing to reach 200- 300 + families for 2016/17

% OF EDINBURG RESIDENTS SERVED

FY 2015/16	PROPOSED FOR 2016/17
As explained above being that we are starting this organization. The total percentage of residents for Edinburg is not known but we anticipate reaching as many if not all during the remaining of 2016.	We are proposing to reach all residents of Edinburg. The number of diagnosed children for Edinburg is unknown at this time.

3. There are no coordination agencies that assist in these projects NHOW prepares and organizes the events.

September Awareness Event

- Doctors at Renaissance Pediatric Oncology floor reading books, supplies, goodie bags were delivered to promote childhood cancer.

Christmas Event

- Christmas Party and donation of toys for all the children. Some toys were mailed out to the children.

February 15th International Childhood Cancer Day

- Pizza party at Doctors Renaissance Pediatric Oncology floor also distributed reading books.

4. We currently don't have backup information for the necessity of services such as surveys but through the personal experience from a parent seeing their child battling cancer was devastating and a great challenge without the wide range of programs, guidance, support and helpful resources that are not available made this journey a very difficult challenge . Nevaeh's Haven of Warriors Founder, Felicia Casas is the mother of Alyssa Nevaeh Zuniga, a child diagnosed with Acute Lymphoblastic Leukemia at the tender age of 6 years old on January 13, 2014. Alyssa's diagnosis became reality when the doctor confirmed the words cancer, a parent's worst nightmare. This took a heavy toll on the family, but most of all on Alyssa. From being forced to stay at home due to the germs in the public, to homeschooling and leaving her peers, to losing her hair and being bullied, stared, and laughed at in public. Together they struggled through an inevitable deal of emotional, financial, physical, and at times mental circumstance all of which could've been prevented had we had the proper resources and public awareness. Because of their experience through Alyssa's journey we hope to make an impact in our community by bringing forth the proper resources, publicizing awareness and creating a safe haven for all children of cancer and their families.

Part IV. **Budget**

6. There is a large urgency of services because there are no programs that are listed in our goals and services in the Rio Grande Valley. There are many families that do not have the financial means to travel and seek services elsewhere. Families have reached out to this organization seeking guidance, information and assistance but at this time we are unable to provide them with some of services. The consequences for no funding would impact our ability to begin some of the services we intend to bring to many families who are in urgency of advocacy, education, and group support.

Part VI. **Required Attachments**

3. Nevaeh's Haven of Warriors is currently unable to provide a program audit report because it has not completed one year of operation. It was granted a 501 (c)(3) in September 2015. Therefore, it has seven months of service. A program audit report will be provided to The City of Edinburg once the year is completed. A Financial statement may be provided at this time.

4. Most small tax-exempt organizations whose annual gross receipts are normally $50,000 or less are required to electronically submit Form 990-N, also known as the e-Postcard,

Form 990-N must be completed and filed electronically. There is no paper form. When you electronically file your 990-N, you are given an opportunity to print the form on the Confirmation page. I have attached the confirmation page for proof of filing. The public can also search for organizations that have filed an e-Postcard and view their filings using the Exempt Organizations Select Check tool on the IRS website.

13.

A. Workers Compensation is not active because there are no employees at this time. It will be provided in the future but to keep the cost down we will not have this on the policy until staff is hired.

617 Dallas Avenue
McAllen, Texas 78501-2752
(956) 687-7367
Fax: (956) 630-6423

April 29, 2016

Attn: Richard Hinojosa
City of Edinburg
415 West University Drive
Edinburg, TX 78541

Re: Request for a monetary donation/sponsorship for Comfort House Services, Inc. (CHSI)

This is to introduce Comfort House Services, Inc. (CHSI) to you and your prestigious organization for any consideration that you may wish appropriate for a local agency that serves this community.

Comfort House (CHSI) is a licensed, non-profit Special Care Facility (since October 1989) that has served over 2,500 terminally-ill persons and their loved ones from in and around the entire Rio Grande Valley. We provide 10 bedrooms and round-the-clock palliative/comfort care for each person who has been given a prognosis of 4 or less months to live. If, for whatever reason, their family/loved ones cannot care for them at home during this very stressful time, they are welcome at CHSI, until they pass away. Our mission is to provide a peaceful, homelike environment where any person may die in peace, with dignity, surrounded by his/her loved ones.

We are licensed to administer medications, which keeps the patient free of pain and anxiety, which are ordered by the hospice physician and provided by the hospice nurse. The hospice program is the person's "medical team" while Comfort House is the "caregiver team" (taking the place of the loved ones). Instead of going to the home, as in home health care, the hospice team comes to Comfort House to see their patient, our resident. We also welcome the family and any other loved ones. Comfort House volunteers provide them with meals and all the amenities of a home, so that they can be close to their loved one as much as possible. The hospice agency is reimbursed for patient care, while our facility is not. We depend solely on donations from the families we serve and the community!

RECEIVED
APR 29 2016
CITY OF EDINBURG
CITY MANAGER'S OFFICE

617 Dallas Avenue
McAllen, Texas 78501-2752
(956) 687-7367
Fax: (956) 630-6423

Comfort House Services, Inc.

IMPACT & ROLE IN THE MCALLEN COMMUNITY

Comfort House Services, Inc. has had its door open since 1989 when the late Sr. Marian Strohmeyer, began her mission to assist patients in the McAllen area who were afflicted with the HIV virus and had nowhere to turn for end stage care. The then three bed facility was a source of refuge for these patients and their families who sought assistance for comfort care measures. In the years to follow, a non-profit organization was formed and the facility became what is now a ten bed facility which cares for the terminally ill in the McAllen area and surrounding communities. To date, the Comfort House has provided palliative care for patients with terminal illnesses such as cancer, congestive heart failure, renal failure, cirrhosis cases and other chronic illnesses.

Our caregivers tend to the ill by providing loving care while feeding residents, changing diapers, bathing, emptying catheters, tending to oxygen needs, suctioning, etc. These palliative practices are engaged in during twenty four hour care, seven days a week. Our mission is to provide comfort care while maintaining the resident's dignity to assist with end of life processes with loved ones at their side.

The impact and value of these services is unquantifiable. This valuable impact has been supported by numerous community organizations, private donors and the wonderful City of McAllen. We believe that our continued presence in the community allows people hope when and should the need arise for this unique type of service.

Respectfully,
Veronica Whitacre

COMFORT HOUSE
PRESENTS

PRETTY *in* PEARLS

Benefit Luncheon & Style Show

Casa De Palmas Renaissance
101 N Main St. McAllen, TX 78501

Thursday, May 12, 2016
11:30am - 1:30pm

Featuring Fashion trends by:

Joe Brand
Lionel's Western Wear
Shop 112
Precious Things
Karla's Jewelry

SILENT AUCTION

Sponsorship available!

Eyris Blue Pearl $2,000 - Table for up to 8
Tahitan Pearl $1,500 - Table for up to 6
Akoya Pearl $1,000 - Table for up to 4
Majorca Pearl $500 - Table for 2
(Individual tickets are available at $125.00 per person)

For Tickets RSVP

Veronica Whitacre
Administrator
(956) 687-7367

Lyana Benavidez
Administrative Liaison/Marketing
(956) 687-7367
(956) 328-9498

All proceeds from this event will be donated to the Comfort House Services, Inc.

THE CITY OF EDINBURG

CITY MANAGER'S OFFICE
P.O. BOX 1079
415 WEST UNIVERSITY DRIVE
EDINBURG, TEXAS 78540
TELEPHONE: (956) 388-8207
FAX: (956) 399-8989

REQUEST FOR FUNDING APPLICATION FISCAL YEAR 2016-2017

Name of Event/Program: Staffing
Agency: Comfort House
Executive Director: Veronica Whitacre
Contact Person: Veronica Whitacre
Address: 617 Dallas Ave
Phone Number/Fax Number: 956-687-7367
E-Mail of Contact Person: comforthouse617@yahoo.com
Organizations Federal Identification No. (Tax ID#): 74-2618847
Amount Requested: $238,912.00
Proposal Due Date: Friday, APRIL 29, 2016 4:00 p.m. Applications submitted after the deadline specified will not be considered.
Note: THE APPLICATION MUST INCLUDE ONE (1) ORIGINAL AND ONE (1) COPY. THE FUNDING APPLICATION MUST BE RECEIVED BY DUE DATE. NO PUNCHED OR STAPLED COPIES, NO NOTEBOOKS OR BINDERS, PLEASE. Any applications sent via facsimile will not be accepted. All applications must be completely filled out. If application is not complete and required documents are not submitted with application, application will not be accepted for consideration.

The City of Edinburg does not discriminate against persons based on race, color, religion, marital status, sex, national origin, ancestry, age, familial status, disability, or any arbitrary basis. If you need special assistance in order to read and understand the information contained herein, please call (956) 388-8206.

Application for City of Edinburg Funds

RECEIVED
APR 29 2016
CITY OF EDINBURG
CITY MANAGER'S OFFICE

All public or private non-profit agencies, organizations, or authorities are eligible to apply for City of Edinburg funds. This application must be completed and submitted to the City of Edinburg City Manager's Department, 415 West University Drive, P.O. Box 1079, Edinburg, Texas 78541.

I. AGENCY INFORMATION

1. Longevity: Number of Years agency has been in business: 27

2. Does your agency develop or explore new sources to generate funds such as soliciting donations, fundraisers, applying for grants, etc.)? Yes ☒ No ☐

3. Has the agency been involved in any lawsuits? Yes ☐ No ☒

4. Are there any outstanding judgments against the agency? Yes ☐ No ☒

5. Disclosure of Potential Conflict of Interest:

Are any of the Board Members or employees of the agency which will be carrying out this program, or members of their immediate families, or their business associates:

A. Employee of the City of Edinburg or related to a City employee? Yes ☐ No ☒

B. Members of or closely related to members of Edinburg City Council or Advisory Committee Board? Yes ☐ No ☒

If you answered "Yes" to any questions A-B, you must provide an explanation. The existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded. List all individuals associated with the applicant or ownership entity that have a reportable financial interest in the program. Include type of participation in the program, percentage, and dollar amount of financial interest in the program. N/A

6. Does the agency formally evaluate and measure the effectiveness of this program?

Yes ☒ No ☐

7. What steps have been taken in the past year to make the agency more cost effective?

The Comfort House depends solely on donations.

II. AGENCY OVERVIEW

1. Provide a brief summary of the agency.

Comfort House was established in 1989 under the auspices of the Diocese of Brownsville. In 1992, the Diocese transferred oversight to a new community organization, Comfort House Services, Inc. The Comfort house is a 501 ©3 non-profit, Special Care Facility for the terminally ill. The Comfort House is a community-wide ministry of compassion to the dying who mission is to provide a peaceful, homelike environment where a person may die in peace, with dignity, surrounded by loved ones. The entities involved with the Comfort House carry the mission of helping families and patients create peaceful, spiritual and beautiful good-byes to prevent families from experiencing complicated grief symptoms.

The staff at the Comfort House provide loving care and attention to the patients and their families as they journey in the death and dying process with them. Volunteers have shown dedication in the preparation of meals, assist with housekeeping tasks and other chores to minimize stress levels and emotional fatigue for both the staff and families while they observe the final stages of the patient's life.

2. Indicate if this is a new or existing project below:

☐ Existing Event/Program (Previously Funded by the City)
Is the service a quantifiable increase? ☐ Yes or ☐ No

☒ New Event/Program (Never been funded by the City)

3. What is the full service area of this agency?

☐ Edinburg
☒ Other Hidalgo County area including Starr

Please describe Service Areas:

Edinburg, San Juan, Weslaco, Donna, Mercedes, Mission, La Joya, Alamo, McAllen and Rio Grande City.

4. Demand for Services

a. Explain the need for this program and the gap in services in the City of Edinburg. Provide **QUANTITATIVE DATA** to your explanation.

The comfort house provides services to patients who are terminally ill and either do not have the medical insurance necessary for care to be provided at home, do not have adequate housing or do not have families who can adequately care for them during the dying process. Families reach out to the Comfort House in a dire need to provide 24 hr end of life care to their loved one. Patients who do not have

adequate care are at a high risk of physical and emotional abuse. They are at risk of medical neglect and most of all, are at risk of dying in pain, suffering from the symptoms associated with the death and dying process and being alone at time of death.

b. Was this program funded by the City in FY 2015-2016? Yes ☐ No ☒
If yes, what **NEW or EXPANDED** services will your agency provide for the Community (be quantitative)? _____

5. Clientele

a. How many individuals will be served by this program? Individuals 120 - 150 on an annual basis

b. What is the estimated cost to provide services to one person? $195 a day

c. What is the target population? (Example: elderly, disabled, abused children etc.) adults who are terminally ill

6. Performance Management (Measuring Your Goals and Objectives)

Show how you identify and measure the results and impacts brought about by your event/program. When completing this section keep in mind the question - **"How do we know this event/program is making a difference in the lives of those we serve"?**

The Comfort House daily receives calls referring patients from local hospitals and hospice agencies to end of life care. Testimonial letters from family members, an array of thank you cards and donations from families are provided as a means of appreciation for the care that was provided to their loved one. However, it currently does not have a system in place to measure the effectiveness of the program. A survey will be developed and provided to families to assess the effectiveness of services being provided. The results of the survey will be provided in the evaluation report of the grant to the City of Edinburg.

III. Event/Program Description

1. Provide a brief description of the specific event/program for which you are requesting funding and how the problem or need involves residents in Edinburg.

Funding is being requested for the salaries and fringe benefits of the certified nurses assistants.

(2) Part time Certified nurse asst $9 hr x 32 hr	$29,952	**$29,952.00**
(1) Full time Certified nurse asst. @ $10 hr x 40 hr	$20,800	**$20,800.00**

(2) Full time C.N.A @ $10.25 hr x 40 hr	$42,640	**$42,640.00**
(2) Full time C.N.A @ $11 hr	$45,760.00	**$ 45,760.00**
(1) Full time C.N.A. @ $9 hr	$18,720.00	**$18,720.00**
(1) House Supervisor @ $13 hr	$27,040.00	**$27,040.00**
(2) Fringe Benefits for all Certified Nursing Assistants/Caregivers	$54,000.00	**$54,000.00**
TOTAL FUNDING REQUESTED		**$238,912.00**

2. Please provide the number of individuals assisted in the following fiscal years:

	FY 2015/16	PROPOSED FOR 2016/17
TOTAL # ASSISTED	145	150 - 160
% OF EDINBURG RESIDENTS SERVED:	21%	30%

3. List similar projects in Edinburg. Is there a coordinating agency? If so, whom? (Name, Address & Phone Number of Contact Person)

   No

4. Provide backup information regarding event/program service necessity, such as surveys, waiting list, etc.

   Patient's are placed on a waiting list and once a bed in available, hospice agencies are notified immediately. A waiting list can be from a couple of days to 2 weeks.

5. Attach letter(s) of support for this event/program. _____

6. If this event/program is unfunded or partially funded, will the event/program be carried out?

   Comfort House continually works hard to raise funds through fundraising projects, community donations and other programs.

7. Is there a fee for your services? If so, please attach a fee schedule.

   The Comfort House does not charge a fee for the end of life care provided to patients.

IV. Budget

1. Please list City of Edinburg funding amount requested and other sources of funds and amounts for this event/program.

   A. Funding amount requested from City of Edinburg $ 238,912.00

   B. **Other Sources** **Funding Amount**
   NONE _____

   _____ _____

2. Provide a line-item budget that will identify the allocation of the requested City of Edinburg amount.

CATEGORY	FUNDS REQUESTED
Salaries	$ 184,912.00
Fringe Benefits	$ 54,000.00
Utilities	$
Travel	$
Capital	$
Postage	$
Advertising	$
Program Supplies	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Other (Specify)	$
Total Event/Program Expenses	$ 238,912

3. Is event/program dependent on "Other Funds"?

   Fundraising funds are used when accounts are low on funds for payroll.

Note: If other funds are pending approval and the event/program is dependent on them, please be advised that we reserve the right to rescind City of Edinburg Funding if other funding becomes unavailable.

4. Identify what percentage of City of Edinburg Funding will be used for staffing and operations?

   100% for salaries only

5. Identify what percentage of City of Edinburg funding will be used for direct benefit.

   0%

6. Describe the need and the degree of urgency for the proposed event/program. What would be the consequences if the proposed event/program is not funded in the next year?

   Patient's would not have a place to be cared for since the Comfort House would have to lay off the staff due to unable to cover their payroll.

V. Event/Program Timeline and Benchmarks

1. When will the event/program Fiscal Year Begin July 1, 2016 End June 30, 2017

2. If funded indicate below the amount of City of Edinburg funds to be spent each quarter:

   Beginning October 1, 2016 and ending September 30, 2017.

   2016 Oct., Nov., & Dec.: $59,728.00 2017 Jan., Feb., March: $59,728.00

   2017 April, May, June: $59,728.00 2017 July, Aug., Sept.: $59,728.00

3. Indicate below the amount of City of Edinburg beneficiaries to be assisted during each quarter:

   Beginning October 1, 2016 and Ending September 30, 2017

THIS QUESTION IS DIFFICULT TO ANSWER SINCE IT IS BASED ON REFERRALS MADE BY SURROUNDING HOSPICE AGENCIES. Numbers below are estimates based on prior years census.

2016 Oct., Nov., & Dec.: 8 2017 Jan., Feb., March: 8

2017 April, May, June: 8 2017 July, Aug., Sept.: 8

VI. REQUIRED ATTACHMENTS

If application is NOT signed by Authorized Representative, Application will be disqualified.

1. Articles of Incorporation
2. Proof of tax exemption (Tax ID#)
3. Must provide a copy of the most current single or program audit report prepared by an independent certified public accountant. Include Independent Auditor's Report, Management Letter, if noted in the Audit, and the response to the Management Letter addressing all issues, concerns, and/or findings.
4. Copy of most recent 990 Tax Return. (Year 2015, if no 2013 provide copy of IRS Form 8868)
5. Current budget for agency – Show all sources of expected revenues and expenditures.
6. Applicant's By-Laws.
7. Resume of Chief Program Administrator.
8. ~~Resume of Chief Fiscal Officer.~~
9. Board of Directors: Provide names, addresses, occupants, and phone numbers of current Board of Directors. Include position/title on Board.
10. Organizational Chart.
11. Documentation of non-profit status. Include state and federal tax exempt determination letters.
12. **Authorized Officials:** Designated officials authorized to enter into contracts. Identify all personnel with signatory powers. Provide a letter signed by Board Member or approved "Minutes".

13. In accordance with City ordinances, Contractor shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

A. Workers Compensation
In accordance with the State statute

B. Comprehensive General Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

C. Comprehensive Auto Liability

1. Bodily Injury
$100,000 each person
$500,000 each occurrence
2. Property Damage
$100,000 each occurrence
$100,000 aggregate

or $500,000 combined single limits

D. City's Protective Liability

1. Bodily Injury
$250,000 each person
$500,000 each occurrence

2. Property Damage
$100,000 each occurrence
$100,000 each aggregate

or $500,000 combined single limits

Note: The City of Edinburg will hold a budget work session to review funding requests for Fiscal Year 2016-2017 Budget. The date/time for the work session will be determined at a later date.

If this request is accepted for funding, the applicant must be willing to comply with all applicable federal, state and city requirements and enter into a funding agreement with the City of Edinburg.

I certify under penalty of perjury the foregoing application for City of Edinburg funds for 2016/2017 is true and correct. I understand additional documentation may be required if award is granted.

Signature: _____ **Date:** 4-29-16
[must be Authorized Representative]

Please print or type name and title of signer:

Name: Omar Guevara

Title: Board Chairperson

ARTICLES OF INCORPORATION OF
COMFORT HOUSE CHARITIES, INC.

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation in the Texas Non-Profit Corporation Act, do hereby adopt the following articles of Incorporation for such corporation.

ARTICLE ONE

The name of the corporation is Comfort House Charities, Inc.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The corporation shall have at least five members.

ARTICLE FOUR

The period of its duration is perpetual.

ARTICLE FIVE

The purposes for which the corporation is organized are educational, scientific and charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954. Specifically, purposes include, but are not limited to, enabling efforts to further the goals of assisting the terminally ill, their families, professional and volunteer caregivers, and the community at-large by providing financial support for charity funds, conducting educational programs and basic, non-academic research about end-of-life care.

ARTICLE SIX

Tthe street address of the initial registered office of the corporation is 617 Dallas Avenue, McAllen, Texas 78501. The name of its initial registered agent at such address is Sister Marian Strohmeyer.

ARTICLE SEVEN

A. The corporation may receive and maintain a fund or funds of real or personal property, or both, and subject to the restrictions and limitations hereinafter set forth, to use and apply the whole or any part of the income therefrom and the principal thereof

exclusively for charitable, religious, scientific, or educational purposes either directly or by contributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter by amended.

B. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the corporations shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Five hereof. No director or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

C. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

D. Not withstanding any other provisions of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax underSection 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

E. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation, in such manner, or to such organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a Court of competent jurisdiction of the county in which the principal offfice of the corporation is then located, exclusively for such purposes or to such organization or organizations, as that Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE EIGHT

The affairs of the corporation shall be managed and governed by a Board of Directors which shall never be comprised of less than three persons and which shall have such maximum number as may from time to time be prescribed by and under the Bylaws of the corporation.

The number of Directors constituting the initial Board of Directors is five. The names and addresses of the persons who are to serve as initial directors are:

Ann Williams Cass, 100 Wisteria Avenue, McAllen, TX 78504
Dr. John Abraham, 1501 Northgate Lane, McAllen, TX 78504
Gerald Fitzgerald, 1102 Tamarack Avenue, McAllen, TX 78501
Chayo Vaello, 1504 Lark Avenue, McAllen, TX 78504
Sr. Marian Strohmeyer, Route 4 Box 1680, McAllen, TX 78504

Adopted this day, the 26th of June, 1998

I, Hilda M. Wedgworth, Notary Public, do hereby certify that on the 26th day of June, 1998, personally appeared before me,

Ann Williams Cass, John Abraham, _____
Sr. Marian Strohmeyer, _____, _____
Gerald P. Fitzgerald, _____
Chayo Vaello, _____, _____

being by me duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

HILDA M. WEDGWORTH
Notary Public,
State of Texas My
Comm. Exp. 01-02-2002

Hilda M. Wedgworth
Notary Public in and for the State of Texas

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Comfort House Service, Inc.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC ☑ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any)
Exemption from FATCA reporting code (if any)
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
617 Dallas Avenue

Requester's name and address (optional)

6 City, state, and ZIP code
McAllen, Texas 78501

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ – ☐☐ – ☐☐☐☐

or

Employer identification number
7 4 – 2 6 1 8 8 4 7

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here **Signature of U.S. person ▶** Veronica V Whitacre **Date ▶** January 7, 2016

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

COMFORT HOUSE SERVICES, INC.
MCALLEN, TEXAS

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Oscar R. González, C.P.A.
&
Associates, P.L.L.C.
Certified Public Accountants

COMFORT HOUSE SERVICES, INC.
MCALLEN, TEXAS
BOARD OF DIRECTORS
FOR THE YEAR ENDED JUNE 30, 2014

Tim Brown
Chairperson

Sandra Vecchio
Assistant Chairperson

Dori Contreras Garza
Executive Board Member

J. Arturo Perez
Board of Director

Maria Teresa Mohamed
Board of Director

Margarito Trujillo
Board of Director

Guillermo Lazo, M.D.
Board of Director

J. Michael Kock
Board of Director

Melissa Patterson
Administrator

COMFORT HOUSE SERVICES, INC.
MCALLEN, TEXAS
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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Oscar R. González, CPA
&
Associates, P.L.L.C.
Certified Public Accountants
208 W. Ferguson Unit #1 • Pharr, Texas 78577
Tel: (956) 787-9909 • Fax: (956) 787-3067
Email: org110n@aol.com

Oscar R. González
Melissa González

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Comfort House Services, Inc.
McAllen, Texas

We have audited the accompanying financial statements of Comfort House Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comfort House Services, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Oscar R. Gonzalez, CPA & Associates, PLLC
Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants

April 10, 2015

COMFORT HOUSE SERVICES, INC.
MCALLEN, TEXAS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Assets				
Current Assets				
Cash and Cash Equivalents	$ 147,656	$ -	$ -	$ 147,656
Investments	129,407			129,407
Prepaid Items	9,432			9,432
Account Receivable-Grants	6,664	-	-	6,664
Total Current Assets	293,159	-	-	293,159
Property and Equipment (Net)	142,366	-	-	142,366
Total Assets	$ 435,525	$ -	$ -	$ 435,525
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	$ 1,787	$ -	$ -	$ 1,787
Payroll Liabilities	7,519	-	-	7,519
Total Current Liabilities	9,306	-	-	9,306
Net Assets				
Unrestricted	426,219	-	-	426,219
Temporarily Restricted	-	-	-	-
Permanently Restricted	-	-	-	-
Total Net Assets	426,219	-	-	426,219
Total Liabilities and Net Assets	$ 435,525	$ -	$ -	$ 435,525

The accompanying notes are an integral part of these financial statements.

COMFORT HOUSE SERVICES, INC.
MCALLEN, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Revenues, Gains and Other Support				
Contributions	$ 171,340	$ -	$ -	$ 171,340
Grants	73,580	-	-	73,580
Fundrasing	95,520	-	-	95,520
In Kind Donations	45,150			45,150
Income from Investments	6,465	-	-	6,465
Total Revenues, Gains and Other Support	392,055	-	-	392,055
Net Assets Released from Restrictions				
Restriction Satisfied by Expenditures	-	-	-	-
Total Support and Revenues	392,055	-	-	392,055
Expenses				
Program Services	359,082	-	-	359,082
Support Services				
Management and General	123,280	-	-	123,280
Fundraising	9,707	-	-	9,707
Total Expenses	492,069	-	-	492,069.00
Change in Net Assets from Operating Activities	(100,014)	-	-	(100,014)
Net Assets, Beginning of the Year	526,233	-	-	526,233
Net Assets, June 30, 2014	$ 426,219	$ -	$ -	$ 426,219

The accompanying notes are an integral part of these financial statements.

COMFORT HOUSE SERVICES, INC.
MCALLEN, TEXAS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Program Sevices	Support Services: Management and General	Support Services: Fundraising	Totals
Expenses				
Staff Salaries	$ 179,523	$ 73,324	$ -	$ 252,847
Advertising	3,897	-	-	3,897
Payroll Taxes	17,852	7,650	-	25,502
Fundraising Expense	158	-	9,707	9,865
Utilities	12,443	3,555	-	15,998
Food and Beverage	4,546	-	-	4,546
Office Supplies and Related Expenses	5,766	3,351	-	9,117
Repairs and Maintenance	17,147	3,692	-	20,839
Phone	1,542	1,542	-	3,084
Hospice Relations	422	181	-	603
Membership	905	-	-	905
Postage	250	251	-	501
Administrative, Interest and Bank Charges	2,974	8,132	-	11,106
Donations and Volunteer Services	907	300	-	1,207
Insurance - Health	40,272	13,424	-	53,696
Insurance - Worker's Compensation	1,709	570	-	2,279
Insurance - Property	6,678	2,226	-	8,904
Insurance - Directors and Officers	-	3,554	-	3,554
Insurance - Bonds	-	223	-	223
Insurance - Auto	774	-	-	774
Auto / Transportation	988	-	-	988
Depreciation	11,396	-	-	11,396
Staff Development	-	423	-	423
Newsletter	200	-	-	200
Pest Control	989	424	-	1,413
Security Expense	2,594	458	-	3,052
In Kind Donations	45,150	-	-	45,150
	$ 359,082	$ 123,280	$ 9,707	$ 492,069

The accompanying notes are an integral part of these financial statements.

COMFORT HOUSE SERVICES, INC.
MCALLEN, TEXAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

Cash Flows from Operating Activities		
Cash Received from Contributors	$ 171,340	
Cash Received from Grants	73,287	
Cash Recevied from Fundraising Events	95,520	
Cash Received from Investment Income	6,465	
		$ 346,612
Cash Payments to Employees for Services	(281,424)	
Cash Payments to Suppliers for Goods and Services	(159,239)	
		(440,663)
Net Cash Provided (Used) by Operating Activities		(94,051)
Cash Flows from Investing Activities		
Investment Proceeds	25,307	-
Reinvestment of Investment Proceeds	(31,539)	
		(6,232)
Cash Flows from Financing Activities		-
Net Decrease in Cash		(100,283)
Cash and Cash Equivalents - Beginning of Year		247,939
Cash and Cash Equivalents - End of Year		$ 147,656
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Change in Net Assets		$ (100,014)
Adjustments to Reconcile Change in Net Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities:		
Depreciation	11,396	
Unrealized Gain in Investment	(9,948)	
(Increase) Decrease in Accounts Receivable	(293)	
Increase (Decrease) in Accounts Payable	1,733	
Increase (Decrease) in Payroll Liabilities	3,075	
Total Changes in Assets and Liabilities		5,963
Net Provided (Used) by Operating Activities		$ (94,051)

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Comfort House Services, Inc. is presented to assist in understanding Comfort House Services, Inc.'s financial statements. The financial statements and notes are representations of the organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The following is a summary of the significant policies.

Nature of Activities

Comfort House Services, Inc. was organized as a nonprofit corporation and is considered to be a voluntary health and welfare organization. The organization's purpose is to develop and implement methods and means to care for terminally ill patients and to assist and educate the community in all aspects of dealing with impending death. The organization provides living quarters to residents who are terminally ill.

Basis of Presentation

The financial statements of Comfort House Services, Inc. have been prepared on the accrual basis of accounting. Revenues and expenses are recognized and recorded when earned or incurred.

Comfort House Services, Inc. is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted: These funds are free from any external restrictions and available for general use. These contributions are general operating and unrestricted grants.

- Temporarily Restricted: These funds have donor-imposed restrictions that can be fulfilled in one of two ways – passage of a defined period of time (time restriction) or by performing defined activities (purpose restriction). These funds most often come from a grant received to operate a specific program or project or individual contributions given with the intent of supporting a particular program or campaign. The Organization has no temporarily restricted net assets.

- Permanently Restricted: These funds are restricted by the donor for a designated purpose or time restriction that will never expire. The intent is that the principle balance of the contribution will remain as an investment forever, and the nonprofit will utilize the interest and investment returns, such as with an endowment. The Organization has no permanently restricted net assets.

In addition, Comfort House Services, Inc. is required to present a statement of cash flows.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Comfort House Services, Inc. considers all unrestricted highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk Related to Cash Deposits

Comfort House Services, Inc. maintains accounts at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2014, its cash balances were entirely covered by FDIC insurance.

Investments

The Organization carries investments recorded at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets of liabilities that the Organization have the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments. Fair values for those instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Property and Equipment

Property and Equipment consist of land, buildings, and equipment, furniture and vehicles. Property and equipment are stated at cost or at estimated fair value at the date of receipt from donors, less accumulated depreciation. Additions and improvements are considered to be owned by Comfort House Services, Inc. The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment above $5,000. Depreciation is computed on a straight-line basis over the useful lives of the related assets.

The following estimated useful lives are used in providing for depreciation:

Asset Class	Estimated Useful Lives
Building	20 years
Equipment, Furniture and Vehicles	5 years

Donated Property and Equipment

Donations of property, equipment and supplies are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Donated Services

Donated services are recognized as contributions if services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services, if applicable, are recorded in the financial statements as support and expenses.

Support and Revenue

Comfort House Services, Inc.'s, funding is provided, mainly, by grants and donations. The organization recognizes grant revenue to the extent of grant expenses. Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various program and support services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

- Program Services – Program services generally include goods and services directly related to the care for patients and to assist and educate the community in dealing with impending death.
- Program Support – Program support is expenses which are not directly related to the program however are incurred to assist in the fulfillment of the organization's mission.
- Management – Management and General services are expenses incurred for activities which include general oversight, business management, general recordkeeping, budgeting, finance, other management and administrative duties.
- Fundraising – Fundraising services include expenses incurred for publicizing and conducting fundraising campaigns and conducting special fundraising events.

Income Taxes

Comfort House Services, Inc. has been recognized by the Internal Revenue Services as a not-for-profit corporation as described in section 501 (C) (3) of the Internal Revenue code and is exempt from federal income taxes on related income pursuant to section 501 (a) of the code. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising Costs

Comfort House Services, Inc. expenses advertising production as they are incurred and advertising communication costs the first time the advertising takes place. The total amount of advertising cost was $3,897 for the year ended June 30, 2014.

Notes continue on next page

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2014 cash in checking accounts consisted of the following:

Cash Account	Amount
Cash in Bk-Comfort House	$ 11,418
IBC Makeover Account	354
IBC MM - Repair & Replace	7,268
IBC Money Market	106,185
Petty Cash	250
Walkathon	22,181
Total Cash and Cash Equivalents	$ 147,656

As of June 30, 2014 the Organization's deposits were completely insured by FDIC insurance.

NOTE 3 – ACCOUNT RECEIVABLE-GRANT

As of June 30, 2014, the Organization had the following accounts receivable:

Grant Name	Amount
Accounts Receivable - CDBG	$ 6,664
Total	$ 6,664

NOTE 4 – INVESTMENTS

The aggregate cost and fair value of marketable securities (all held by an independent financial advisor) for the year ended June 30, 2014 are as follows:

	Cost	Fair Value
Cash and Cash Equivalents	$ 5,229	$ 5,229
Mutual Funds:		
Bond	47,454	60,207
Equity	18,698	22,438
Index Funds	34,611	41,533
Total	$ 105,992	$ 129,407

NOTE 5 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The reporting entity uses fair value measurements to record fair value adjustments to certain assets to determine fair value disclosures. The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2014:

	Level I	Level II	Level III
Investments			
Cash and Cash Equivalents	$ 5,229		
Mutual Funds			
Bond	60,207		
Equity	22,438		
Index Funds	41,533		
Total at Fair Value	$ 129,407		

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment activity for the year ended June 30, 2014 was as follows:

Group	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 91,500	$ -	$ -	$ 91,500
Buildings	286,934	-	-	286,934
Property and Equipment	64,761	-	-	64,761
	$ 443,195	$ -	$ -	$ 443,195
Less: Accumulated Depreciation				
Buildings	250,784	9,655	-	260,439
Property and Equipment	38,649	1,741	-	40,390
	289,433	11,396	-	300,829
Property and Equipment (Net)	$ 153,762	$ (11,396)	$ -	$ 142,366

Depreciation expense amounted to $11,396 for the year ended June 30, 2014.

NOTE 7 – RESTRICTIONS ON NET ASSETS

Net assets as of June 30, 2014 are as follows:

Group	Total
Unrestricted	$ 415,279
Temporarily Restricted	-
Permanently Restricted	-
Total	$ 415,279

NOTE 8 - GRANT REVENUES

As of June 30, 2014, the Organization had the following grant revenues:

Grant Name	Amount
CDBG	$ 30,000
Tijerina Foundation	20,000
Allstate	1,000
United Way	22,580
	$ 73,580

NOTE 9 – FUNDRAISING

The following table summarizes the events held for fundraising purposes:

	Revenues
Walkathon	$ 17,872
Lansky's Steak Dinner	46,793
Poker Tournament	16,347
Other	14,508
	$ 95,520

Revenues	95,520
Expenses	9,707
Net Revenue from Fundraising	$ 85,813

NOTE 10 – IN – KIND CONTRIBUTIONS

The fair value of in-kind contributions included as support in the financial statements and the corresponding program expenses for the year ended June 30, 2014, are as follows:

	Amount
Furniture / Office Equipment	$ 23,650
Resident's House Unkeep	19,200
Professional and Technical Services	2,300
	$ 45,150

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation

There is no known litigation pending against Comfort House Services, Inc. as the date of this report. The management of Comfort House Services, Inc. is unaware of any pending or threatened litigation, assessments, or unasserted claims against Comfort House Services, Inc.

NOTE 12 – COMPENSATED ABSENCES

Employees are entitled to paid vacation, paid sick days and personal days off depending on job classification, days of service, and other factors during the calendar year. There were no unused compensated absences at June 30, 2014. As a result, no liability for this amount has been recorded in the accompanying financial statements.

NOTE 13 - SUBSEQUENT EVENTS

For purposes of reporting subsequent events, management has considered events occurring up April 10, 2015 the date the report was available to be issued. Thus, there are no subsequent events to report.

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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07/01/13 , and ending 06/30/14

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization: COMFORT HOUSE SERVICES, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 617 DALLAS AVE. | Room/suite

City or town, state or province, country, and ZIP or foreign postal code: MCALLEN TX 78503

D Employer identification number: 74-2618847

E Telephone number: 956-687-7367

G Gross receipts $ 387,721

F Name and address of principal officer:

H(a) Is this a group return for subordinates? [ ] Yes [X] No

H(b) Are all subordinates included? [ ] Yes [ ] No

If "No," attach a list. (see instructions)

I Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: N/A

H(c) Group exemption number

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other

L Year of formation:

M State of legal domicile: TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
COMFORT HOUSE PROVIDES LIVING QUARTERS AND CARE TO TERMINALLY ILL INDIVIDUALS. THE FACILITY HAS A TEN BED CAPACITY.

2 Check this box [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	8
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8
5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	23
6 Total number of volunteers (estimate if necessary)	6	100
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

	Prior Year	Current Year
Revenue		
8 Contributions and grants (Part VIII, line 1h)	401,563	290,070
9 Program service revenue (Part VIII, line 2g)		0
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,714	2,131
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		85,655
12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	406,277	377,856
Expenses		
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14 Benefits paid to or for members (Part IX, column (A), line 4)		0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	280,685	278,349
16a Professional fundraising fees (Part IX, column (A), line 11e)		0
b Total fundraising expenses (Part IX, column (D), line 25) 0		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	228,501	199,096
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	509,186	477,445
19 Revenue less expenses. Subtract line 18 from line 12	-102,909	-99,589
Net Assets or Fund Balances	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	540,347	435,951
21 Total liabilities (Part X, line 26)	14,114	9,308
22 Net assets or fund balances. Subtract line 21 from line 20	526,233	426,643

PREPARER COPY

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer | Date

MELISSA PATTERSON ADMINISTRATOR

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
OSCAR R. GONZALEZ, CPA	OSCAR R. GONZALEZ, CPA	04/15/15		P00470702

Firm's name: OSCAR R. GONZALEZ CPA & ASSOCIATES, PLLC | Firm's EIN: 27-3582518

Firm's address: 208 W FERGUSON UNIT 1 PHARR, TX 78577-2455 | Phone no. 956-787-9909

May the IRS discuss this return with the preparer shown above? (see instructions) [ ] Yes [ ] No

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

COMFORT HOUSE PROVIDES LIVING QUARTERS AND CARE TO TERMINALLY ILL INDIVIDUALS. THE FACILITY HAS A TEN BED CAPACITY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 354,165 including grants of $) (Revenue $)

COMFORT HOUSE PROVIDES LIVING QUARTERS AND CARE TO TERMINALLY ILL INDIVIDUALS. THE FACILITY HAS A TEN BED CAPACITY.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses 354,165

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b		X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		X
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules (continued)

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		X
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1	34		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 0			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 23			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b		X
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country:				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		14b		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☐

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	8		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a		X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c		
13	Did the organization have a written whistleblower policy?	13		X
14	Did the organization have a written document retention and destruction policy?	14		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		X
b	Other officers or key employees of the organization	15b		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☐ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: MELISSA PATTERSON 617 DALLAS AVE

MCALLEN TX 78501 956-687-7367

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

[X] Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) TIM BROWN CHAIRPERSON	1.00 0.00	X						0	0	0
(2) SANDRA VECCHIO ASST CHAIRPERSON	1.00 0.00	X						0	0	0
(3) DORI CONTRERAS GARZA EXEC DIRECTOR	1.00 0.00	X						0	0	0
(4) J. ARTURO PEREZ DIRECTOR	1.00 0.00	X						0	0	0
(5) MARIA T. MOHAMED DIRECTOR	1.00 0.00	X						0	0	0
(6) MARGARITO TRUJILLO DIRECTOR	1.00 0.00	X						0	0	0
(7) GUILLERMO LAZO, M.D. DIRECTOR	1.00 0.00	X						0	0	0
(8) J. MICHAEL KOCH DIRECTOR	1.00 0.00	X						0	0	0
(9)										
(10)										
(11)										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(12)										
(13)										
(14)										
(15)										
(16)										
(17)										
(18)										
(19)										
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization **0**

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? If "Yes," complete Schedule J for such individual	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	244,920			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	45,150			
	g Noncash contributions included in lines 1a-1f: $ 45,150					
	h **Total.** Add lines 1a–1f		290,070			
Program Service Revenue		Busn. Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		2,131			2,131
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real / (ii) Personal				
	6a Gross rents					
	b Less: rental exps.					
	c Rental inc. or (loss)					
	d Net rental income or (loss)					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis & sales exps.					
	c Gain or (loss)					
	d Net gain or (loss)					
	8a Gross income from fundraising events (not including $ of contributions reported on line 1c). See Part IV, line 18 a	95,520				
	b Less: direct expenses b	9,865				
	c Net income or (loss) from fundraising events		85,655			
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Busn. Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d					
	12 **Total revenue.** See instructions.		377,856	0	0	2,131

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	252,847	179,523	73,324	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	25,502	17,852	7,650	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion	3,897	3,897		
13 Office expenses	9,117	5,766	3,351	
14 Information technology				
15 Royalties				
16 Occupancy	38,250	30,579	7,671	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	11,106	2,974	8,132	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,637	6,637		
23 Insurance	69,430	49,433	19,997	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a IN-KIND	45,150	45,150		
b FOOD & BEVERAGE	4,546	4,546		
c PHONE	3,084	1,542	1,542	
d SECURITY	3,052	2,594	458	
e All other expenses	4,827	3,672	1,155	
25 Total functional expenses. Add lines 1 through 24e	477,445	354,165	123,280	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest bearing		247,939	1	147,656
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net		6,371	3	6,664
	4	Accounts receivable, net			4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 443,195			
	b	Less: accumulated depreciation	10b 296,070	153,762	10c	147,125
	11	Investments—publicly traded securities		123,176	11	125,074
	12	Investments—other securities. See Part IV, line 11			12	
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		9,099	15	9,432
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		540,347	16	435,951
Liabilities	17	Accounts payable and accrued expenses		14,114	17	9,308
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		14,114	26	9,308
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here** [X] **and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		526,233	27	426,643
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ☐ **and complete lines 30 through 34.**				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		526,233	33	426,643
	34	Total liabilities and net assets/fund balances		540,347	34	435,951

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	377,856
2	Total expenses (must equal Part IX, column (A), line 25)	2	477,445
3	Revenue less expenses. Subtract line 2 from line 1	3	-99,589
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	526,233
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	426,643

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c		X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.
Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: COMFORT HOUSE SERVICES, INC.

Employer identification number: 74-2618847

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:
5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 [ ] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
10 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a [ ] Type I **b** [ ] Type II **c** [ ] Type III–Functionally integrated **d** [ ] Type III–Non-functionally integrated

e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box [ ]

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	No	(v) Did you notify the organization in col. (i) of your support? Yes	No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	No	(vii) Amount of monetary support
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2013

DAA

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	409,102	407,166	627,942	391,271	290,070	2,125,551
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	409,102	407,166	627,942	391,271	290,070	2,125,551
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						2,125,551

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	409,102	407,166	627,942	391,271	290,070	2,125,551
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources					2,131	2,131
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						2,127,682

12 Gross receipts from related activities, etc. (see instructions) 12 95,520

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) ..... 14 99.90 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 ..... 15 %

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☒

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ..... ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: COMFORT HOUSE SERVICES, INC.

Employer identification number: 74-2618847

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 $

(ii) Assets included in Form 990, Part X $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 $

b Assets included in Form 990, Part X $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.
Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ____ %
b Permanent endowment ____ %
c Temporarily restricted endowment ____ %
The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		91,500		91,500
b Buildings		313,046	257,421	55,625
c Leasehold improvements				
d Equipment		10,716	10,716	
e Other		27,933	27,933	
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				147,125

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	377,856
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	377,856
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12.)			5	377,856

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	482,204
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d	4,759		
e	Add lines **2a** through **2d**			2e	4,759
3	Subtract line **2e** from line **1**			3	477,445
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18.)			5	477,445

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XII, LINE 2D - EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER

BOOK / TAX DEPRECIATION DIFFERENCE $ 4,759

Part XIII Supplemental Information (continued)

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

Attach to Form 990 or Form 990-EZ.

Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: COMFORT HOUSE SERVICES, INC.

Employer identification number: 74-2618847

Part I Fundraising Activities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fund-raiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 FUND RAISING (event type)	(b) Event #2 (event type)	(c) Other events NONE (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	95,520			95,520
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	95,520			95,520
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	9,865			9,865
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				9,865
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				85,655

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ..... % ☐ No	☐ Yes ..... % ☐ No	☐ Yes ..... % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities: .....

a Is the organization licensed to operate gaming activities in each of these states? ..... ☐ Yes ☐ No

b If "No," explain:

.....

.....

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ..... ☐ Yes ☐ No

b If "Yes," explain:

.....

.....

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a	The organization's facility	13a	%
b	An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name

Address

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization $ and the amount of gaming revenue retained by the third party $

c If "Yes," enter name and address of the third party:

Name

Address

16 Gaming manager information:

Name

Gaming manager compensation $

Description of services provided

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year $

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
Attach to Form 990.
Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization: COMFORT HOUSE SERVICES, INC.

Employer identification number: 74-2618847

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art — Works of art				
2	Art — Historical treasures				
3	Art — Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities — Publicly traded				
10	Securities — Closely held stock				
11	Securities — Partnership, LLC, or trust interests				
12	Securities — Miscellaneous				
13	Qualified conservation contribution — Historic structures				
14	Qualified conservation contribution — Other				
15	Real estate — Residential				
16	Real estate — Commercial				
17	Real estate — Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ( )	X	1	45,150	
26	Other ( )				
27	Other ( )				
28	Other ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 - 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		X
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

Attach to Form 990 or 990-EZ.

Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: COMFORT HOUSE SERVICES, INC.

Employer identification number: 74-2618847

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990

NO REVIEW WAS OR WILL BE CONDUCTED.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION

NO DOCUMENTS AVAILABLE TO THE PUBLIC

FORM 990, PART XI, LINE 9 - RECONCILIATION OF CHANGES - OTHER

BOOK / TAX DEPRECIATION DIFFERENCE $ -4,759

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

BOOK/TAX DEPREC DIFF $ 4,758

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Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

See separate instructions. Attach to your tax return.

OMB No. 1545-0172
2013
Attachment Sequence No. **179**

Name(s) shown on return: COMFORT HOUSE SERVICES, INC.

Identifying number: 74-2618847

Business or activity to which this form relates: INDIRECT DEPRECIATION

Part I **Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not** include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	6,637
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only–see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV **Summary** (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	6,637
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2013)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

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74-2618847

Federal Asset Report

FYE: 6/30/2014

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	Per	Conv	Meth	Prior	Current
Prior MACRS:												
2	Building	7/09/92	52,000				52,000	31	MM	S/L	52,000	0
4	BLDG -Casita Cuidar	1/14/94	83,534				83,534	39	MM	S/L	81,449	2,085
5	Building Addition	7/01/97	151,400				151,400	39	MM	S/L	117,335	3,882
11	Kitchen Renovation	5/31/13	26,112				26,112	39	MM	S/L	0	670
			313,046				313,046				250,784	6,637
Other Depreciation:												
3	Land	7/09/92	23,000				23,000	0	--	Land	0	0
6	Gas Phase Generator	2/26/99	21,602				21,602	5	MO	150DB	21,602	0
7	Phone System	6/28/99	6,331				6,331	5	MO	150DB	6,331	0
9	Lot 611 Spaces 1-4 Valley	8/24/06	8,500				8,500	0	--	Land	0	0
10	Lazo Property 617 Dallas	3/19/12	60,000				60,000	0	--	Land	0	0
	Total Other Depreciation		119,433				119,433				27,933	0
	Total ACRS and Other Depreciation		119,433				119,433				27,933	0
Listed Property:												
1	Frank Smith Toyota-Nissan	9/09/98	10,716				10,716	5	HY	200DB	10,716	0
			10,716				10,716				10,716	0
	Grand Totals		443,195				443,195				289,433	6,637
	Less: Dispositions and Transfers		0				0				0	0
	Less: Start-up/Org Expense		0				0				0	0
	Net Grand Totals		443,195				443,195				289,433	6,637

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74-2618847

AMT Asset Report

FYE: 6/30/2014

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	Per	Conv	Meth	Prior	Current
Prior MACRS:												
2	Building	7/09/92	52,000				52,000	40	MM	S/L	52,000	0
4	BLDG -Casita Cuidar	1/14/94	83,534				83,534	40	MM	S/L	81,449	2,085
5	Building Addition	7/01/97	151,400				151,400	40	MM	S/L	117,335	3,785
11	Kitchen Renovation	5/31/13	26,112				26,112	39	MM	S/L	0	670
			313,046				313,046				250,784	6,540
Other Depreciation:												
3	Land	7/09/92	0				0	0	HY		0	0
6	Gas Phase Generator	2/26/99	21,602				21,602	5	MO	150DB	21,602	0
7	Phone System	6/28/99	6,331				6,331	5	MO	150DB	6,331	0
9	Lot 611 Spaces 1-4 Valley	8/24/06	0				0	0	HY		0	0
10	Lazo Property 617 Dallas	3/19/12	0				0	0	HY		0	0
	Total Other Depreciation		27,933				27,933				27,933	0
	Total ACRS and Other Depreciation		27,933				27,933				27,933	0
Listed Property:												
1	Frank Smith Toyota-Nissan	9/09/98	10,716				10,716	5	HY	150DB	10,716	0
			10,716				10,716				10,716	0
	Grand Totals		351,695				351,695				289,433	6,540
	Less: Dispositions and Transfers		0				0				0	0
	Net Grand Totals		351,695				351,695				289,433	6,540

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74-2618847

Depreciation Adjustment Report

FYE: 6/30/2014

All Business Activities

Form	Unit	Asset	Description	Tax	AMT	AMT Adjustments/ Preferences
MACRS Adjustments:						
Page 1	1	1	Frank Smith Toyota-Nissan	0	0	0
Page 1	1	2	Building	0	0	0
Page 1	1	4	BLDG -Casita Cuidar	2,085	2,085	0
Page 1	1	5	Building Addition	3,882	3,785	97
Page 1	1	11	Kitchen Renovation	670	670	0
				6,637	6,540	97

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74-2618847

Future Depreciation Report FYE: 6/30/15

FYE: 6/30/2014

Form 990, Page 1

Asset	Description	Date In Service	Cost	Tax	AMT
Prior MACRS:					
2	Building	7/09/92	52,000	0	0
4	BLDG -Casita Cuidar	1/14/94	83,534	0	0
5	Building Addition	7/01/97	151,400	3,882	3,785
11	Kitchen Renovation	5/31/13	26,112	669	669
			313,046	4,551	4,454
Other Depreciation:					
3	Land	7/09/92	23,000	0	0
6	Gas Phase Generator	2/26/99	21,602	0	0
7	Phone System	6/28/99	6,331	0	0
9	Lot 611 Spaces 1-4 Valley	8/24/06	8,500	0	0
10	Lazo Property 617 Dallas	3/19/12	60,000	0	0
	Total Other Depreciation		119,433	0	0
	Total ACRS and Other Depreciation		119,433	0	0
Listed Property:					
1	Frank Smith Toyota-Nissan	9/09/98	10,716	0	0
			10,716	0	0
	Grand Totals		443,195	4,551	4,454

742618847 COMFORT HOUSE SERVICES, INC. 04/15/2015 6:36 PM

74-2618847 **TX Future Depreciation Report FYE: 6/30/15**

FYE: 6/30/2014 **Form 990, Page 1**

Asset	Description	Date In Service	Cost	TX
Prior MACRS:				
2	Building	7/09/92	52,000	0
4	BLDG -Casita Cuidar	1/14/94	83,534	0
5	Building Addition	7/01/97	151,400	3,882
11	Kitchen Renovation	5/31/13	26,112	669
			313,046	4,551
Other Depreciation:				
3	Land	7/09/92	23,000	0
6	Gas Phase Generator	2/26/99	21,602	0
7	Phone System	6/28/99	6,331	0
9	Lot 611 Spaces 1-4 Valley	8/24/06	8,500	0
10	Lazo Property 617 Dallas	3/19/12	60,000	0
	Total Other Depreciation		119,433	0
	Total ACRS and Other Depreciation		119,433	0
Listed Property:				
1	Frank Smith Toyota-Nissan	9/09/98	10,716	0
			10,716	0
	Grand Totals		443,195	4,551

Financial Summary

Comfort House Services Inc.

	BUDGET		*ᴵUAL (still not completed Pending Audit Comple*		*ACTUAL*	
	Current Year 2015-16 6/1/2015 *(07/31/2016)*		**Est.Fiscal Year Ended 2014 7/1/2014** *(06/31/2015)*		**Fiscal Year Ended 2013 7/1/2013** *(06/30/2014)*	
REVENUE	**$ AMOUNT**	**%**	**$ AMOUNT**	**%**	**$ AMOUNT**	**%**
Foundation Grants	$150,000		$0		$0	
Corporate Grants	$0		$0		$0	
Individual Gifts	$75,000		$264,532		$45,150	
Govt. Grants	$40,000		$10,539		$244,920	
Membership Dues	$0		$0		$0	
Program Fees	$0		$0		$0	
Reimbursements	$0		$0		$0	
Fundraising Events	$125,000		$22,693		$95,520	
Dividends/Interest on Securities	$0		$0		$0	
Other Investment Income	$0		$0		$2,131	
In-Kind Support*	$80,000		$40,000		$0	
Other *(provide details below)*	$0		$0		$0	
TOTAL REVENUE	**$470,000**		**$337,763**		**$387,721**	
Explain variations in revenue from one year to another and/or provide details on "Other" (Do not exceed 3 lines)						
bookkeeping and administrative	$0		$0		$0	
Proposed Grants not funded or appro	$150,000		$0		$0	
	$0		$0		$0	
EXPENSES	**$ AMOUNT**	**%**	**$ AMOUNT**	**%**	**$ AMOUNT**	**%**
Salaries	$255,000		$327,862		$252,847	
Payroll taxes/benefits	$93,000		$108,142		$25,502	
Contract Labor/Consultants	$0		$0		$0	
Depreciation	$12,000		$12,000		$6,637	
Insurance	$13,600		$13,760		$69,430	
Bank Fees/Interest	$200		$1,100		$11,106	
Conferences/Meetings	$255		$30		$0	
Program/Office Expenses	$5,000		$5,878		$9,117	
Travel/Mileage	$0		$0		$0	
Marketing/Printing/Publications	$3,600		$200		$3,897	
Fundraising Events	$10,000		$21,505		$9,865	
Rent/Occupancy	$0		$0		$38,250	
Phone/Technology/Utilities	$17,500		$24,973		$10,963	
Postage/Shipping	$800		$703		$0	
Equipment/Supplies/Food	$4,600		$3,579		$4,546	
In-Kind Expense*	$80,000		$40,000		$45,150	
Other (provide details below)	$7,000		$17,878		$0	
**All in-kind Revenue must be offset by in-kind Expense*						
TOTAL EXPENSES	**$502,555**		**$577,610**		**$487,310**	
Excess (Deficit) for Year	**-$32,555**		**-$239,846**		**-$99,589**	
Explain variations in expenses from one year to another and/or provide details on "Other" (Do not exceed 3 lines)						
Repairs and Maintenance in 20	7000		17878			

COMFORT HOUSE SERVICES, INC.
BY-LAWS

ARTICLE I: *Name*

The name of the Corporation shall be Comfort House Services, Inc., and may function under title(s) appropriate to the accomplishment of its purposes.

ARTICLE II: *Mission and Purposes*

A. The mission of the Corporation shall be to assist the terminally ill in order that death may occur in peace and dignity in an atmosphere of Christian love and compassion. Comfort House Services, Inc., accomplishes its mission in cooperation with persons of other faiths, beliefs and charitable endeavors.

B. The purposes of the Corporation shall be to engage in activities to further the mission of the Corporation. These purposes will include, but not be limited to, development of methods and means of care for the dying, to train volunteers and staff personnel, to provide educational opportunities for the community, assist families, friends, and other caregivers. The needs of the terminally ill, including the physical, emotional, spiritual, social and economic realities associated with impending death, will direct the activities of the Corporation.

C. This Corporation shall not discriminate against any person, including and without limitation, a resident, a resident's family members, caregivers, or significant others, staff volunteers or employees, on account of race, color, religion, sex, disability, age, or national origin.

ARTICLE III: *Membership*

Membership in this Corporation shall consist of the Board of Directors.

ARTICLE IV: *Number, Terms, Attendance of the Board of Directors*

A. The Board of Directors shall consist of no less than five (5) members.
B. The term of office for Directors shall be three (3) years.
C. A Director may serve three (3) consecutive terms.

D. *Absence from three (3) consecutive or from two-thirds of regular meetings in a calendar year shall constitute the basis for removal or non-reappointment to the Board of Directors.*

ARTICLE V: Meetings

A. *Nine (9) regular meetings of the Corporation (excluding July , August and November) shall be held at such date, time and place as shall be specified by the Board of Directors.*
B. *The Annual Meeting of the Board of Directors shall be the first meeting of the calendar year (January).*
C. *Special meetings of the Board of Directors may be called by the Chairperson or may be requested by three (3) members of the Board.*
D. *The Fiscal Year shall be July 1 to June 30.*
E. *If approved by the Executive Committee, meetings may be held by teleconference or other communication equipment if all persons at such a meeting may effectively communicate with each other. Participation in such a meeting constitutes presence at such meeting. Recording and documentation of such meeting shall be the responsibility of the Secretary.*
F. *The Board of Directors and its committees may consent to an action required or permitted without a meeting provided that consent thereto is in writing and filed with Minutes of the proceedings of the Board of Directors or of such committee.*

ARTICLE VI: Quorum, Manner of Action and Meeting Notice

A. *A quorum shall consist of members present at any regular or special meeting of the Board of Directors.*
B. *The manner of acting and decision making of the Board of Directors and all committees of the Corporation shall be by consensus. In the event a consensus is not reached at a given meeting, the item shall be postponed to the next meeting. If agreement is not reached at the second meeting, the item shall be voted upon, and shall require a simple majority vote of members present for enactment. Robert's Rules of Order shall be followed in those instances requiring a vote or not in conflict with these Bylaws.*
C. *Notice of the regular meetings of the Board of Directors and Agenda shall be mailed or otherwise delivered to each member of the Board of Directors one week prior to such meeting. Notice of special*

meetings may be given by telephone or fax, provided that confirmation of the receipt of such notice is obtained and recorded by at least three-fourths of the members. All such notices will bear the approval of the Chairperson or Assistant Chairperson, or in keeping with these Bylaws, any three (3) members of the Board of Directors.

D. Any board member may submit items for the Agenda ten (10) days prior to the regular meeting of the Board of Directors.

ARTICLE VII: Officers

A. Officers of the Corporation shall be the following: Chairperson, Assistant Chairperson, Secretary and Treasurer. The office of Secretary and Treasurer may be combined. In such case, another at-large member of the Board shall be named as a member of the Executive Committee.

B. Officers shall be nominated each May and elected in June by a majority vote of the members at the last meeting of the Fiscal Year (June).

C. Officers shall serve for three (3) years beginning with the next scheduled Board Meeting (September).

ARTICLE VIII: Executive and Other Committees

The Corporation shall empower the Executive and other Committees as needed or desired to carry out the functions of the Corporation.

A. The Executive Committee of the Corporation shall be the officers of the Corporation, and the Administrator, who shall be ex-officio without vote.

B. The Chairperson of the Executive Committee shall be the Chairperson of the Board of Directors.

C. The Executive Committee shall meet at such time, date and place as determined by the Chairperson of the Board of Directors.

D. The powers of the Executive Committee are:

1. *to transact all regular business of the Corporation during the period between meetings of the Board of Directors, with exceptions of buying, selling or otherwise disposing of property, or approving expenditures of over $3,000 not included in the approved budget.*
2. *to serve as the Nominating Committee for the selection of the members of the Board of Directors.*

3. *to appoint other committees as needed for the accomplishment of the functions and activities of the Corporation and its services, projects and activities. The Chairperson of the Board of Directors shall name the Chairperson and the desired number of members of committees, and these shall be approved by the Board of Directors. Careful records of each committee shall be kept, or cause to be kept, by the Chairperson of each committee.*
4. *Actions of the Executive Committee shall be presented to the Board of Directors at its next meeting for ratification.*

ARTICLE IX: <u>Officers' Duties</u>

Officers' duties shall be as follow:

A. *Chairperson:*
   1. *to serve as leader of the Corporation;*
   2. *to preside at meetings of the Board of Directors;*
   3. *to prepare, or cause to be prepared, an Agenda for each meeting of the Board of Directors; and*
   4. *to appoint Chairpersons and members for all committees, with the exception of the Executive Committee.*
B. *Assistant Chairperson:*
   1. *to serve as leader of the Corporation in the Chairperson's absence.*
   2. *to preside at meetings of the Board of Directors in the Chairperson's absence.*
   3. *to work closely with and collaborate with the Chairperson.*
C. *Secretary:*
   1. *to record, or cause to be recorded, all Minutes of the meetings of the Board of directors, and the Executive Committee and other committees;*
   2. *to keep a file of all Minutes and correspondence of the Board of Directors.*
   3. *to provide copies of the Minutes of the meetings of the Board of Directors and the Executive Committee to members of the Board of Directors.*

D. Treasurer:

1. *to report to the Board of Directors and the Executive Committee at regular meetings on the Corporation's finances;*
2. *Checks will be prepared by a person other than the signator. All CHSI checks will be signed by <u>any two</u> (2) of the following authorized persons: the Administrator, Board Chairperson, Assistant Chairperson, Secretary/Treasurer, or any two (2) other Board members named by the Chairperson.*

ARTICLE X: <u>Administration</u>

The Board of Directors shall recruit and approve an administrator to carry out the day-to-day administration of the Corporation, and to coordinate all the activities in accord with sound principles of management and in keeping with the mission, purposes and policies of the Corporation.

The administrator will serve as an ex-officio member of the Board of Directors and all the Corporation committees without vote. Other personnel may be recruited, employed and/or dismissed by the administrator with or without the approval of the Board of Directors. The Executive Committee shall be responsible for an annual evaluation of the administrator. The administrator shall do a minimum of one evaluation per year of each employee of the Corporation.

ARTICLE XI: <u>Duration of Effect</u>

These Bylaws will be in effect after they are approved by a majority vote of the members of the Board of Directors.

ARTICLE XII: Amendments

Recommendations to change or amend these Bylaws may be made by an officer or member. Changes will be in effect after they are approved by a two-thirds vote of the Board of Directors at a regular meeting of the Corporation thirty (30) days after being presented.

Reviewed, approved and executed this *30th* day of January, 2014.

Tim Brown, Chairperson	*JoAnn Rose, Assistant Chairperson*
Sandra Vecchio, Secretary/Treasurer	*Dori Contreras-Garza, Executive Board Member*
Margarito Trujillo, Member	*Guillermo Lazo, M.D., Member*
Teresa Mohamed, Member	*Lori Goldman, Member*
Mike Koch, Member	*J. Arturo Perez, Member*

Veronica Vela Whitacre

717 South "H" Street McAllen, Texas 78501
Phone: 956-630-6476 Fax: 956-630-2860 Cell: 956-607-4110 **Email: vjvw@swbell.net**

Education:

Bachelor of Arts-Sociology, University of Incarnate Word, San Antonio, Texas.

Bachelor of Arts, Education Pan American University, Edinburg, Texas

Bilingual Elementary Education Certification, University of Texas-Pan American, Edinburg, Texas.

Health Care, Business and Management Experience

12/15-Present: Comfort House Services Inc. Administrative Director
Comfort House is a community-wide ministry of compassion to the dying whose mission is to provide a peaceful, homelike environment where a person may die in peace, with dignity, surrounded by loved ones. In 1989, Comfort House began its ministry to the dying under the auspices of the Diocese of Brownsville. Volunteers signed on to provide care in a three-bed home close to downtown McAllen. In 1992, the Diocese transferred oversight to a new community organization, Comfort House Services, Inc. (CHSI). Building programs in 1994 and 1997 increased our capacity to ten beds.
Duties include:

- Provide oversight of 15 employees
- Oversee day to day operations of facility
- Forge professional relationships with physicians, Hospice facilities and their staff across the Rio Grande Valley
- Facilitate human resource operations including; meeting with department heads, overseeing employee work schedules, and inventory for their respective department, reviewing & verifying payroll, approving pay rate, and recruitment and dismissal of employees
- Develop and implement employee performance and review
- Oversee & developed Marketing and Advertisement plan for business development and growth
- Retain state licensing
- Maintain documentation for state licensing
- Maintain health care and patient safety to state code standards
- Maintain grant documentation for reporting

1/15-12/15: Self Employed, Consultant, Provided consulting services for two rehab therapy businesses.

6/98-1/15: Lee's Pharmacy & Medical Equipment, Director of Operations & Marketing
Lee's Pharmacy is family owned and operated. Lee's Pharmacy has two locations in McAllen, Texas and serves the Rio Grande Valley Region and Mexico. Lee's Pharmacy has been in business since 1952, employs approximately 90 employees, eight Pharmacists and operates 365 days a year. They also provide IV Infusion services, medical equipment, and compounding along with over the counter products not readily available at most pharmacies.
Duties included:

- Provide oversight of 90 employees at two locations in order to maintain and improve processes
- Forged professional relationships with physicians and their staff across the Rio Grande Valley
- Facilitate human resource operations including; meeting with department heads, overseeing employee work schedules, and inventory for their respective department, reviewing & verifying payroll, approving pay rate, and recruitment and dismissal of employees
- Develop and implement employee performance and review
- Develop and maintain Marketing Collateral and Advertisement for business development and growth
- Identify main client groups and audiences to determine the best way to communicate public information and implement a plan through social media

- Manage the billing specialist, review collections report and set goals and develop to improve and maximum collections
- Customer service reps, address customer concerns identify areas in need of improvement and design and implement strategic training

As a member of the Lee's Pharmacy Team I was very involved in the medical community on a daily basis. I established solid business and social relationships with over 300 area physicians. As part of my duties I was out in the medical & business community developing new, or nurturing existing physician referrals. As a part of this, I had direct contact with physicians on a daily basis and communicate with them either in person, or by phone as many often call me on my cell phone or I am able to call and speak to them directly. Additionally, I attended many healthcare related functions where I represented, promoted and market Lee's Pharmacy and Medical Equipment. As a part of the relationships I developed and nurtured, I am often recognized and associated with my position, as I attend social events, community activities, and appear in newspaper articles.

5/97-6/98: House Calls Home Based Nursing
House Calls is a home health agency, which provides home based nursing services. House Calls has been in business approximately 22 years and serves the Rio Grande Valley Area.
Community Liaison:
- Developed new business through physician referrals
- Maintained existing referral business

City of McAllen Commissioner: Population 135,000

5/13-Present
- City Commissioner District 6
- Public Servant
- Oversee Budget
- Approve recruitment and dismissal of city employees
- Responsible for taxation, ordinances, appropriations and other general functions
- Ex-Officio McAllen Public Utility Board
- President of the Professional Development Board (half cent sales tax revenue)
- Board member Lower Rio Grande Valley Development Council
- Conduct Press Conferences, Proclamations, and attend civic and community events
- Maintain social media profile for marketing and communication in political campaign and as an elected official

Teaching Experience:

8/91-5/97: McAllen I.S.D.
Classroom Teacher
- Implemented state required curriculum
- Served on site based committees

8/86-6/91: Edinburg C.I.S.D.
Classroom Teacher
- Implemented state required curriculum
- Served on site based committees

8/88-4/96: Little One's Discovery Center
Owner/Director Pre-School Daycare
- Obtained State Licensing
- Developed business form the ground up, obtaining building bringing it to state code standards
- Developed logo and marketing plan
- Developed curriculum program for newborn to 6 year olds.
- Built enrollment to capacity

Continuing Education and Specialized Skills:
- Campus Site Based Committee
- Campus Budget Committee
- Leadership McAllen
- Texas Workforce New Employee Orientation and Training
- Marketing and Strategic Planning
- Texas Municipal League government
- National Youth of the Year Leadership Conference (Boys and Girls Club of America)
- Legislative Day at State Capital, Austin, Texas

- Extensive training in planning, managing, and presenting staff development.
- Solid communicator with exceptional team-building skills.
- Strong background in public relations and community outreach skills.
- Bilingual having good conversational, reading and writing command in Spanish.
- Strong problem-solver who can develop solutions and implement resolution.
- Dedicated, self-motivated achiever who is committed to success and able to juggle multiple tasks in a high-pressure environment.
- Computer literate
- Use social media for marketing, and as a communication tool

Civic Organizations:

Community Leadership Experience

- Past President /Current Memeber- Boys and Girls Club of McAllen
- Past Member- McAllen Education Foundation
- Past Alumni Board Member- University of the Incarnate Word
- Past Board Member- McAllen Community Development Block Grant
- Past Board Member- Easter Seals Society
- Past Board Member of South Texas Rising Academic Scholars
- Past Board Member- Muscular Dystrophy Association
- Past President Our Lady of Sorrows School PTO
- Past President McAllen High School PTO (2 Separate terms)
- Past Member- McAllen Junior League
- Leadership McAllen Graduate

Civic Engagement

- City of McAllen District 6 Commissioner
- Past Member of Boys and Girls Club McAllen Marketing Team founded and developed the annual McAllen Tamale Fest fund raiser
- Past Member- McAllen High School Site Based Decision Making Team
- Past Gala Chair- International Museum of Art and Science
- Chaired many projects and helped to raise several hundreds of thousands of dollars that have benefited a variety of scholarships, local civic organizations and charities.

Awards and Recognition:

Recipient of M.D.A. A Night at the Oscars Award -January, 2000.
University of Incarnate Word Distinguished Alum-December, 2013

References available upon request:

Comfort House Services, Inc. Board of Directors

February 11, 2016 – June 30, 2016

Omar Guevara, Chairperson
700 W. Fern #12
McAllen, TX 78501
C: (210) 379-4362
Oguevera0131@gmail.com

Margarito Trujillo, Vice Chairperson
2100 E. Silverbell Dr.
Palmhurst, TX 78574
H: (956) 457-7139
mtrujillo6@rgv.rr.com

Guillermo Lazo, M.D., Executive Board Member
1901 So. 2nd Street
McAllen, TX 78503
W: (956) 687-5150 C: (956) 607-4591
Fax: (956) 687-9546
guillermo.lazo@usoncology.com

Dori Contreras – Garza
130 E. Sunflower Ave.
McAllen, TX 78504
W: 318-2879 C: 655-9206
Fax: 318-2403
dorigarza@gmail.com

Nancy Reeder
1509 E.29th St
Mission, TX 78574
W: (956)632-6464 C: (956)605-1877
Nancy.reeder@hcahealthcare.com

Enedina Enriquez
C: (956)342-4354 W: 956-665-2555
Enedina.enriquez@utrgv.edu

Andrya Rivera-Burciaga
P.O.Box 9
San Juan, Texas 78509
C: 956-223-8317
Aburciaga76@gmail.com

Gerry Garcia
1200 Ash Ave
McAllen, Texas 78501
C: 956-682-2871
ggarcia@mcallenchamber.com

Paul Garcia, Treasurer
1520 Lucksinger Road
Mission, TX 78572
W: (956) 984-2520 C: (956) 483-9552
paulhgarcia@gmail.com

Velma Menchaca, Secretary
2016 E.Cornell Ave
McAllen, TX 78504
C: (956)451-2819
velmamenchaca@yahoo.com

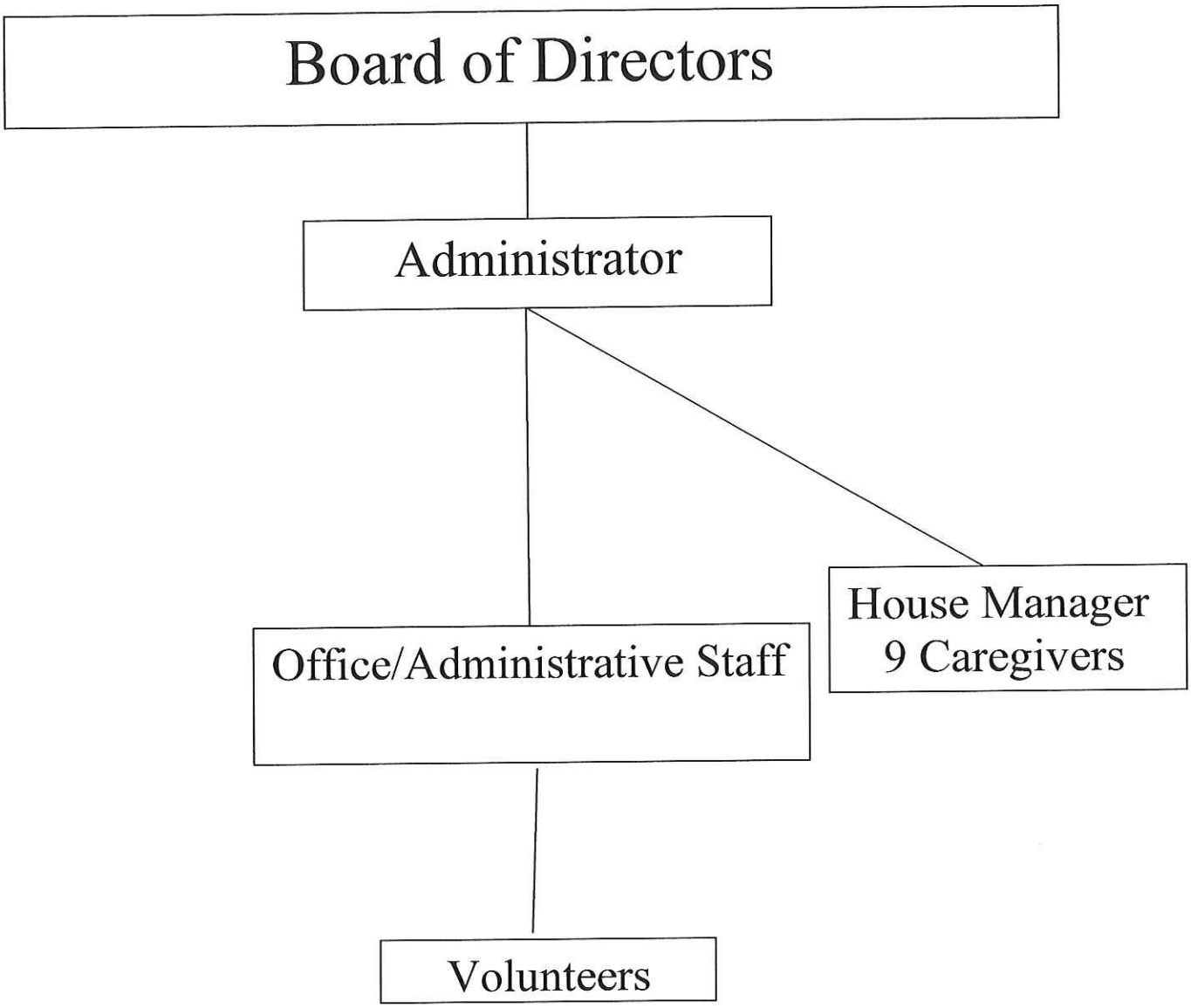
Mario Lizcano
501 S. McColl Road
Edinburg, TX 78539
W: (956) 342-1856
M.lizcano@dhr-rgv.com

J. Michael Koch
Legend Transitional Care Ctr.
2109 South "K" Center St.
McAllen, TX 78503
W: (956) 686-9100 C: 956 225-4622
Fax: (956) 686-9603
mkoch@legendhc.com

Roger Stolley
112 W. Hibiscus
McAllen, TX 78501
C: (956) 655-1890
rogers@nairgv.com

Comfort House Services, Inc.

Organizational Chart



January 2016

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: DEC 19 1996

COMFORT HOUSE SERVICES INC
C/O MARILYN SHRUMEYER
617 DALLAS AVE
MCALLEN, TX 78501-2752

Employer Identification Number:
74-2618847
Case Number:
756348013
Contact Person:
CUSTOMER SERVICE DIVISION
Contact Telephone Number:
(800) 829-1040
Our Letter Dated:
March 24, 1992
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Bobby E. Scott
District Director

Dora Brown
Senior Vice President
Marketing Manager
IBC Bank
Dbrown@ibc.com

When I first came upon Comfort House and the staff, they had me at "Hello". After I was given a tour, I was compelled right then and there to do something and desired to get involved," said Dora Brown, Senior Vice President and Director of Marketing for IBC Bank. "That's when I went back to my employer, IBC Bank, and team to present the project "Extreme Makeover" for Comfort House. I believed so much in this organization that I formed a committee of various community leaders to help raise funds to help with the Makeover. The place needed lighting, new floors, kitchen, a bigger room for washing machines, etc. Even though, we did not raise enough money to do everything, we were able to paint and get some renovations done. I personally have never had a family member there, but I have heard wonderful stories from many friends that while their relatives were there, it made excepting the death of their loved one much easier for the families because of the love and care that they received from the Staff at Comfort House. This is one of the main reasons that I chose to get involved and continue to be involved with Comfort House.

For years we have supported Comfort House and all that it does for our community. Seeing the staff and their volunteers be so caring to the families is just so heart touching. I really wish more people would go to see for themselves just what this organization does as a whole and the impact it really has on these families. It's not just about visiting the sick but also supporting the families who are going through so much right now. This is why IBC Bank and I stand whole-heartedly behind Comfort House. May God bless Comfort House for their guidance and caring support".

It is unfortunate about what happened with the past director, but that does happen to many organizations. The good thing now, is that the new Director, Veronica Whitacre, is very well known and respected lady in town and we believe that she will be the one who brings back Comfort House to the highly respected and wonderful organization that it used to be. As for IBC Bank and me, we are here to give Ms. Whitacre and Comfort House our full support.

Thank you,

Dora Brown

IBC Bank

Senior Vice President

Hello City of Edinburg,

I'd like to thank Comfort House, for giving me the opportunity to share with all of you our family's experience at their beautiful facility and our mother's story as a celebration of her life. Our beloved mother's battle with multiple illnesses began 17 years ago when she was first diagnosed with cervical cancer and at one point only 6 months to live. However, after going through a 9 hour surgery followed by a long and painful recovery she was cancer free. Only to find out a few years later, the cancer had return. This time her treatment involved radiation which in turn damaged her kidneys. But for a second time she defeated cancer once again, and for the following 10 years she was able to live a healthy and comfortable life, but it wasn't until about four years ago, which is when o decided to move back home, that her troubles began once again. She was constantly in and out of various hospitals with multiple complications including several scares in ICU. And each and every time she fought and pulled through but getting weaker and weaker. She then faced the tough choice to begin dialysis because her body was too weak for a kidney transplant. Soon thereafter, we found out that her cancer had come back and had metastasized meaning it had spread to other parts of her body. Her life battle continued until her doctor confirmed that she did not recommend she continue her dialysis treatment because it was no longer helping her, and we knew at that moment that it was only a matter of days before we would say our last good-bye.

Our mom had always expressed that she did not want to be in a nursing home, which also meant she didn't want to pass away in one. And we also did not want her to pass away at my sister's house, where my mom lived, and make that experience more difficult on my sister's. It was Comfort House who offered us what we needed at the time... a neutral place for our mother to spend her last days which was accessible to all our family and friends. Our mom received the wonderful care and services of the staff at Comfort House for a Short 3 days. And on December 23, 2013, our beautiful mother lost her battle to cancer. She was 64 year old.

When I first heard about Comfort house I thought it was a great cause that gave their patients and families a peaceful place to spend their last moments together.

But now having been a recipient of their services, I applaud and admire them for I would also like to take this opportunity to thank my sister, Olga and Rosa, their husbands, Rolando and Alberto, their children, my younger brother Oscar and my father for being there for our mother when she needed them the most. You all did an amazing and incredible job caring for her, and filling in 99% of the time. I lived out of town. But I feel very blesses that for the first three years of my move back I was able to spend a lot of time with her. And I consider it a privilege to have been able to care for her alongside my sisters.

I hope that everyone in this room continues to support the efforts of Comfort House, However it may be. Comfort House does truly touches the lives of many people like us, in a way that can never be repaid. Thank to your staff, your Board of Directors, Volunteers and supporters that make your cause possible. Thank you again for this opportunity and God Bless you all.

Sincerely,
Yolanda Guzman
Daughter of a former resident

To whom it may concern,

I have been a volunteer at Comfort House since 2004. It has been rewarding, hard work, fun, sad, meaningful, and most of all, a blessing. It is a unique facility to care for the terminally ill who have no one able to care for them at home. This is done at no cost to the family. What an honor to be able to assist someone in this last stage of life.

As a volunteer along with many others, we are there because we know the care that Comfort House provides is the type of care each of us would like. We work hard. Some mow the lawn in the Texas heat. Some cook or do the grocery shopping. Some clean, do laundry, wash windows, haul supplies, and some organize those supplies and the food that has been donated. Basically, we do whatever is needed and we enjoy doing it. We have a caring staff both in the office and with our caregivers. Anything we volunteers can do for them, frees them to do what they do best. We are happy to help.

There is a need for tools and equipment to make everyone's work easier & more efficient. For example, three washing machines, with one usually out of commission, make it difficult to keep up with laundry for ten residents. Beds are changed daily. Residents are bathed daily. There is limited space for folding laundry. Storage space is a constant need. Cooking utensils are old. Hospital beds need repairs or need to be replaced. As with a home, there is always something, and this is a home. Yes, it is someone's last home and we want to make it as peaceful, as comfortable, and filled with as much love and caring as possible.

Donations are a large part of helping Comfort House. Because of recent events, donors have indicated that they are reluctant to give. They wonder why we would want to volunteer. It is simple. We are needed. If one is able to have a loved one at home and have a hospice person help them, it is great. However, that isn't always possible and Comfort House is there for those who need us the most. There is a peaceful atmosphere, no one is shut away by a closed door, and someone is just a call away.

It is hard to believe that a resident or family member does not have to pay for their care at Comfort House. What a relief for a grieving family. It is costly to run a 10 bed facility. We volunteers are helping with our time and our efforts but so much more is needed. Fund raising, such as the Walk-A-Thon, contributes but that doesn't meet the need. Comfort House ministers to those who are terminal so they can leave in peace, with dignity, and know they will not be alone.

Sincerely,

Donna Woodward

4/29/2016

Dear City of Edinburg,

I have been blessed to be a volunteer at Comfort House since they opened their doors in 1989. I have seen its growth and selfless staff, volunteers, and community received so many benefits from its endeavors. There is no doubt that this is a wonderful asset to our valley community, to the many patients they serve on a daily, and the families that have depended of the quality care that Comfort House and their staff offer. A free serviced that is no expense to the family. Truly a blessing they are.

I whole heartily support the Comfort House and its mission as I can testify that it's a worthy and wonderful cause. What I would like to share is that both my mother and brother passed away under the care of this organization. I don't think anyone can appreciate anything in life unless it's a personal experience, in which you have nothing more than gratitude to display. Comfort House is like no other place I've encounter. If you have never heard of Comfort House or seen the facility, I highly encourage and welcome you to visit them. Learn about them and see for yourself the impact they have. When you see it for yourself it's a different perception than hearing about it. There are so many families that appreciated their servies and are thankful for what they do. Many had no idea about this place. It's not until they need the service do they discover the Comfort House. This is where relationships and friendships are created. This is where there support from the community members comes from. Going on 27 years, surely you can imaging the amount of families that have walked their doors. I love this place and I'm so passionate about it. This is why, to this day, I still give them my value time.

Sincerely,

Rosalinda (Linda) Torline

A relative of residents, a community member, and a volunteer!

PROCLAMATIONS

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Presentation of Proclamations Recognizing:

1. May 2016 as Elder Abuse Awareness Month.

2. May 20, 2016 as Lupus Awareness Month Put on Purple Day.

3. May 15-21, 2016 as National Public Works Week.

****

STAFF COMMENTS AND RECOMMENDATION:

1. Abuse of the elderly and people with disabilities in domestic and institutional settings is a wide-spread problem, affecting hundreds of thousands of people across the country.

2. The City of Edinburg would like to urge all citizens to support the cause of raising awareness of lupus by proclaiming May 20, 2016 as Put on Purple Day.

3. The American Public Works Association and the City of Edinburg have selected "Community Begins Here" The theme for 2016's National Public Works Week. The theme represents the classic idea of there would be no community without the quality of life public works provides. There would be no community to police and protect, no public to lead or represent. Public Works allows the world as we know it to be. This year's theme "Public Works Always There" speaks to the essential nature of Public Works Services in support of everyday quality of life. City staff recommends that the City of Edinburg join the American Public Works Association in recognizing May 15-21, 2016 as National Public Works Week.

RECOMMENDATION:

There will be no action taken.

REVIEWED BY:

PREPARED BY:
Clarice Y. Balderas,
Administrative Assistant

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Myra L. Ayala Garza
Myra L. Ayala Garza
City Secretary

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RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

_____	_____	_____	_____	_____
Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

ELDER ABUSE PREVENTION MONTH
MAY 2016

WHEREAS, People who are elderly or have disabilities have contributed to the general welfare of the City of Edinburg by helping to preserve customs, convictions, and traditions of many people from diverse backgrounds; and,

WHEREAS, These residents are vital and integral members of our society and their wisdom and experience have enriched our lives; and,

WHEREAS, Abuse of the elderly and people with disabilities in domestic and institutional settings is a wide-spread problem, affecting hundreds of thousands of people across the country; and,

WHEREAS, In 2015, there were 78,180 completed cases of elderly and disabled persons abuse in Texas, of which 54,552 were confirmed; and,

WHEREAS, Elder abuse is grossly underreported because the elderly who are being abused find it very difficult to tell anyone and are usually ashamed and sometimes afraid; and,

WHEREAS, Elder abuse happens to men and women of all income levels, all cultural and ethnic groups, whether they are in good health or incapacitated in some way, in poor neighborhoods and in suburbia; and,

WHEREAS, Many of the cases investigated by Adult Protective Services in Texas involve self-neglect and it is our duty as citizens to reach out to people in need.

NOW, THEREFORE, I RICHARD H. GARCIA, MAYOR OF THE CITY OF EDINBURG, TEXAS: By the power vested in me by law, do hereby proclaim the month of **May 2016** as:

ELDER ABUSE PREVENTION MONTH

in the City of Edinburg, Texas and urge all citizens to work together to help reduce abuse and neglect of people who are elderly or have disabilities.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Edinburg, Texas a Municipal Corporation, to be affixed on this 17th day of May, 2016.

CITY OF EDINBURG, TEXAS

By: _____
Richard H. Garcia, Mayor

ATTEST:

By: _____
Myra L. Ayala Garza, City Secretary

LUPUS AWARENESS MONTH
PUT ON PURPLE DAY
MAY 20, 2016

WHEREAS, An estimated 1.5 million Americans suffer from Lupus, the chronic inflammatory, autoimmune disease that can affect various parts of the body, especially the skin, joints, blood and kidneys; and,

WHEREAS, Lupus can be difficult to diagnose because its symptoms are similar to those of many other illnesses, and major gaps exist in understanding the causes and consequences; and,

WHEREAS, The Lupus Foundation of America, Lone Star Chapter is part of a national force devoted to solving the cruel mystery of lupus while providing caring support to those who suffer from its brutal impact; and,

WHEREAS, The Chapter rallied the City of Edinburg to wear the color purple and to further unify the support for those living with the disease; and,

WHEREAS, Awareness is vital in raising funds for research for those affected by lupus; and it is our responsibility as a community to advocate on their behalf and to further encourage educational programs so everyone affected by lupus can have an improved quality of life.

NOW, THEREFORE, I RICHARD H. GARCIA, MAYOR OF THE CITY OF EDINBURG, TEXAS: By the power vested in me by law, do hereby proclaim May 20, 2016 as

PUT ON PURPLE DAY

in the City of Edinburg and urge all citizens to support the cause of raising awareness of lupus, so that we can have a world with NO lupus.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Edinburg, Texas a Municipal Corporation, to be affixed on this 17th day of May, 2016.

CITY OF EDINBURG, TEXAS

By: _____
Richard H. Garcia, Mayor

ATTEST:

By: _____
Myra L. Ayala Garza, City Secretary

NATIONAL PUBLIC WORKS WEEK
MAY 15 - 21, 2016

WHEREAS, Public Works services and infrastructure, facilities and services are a vital importance to the health, safety and well-being of the residents of Texas and the City of Edinburg; and,

WHEREAS, The support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, sewers, streets & drainage, public buildings, and solid waste collection; and,

WHEREAS, The health, safety and comfort of this community greatly depend on these facilities and services; and,

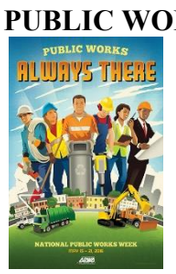
WHEREAS, The quality and effectiveness of these facilities, as well as their planning, design, and construction, are vitally dependent upon the efforts and skills of the men and women in the Departments of Public Works, Utilities, Solid Waste, and Parks & Recreation Departments; and,

WHEREAS, The efficiency of the qualified and dedicated personnel who staff these departments is materially influenced by the people's attitude and understanding on the importance of the work they perform; and,

WHEREAS, The American Public Works Association and the City of Edinburg have selected "Public Works Always There" the theme for 2016's National Public Works Week. The theme showcases the pervasiveness of public works. Communities depend on public works, and the men and women of the profession are always there and always ready. Public Works allows the world as we know it to be. This year's theme "Public Works Always There" speaks to the essential nature of Public Works Services in support of everyday quality of life.

NOW, THEREFORE, I, RICHARD H. GARCIA, MAYOR OF THE CITY OF EDINBURG, TEXAS: By the power of authority vested in me by law, do hereby proclaim the week of May 15 - 21, 2016 as

"NATIONAL PUBLIC WORKS WEEK"



in the City of Edinburg, and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing the services rendered by City of Edinburg and to recognize the contributions made by each of the departments mentioned herein, and the impact of their efforts to our daily health, safety, comfort, and quality of life.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the City of Edinburg, Texas, a Municipal Corporation, to be affixed on this the 17th day of May, 2016.

CITY OF EDINBURG, TEXAS

By: _____
Richard H. Garcia, Mayor

ATTEST:

By: _____
Myra L. Ayala-Garza, City Secretary

PUBLIC HEARING

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Hold Public Hearing and Consider Approval of the Proposed Community Development Block Grant 42nd One-Year Action Plan and Proposed Use of Funds for the Period Beginning October 1, 2016 Through September 30, 2017, as Recommended by the Community Development Council. [Marissa Garza, Director of Community Development/Grants Management]

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STAFF COMMENTS AND RECOMMENDATION:

In accordance with federal regulations governing citizen participation, the Community Development Council held a public hearing and committee meeting on March 31, 2016 to solicit input on the City's community development needs. Staff met with the Community Development Council on April 21, 2016 to discuss and approve the recommendations for FY 2016-2017 CDBG proposed funding. After thorough review and discussion, the Community Development Council identified several activities for recommendation to City Council. All activities selected for funding have been found to be eligible by staff under the appropriate federal regulations pending final approval from the U.S. Department of Housing and Urban Development (HUD). The purpose of this public hearing is to solicit input on the activities that have been recommended for funding. A thirty (30) day comment period will commence on May 25, 2016.

All funding requests are required by HUD to submit applications in accordance with the Citizens Participation Plan process. Therefore, funding requests/applications not submitted by the application deadline cannot be considered for funding.

The One-Year Action Plan proposed budget is comprised of $897,162 of entitlement funding for FY 2016 and $118,000 in program income including $46,000 from prior year carryover funds. The program income is generated by the Housing Assistance Program through low-interest loans of 3% given to qualified applicants depending on the income levels. The total budget is $1,061,162.

RECOMMENDATION:

Approve Adoption of the Proposed Community Development Block Grant 42nd One-Year Action Plan and Proposed Use of Funds for the Period Beginning October 1, 2016 Through September 30, 2017, as Recommended by the Community Development Council.

REVIEWED BY:		PREPARED BY:
/s/Richard M. Hinojosa Richard M. Hinojosa City Manager	/s/Ascencion Alonzo Ascencion Alonzo Director of Finance	/s/ Marissa Garza Marissa Garza Director of Community Development/Grants Management

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RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

PROPOSED FUNDING ALLOCATIONS

2016 - 2017 CDBG PROGRAM YEAR

42ND YEAR CDBG PROPOSED ALLOCATION:	$897,162
PRIOR YEAR CARRYOVER ENTITLEMENT FUNDS (YEAR 41):	**$46,000**
PROGRAM INCOME (YEAR 42 PROJECTION):	**118,000**
TOTAL REVENUES ANTICIPATED:	$1,061,162

DEPARTMENT /PROJECT	PROJECT DESCRIPTION	* Comments	FUNDING REQUEST	CDC RECOMMENDATION ON APRIL 21, 2016
CITY DEPARTMENTS				
Community Development	CDBG Administration - Provide oversight, monitoring and administration functions of CDBG funded projects.		$203,032.00	$203,032.00
Housing Assistance - Housing Rehabilitation and Reconstruction Program/	Housing Rehabilitation-Provide funding to continue owner-occupied housing rehabilitation services for 6 families. ***Includes Program Income**	*	$480,000.00	$300,000.00
Administration	Administration - Costs associated with the administration implementation and oversight of the Housing Assistance Program.		$67,500.00	$71,500.00
Section 108 Loan Repayment	Loan repayment of the City's Section 108 Loan for the City's wastewater treatment plant expansion.		$246,984.00	$246,984.00
Public Works Department - Hilda Subdivision Phase II - Street Improvements	The street improvement project consists of a 32 feet back to back street section with 2" asphalt hot mix, 8" flexible base, 6" subgrade, and 18" concrete curb and gutter, 5' foot sidewalks with ADA ramps, and materials testing. The project is designed to enhance public safety by providing safe roadways and adequate storm drainage to prevent area flooding.		$221,764.85	$198,036.00
Faysville Subdivision Street Lights	Funding is for the installation of twenty (20) MVEC Street Lights along the City's current Right-of-Way.		$15,610.39	$15,610.00
	TOTAL DEPARTMENTAL REQUESTS		$1,234,891.24	$1,035,162.00
PUBLIC SERVICE AGENCIES				
Amigos Del Valle, Inc.	Will provide free home delivered meals to homebound seniors to continue living a healthy, productive independent , and self-sufficient lives.		$7,000.00	$7,000.00
CASA of Hidalgo County, Inc.	Provide abused and neglected children with support and assistance to secure placements that are safe, permanent and stable. Funding requests will pay for salaries/fringe benefits for Case Supervisor, Case Manager 1 and Case and Manager 2.		$5,000.00	$5,000.00

Children's Advocacy Center of Hidalgo County-Edinburg Kids Project	Provide a coordinated one-stop shop team investigation, video/audio taped child forensic interviews, sexual assault examinations, debriefing/crisis assessment & intervention, long term individual & family counseling, mental health support groups, case review by the Multi-disciplinary team, case management and follow-up to reduce the emotional trauma on child victims of violent crimes. Funding will pay for salary/fringe benefits for 4 family advocates, 3 forensic interviewers, and 5 Counselors/MH Liaison (voucher system).		$15,000.00	$10,000.00
The Salvation Army	Funding request is to provide rental assistance to low-moderate income persons to prevent homelessness.		$4,000.00	$4,000.00
		TOTAL PUBLIC SERVICE REQUESTS	$31,000.00	$26,000.00
		TOTAL REQUESTS	$1,265,891.24	$1,061,162.00

SECONDARY PROJECTS

DEPARTMENTAL/PUBLIC SERVICE AGENCY	PROJECT DESCRIPTION	* Comments	FUNDING REQUEST
Bar 2 Subdivision-Phase 3 Solar Lighting	Funding is for the installation of sixteen (16) solar powered street lights along the City's current Right-of-Way.		$162,368.00
Bar 5 Subdivision-Phase 4 Solar Lighting	Funding is for the installation of twenty-six (26) solar powered street lights along the City's current Right-of-Way.		$263,848.00
		TOTAL AMOUNT	$426,216.00

*** NOTE: In an effort to effectuate the timely and proper expenditure of funds, the City may adopt a number of secondary projects as part of the One-Year Action Plan. A secondary project shall be initiated in the event that a primary project meets unforeseen obstacles to timely implementation and expenditure of appropriated funds. Funding may also be reprogrammed from the primary project and redirected to the selected secondary project for initiation of the activity.**

FY 2016-2017 — EXECUTIVE SUMMAY

CDBG DEPARTMENTAL AND PUBLIC SERVICE AGENCIES REQUEST FOR FUNDING APPLICATIONS SUBMITTED FOR CONSIDERATION

EXECUTIVE SUMMARY
2016 - 2017 CDBG PROGRAM YEAR
DEPARTMENTAL REQUESTS

DEPARTMENT	PROJECT DESCRIPTION	ELIGIBLE	REQUEST AMOUNT
Public Works Department - Hilda Subdivision Phase II - Street Improvements	The street improvement project consists of a 32 feet back to back street section with 2" asphalt hot mix, 8" flexible base, 6" subgrade, and 18" concrete curb and gutter, 5' foot sidewalks with ADA ramps, and materials testing. The project is designed to enhance public safety by providing safe roadways and adequate storm drainage to prevent area flooding.	Yes	$221,764.85
Faysville Subdivision Street Lights	Funding is for the installation of twenty (20) MVEC Street Lights along the City's current Right-of-Way.	Yes	$15,610.39
Lull Subdivision Phase I - Drainage Improvements (Engineering Design was funded FY 2015)	The project consist of a proposed 18" thru 48" ADS pipe drain lines with required Type CC inlets and headwall that allow drainage on to a new ditch to include engineering (construction management) and materials testing.	Yes	$356,787.93
Lull Subdivision Phase II – Street Improvements Section A - Flores Street (Engineering Design was funded FY 2015)	The project consist of a 32 feet back to back street sections with 2" asphalt hot mix, 8" flexiable base, 6" subgrade, and 18" concrete curb and gutter, 5' foot sidewalks with ADA ramps, engineering (construction management) and materials testing.	Yes	$726,709.34
Lull Subdivision Phase II – Street Improvements - Section B - Salinas/Rodriguez Streets (Engineering Design was funded FY 2015)	The project consist of a 32 feet back to back street sections with 2" asphalt hot mix, 8" flexiable base, 6" subgrade, and 18" concrete curb and gutter, 5' foot sidewalks with ADA ramps, engineering (construction management) and materials testing.	Yes	$968,945.79
Lull Subdivision Phase II – Street Improvements-Section C - Tagle Street (Engineering Design was funded FY 2015)	The project consist of a 32 feet back to back street sections with 2" asphalt hot mix, 8" flexiable base, 6" subgrade, and 18" concrete curb and gutter, 5' foot sidewalks with ADA ramps, engineering (construction management) and materials testing.	Yes	$726,709.34
Bar 2 Subdivision - Phase 3 Solar Lighting	Funding is for the installation of sixteen (16) solar powered street lights along the City's current Right-of-Way.	Yes	$162,368.00
Bar 5 Subdivision - Phase 4 Solar Lighting	Funding is for the installation of twenty-six (26) solar powered street lights along the City's current Right-of-Way.	Yes	$263,848.00
Housing Assistance - Housing Rehabilitaiton/ Reconstruction Program and Administration	Provide funding to continue owner-occupied housing rehabilitation services for eight (8) families ($480,000) as well as administrative support for project implementation ($67,500).	Yes	$547,500.00
		TOTAL DEPARTMENTAL REQUESTS	$3,990,243.64

EXECUTIVE SUMMARY
2016 - 2017 CDBG PROGRAM YEAR
PUBLIC SERVICE AGENCIES

ENTITY	PROJECT DESCRIPTION	ELIGIBLE	REQUEST AMOUNT
Amigos Del Valle, Inc.	Will provide free home delivered meals to homebound seniors to continue living a healthy, productive independent , and self-sufficient lives.	Yes	$7,000.00
CASA of Hidalgo County, Inc.	Provide abused and neglected children with support and assistance to secure placements that are safe, permanent and stable. Funding requests will pay for salaries/fringe benefits for Case Supervisor, Case Manager 1 and Case and Manager 2.	Yes	$5,000.00
Children's Advocacy Center of Hidalgo County- Edinburg Kids Project	Provide a coordinated one-stop shop team investigation, video/audio taped child forensic interviews, sexual assault examinations, debriefing/crisis assessment & intervention, long term individual & family counseling, mental health support groups, case review by the Multi-disciplinary team, case management and follow-up to reduce the emotional trauma on child victims of violent crimes. Funding will pay for salary/fringe benefits for 4 family advocates, 3 forensic interviewers, and 5 Counselors/MH Liaison (voucher system).	Yes	$15,000.00
Food Bank of the Rio Grande Valley, Inc. Emergency Food Relief - Edinburg	The program feeds individuals living at or below poverty level experiencing emergency or chronic food insecurity. Funding is to provide food assistance to these individuals through the Emergency Food Relief-Edinburg program.	Yes	$25,000.00
The Salvation Army	Funding request is to provide rental assistance to low-moderate income persons to prevent homelessness.	Yes	$4,000.00
Women Together/Mujeres Unidas – Men Against Violence Batterer Intervention and Prevention Program	Provide shelter and support services to women, children, and men who are victims of domestic violence and sexual assault. Funding request will pay for the salary/fringe benefits of Group Facilitators and program supplies.	Yes	$10,000.00
		TOTAL PUBLIC SERVICE REQUESTS	$66,000.00

ORDINANCES

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III, Administration, Chapter 30, Administrative Code, Classification and Compensation Plan, Section 30.071 Classified Grades (Non-Civil Service) to Add the Automation Network Administrator Position and Section 30.072 Unclassified Grades (Non-Civil Service) to Remove the Automation Network Administrator Position. [Christina Flores, Director of Human Resources/Civil Service Director]

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STAFF COMMENTS AND RECOMMENDATION:
The purpose of this Ordinance is to add the "Automation Network Administrator" position to Grade 210 (Non-Exempt) and remove it from Grade 112 (Exempt).

Human Resources recently conducted an internal evaluation of IT-related positions in the City. In that regard this position was changed from Exempt to Non-Exempt.

RECOMMENDATION:
Approve Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III, Administration, Chapter 30, Administrative Code, Classification and Compensation Plan, Section 30.071 Classified Grades (Non-Civil Service) to Add the Automation Network Administrator Position and Section 30.072 Unclassified Grades (Non-Civil Service) to Remove the Automation Network Administrator Position.

REVIEWED BY: **PREPARED BY:**

/s/Ricardo Palacios by CP
Ricardo Palacios
CityAttorney

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Ascencion Alonzo
Ascencion Alonzo
Director of Finance

/S/Christina Flores
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RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

_____	_____	_____	_____	_____
Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF EDINBURG, TEXAS AT TITLE III, ADMINISTRATION, CHAPTER 30, ADMINISTRATIVE CODE SECTION 30.071 CLASSIFIED GRADE (NON-CIVIL SERVICE) NON-EXEMPT EMPLOYEES CLASSIFICATION AND COMPENSATION PLAN TO ADD THE AUTOMATION NETWORK ADMINISTRATOR POSITION AND SECTION 30.072 UNCLASSIFIED GRADE (NON-CIVIL SERVICE) EXEMPT EMPLOYEES CLASSIFICATION AND COMPENSATION PLAN TO REMOVE THE AUTOMATION NETWORK ADMINISTRATOR POSITION IN ACCORDANCE WITH SECTION 30.030(C) AND SECTION 30.031(A) AND (G); PROVIDING FOR WAIVER OF THE THREE SEPARATE READINGS; PROVIDING A REPEALER CLAUSE OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR ITS CODIFICATION IN THE CODE OF ORDINANCES OF THE CITY; PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE IMMEDIATELY UPON ITS PASSAGE; AND, ORDAINING OTHER MATTERS PERTAINING TO THIS SUBJECT MATTER THEREOF.

WHEREAS, in order to continue providing a comprehensive and systematic plan of administrative organization for the City, as promulgated by the City Charter, the City Council deems it appropriate and necessary to amend CHAPTER 30 ADMINISTRATIVE CODE, of the City of Edinburg, Texas.

NOW, THEREFORE, BE IT ORDAINED BY CITY COUNCIL OF THE CITY OF EDINBURG, THAT:

SECTION I. **THE CODE OF ORDINANCES OF THE CITY OF EDINBURG, TEXAS AT TITLE III, ADMINISTRATION, CHAPTER 30, ADMINISTRATIVE CODE, CLASSIFICATION AND COMPENSATION PLAN §30.071 CLASSIFIED GRADES (NON-CIVIL SERVICE),** is hereby amended and shall read as follows:

§30.071 CLASSIFIED GRADES (NON-CIVIL SERVICE).

CLASSIFICATION & COMPENSATION PLAN
FISCAL YEAR 2015-2016
Effective: 05-17-2016

NON-EXEMPT				
GRADE	**Minimum**	**Midpoint**	**Maximum**	**Job Title**
200	**$20,011.4271** $9.6209	**$25,014.2813** $12.0261	**$30,017.1458** $14.4313	Library Aide School Crossing Guard

201	**$21,012.0000** $10.1019	**$26,265.0000** $12.6274	**$31,518.0000** $15.1529	Accounts Receivable Clerk Airport Assistant Cashier Clerk Custodian Deputy Court Clerk Cart and Range Attendant Garage Attendant Grounds Technician Groundskeeper Library Assistant Office Specialist Parking Meter Attendant Program Coordinator 1 Purchasing Aide Sales Clerk Sanitation Worker Street Maintenance Technician
202	**$22,062.6000** $10.6070	**$27,578.2500** $13.2588	**$33,093.9000** $15.9105	Environmental Educator Light Equipment Operator Maintenance Operator Municipal Court Clerk Park Ranger Program Coordinator 2 Senior Library Assistant Sports Volunteer Coordinator
203	**$23,165.7300** $11.1374	**$28,957.1625** $13.9217	**$34,748.5950** $16.7061	Accounts Payable Clerk Inventory Specialist Media and Graphics Designer Meter Reader Multimedia Specialist Operations Technician Water Maintenance Technician Wastewater Maintenance Technician
204	**$24,324.0165** $11.6942	**$30,405.0232** $14.6178	**$36,486.0299** $17.5414	Administrative Specialist Assistant Animal Control Warden Construction Inspector

				Emergency Response Operator Golf Shop Coordinator Grounds Crew Leader Human Resources Specialist Inter Library Loan Specialist Irrigation Specialist Landfill Attendant Landfill Technician Lift Station Operator Medium Equipment Operator Payroll Specialist Procurement Card Coordinator Records Processing Specialist Risk Specialist Traffic Signal Technician Welder
205	**$25,540.2199** $12.2790	**$31,925.2723** $15.3487	**$38,310.3247** $18.4184	Assistant Golf Professional Community Service Officer Crew Leader Deputy Registrar Engineering/Graphics Technician 1 Heavy Equipment Operator Inspector 1 Line Service Technician Meter Reader Crew Leader Production Specialist Wastewater Crew Leader Water Crew Leader
206	**$26,817.2242** $12.8929	**$33,521.5354** $16.1161	**$40,225.8466** $19.3393	Dispatcher Engineering/Graphics Technician 2 Fleet Specialist Irrigation Technician Journeyman Electrician 1 Mechanic Water Plant Operator Wastewater Plant Operator

207	**$28,158.0885** $13.5375	**$35,197.6132** $16.9219	**$42,237.1379** $20.3063	Animal Control Warden Computer/Network Technician Health Inspector Heavy Equipment Crew Chief Housing Coordinator Human Resources Generalist Juvenile Case Manager Telecommunication Specialist Video Journalist Water Specialist Wastewater Specialist
208	**$29,565.9955** $14.2144	**$36,957.4918** $17.7680	**$44,348.9881** $21.3216	Administrative Assistant Assistant Fleet Maintenance Manager Building Plans Examiner Journeyman Electrician 2 Senior Court Clerk Traffic Safety Crew Chief Water Plant Chief Operator Wastewater Plant Chief Operator
209	**$31,044.2927** **$14.9251**	**$38,805.3633** **$18.6564**	**$46,566.4442** **$22.3877**	
210	**$32,596.5130** $15.6714	**$40,745.6361** $19.5892	**$48,894.7592** $23.5071	Legal Assistant Systems Administrator Automation Network Administrator
211	**$34,226.3335** $16.4550	**$42,782.9143** $20.5687	**$51,339.5054** $24.6825	Deputy Municipal Court Marshal
212	**$35,937.6476** $17.2777	**$44,922.0595** $21.5971	**$53,906.4817** $25.9166	Municipal Court Marshal

<u>SECTION II.</u> THE CODE OF ORDINANCES OF THE CITY OF EDINBURG, TEXAS AT TITLE III, ADMINISTRATION, CHAPTER 30, ADMINISTRATIVE CODE, CLASSIFICATION AND COMPENSATION PLAN §30.072 UNCLASSIFIED GRADES (NON-CIVIL SERVICE), is hereby amended and shall read as follows:

§30.072 U N CLASSIFIED GRADES (NON-CIVIL SERVICE).

CLASSIFICATION & COMPENSATION PLAN
FISCAL YEAR 2015-2016
Effective: 05-17-2016

EXEMPT				
GRADE	**Minimum**	**Midpoint**	**Maximum**	**Job Title**
105	**$27,673.8546**	**$34,592.3131**	**$41,510.7819**	Parks Supervisor
	$13.3047	$16.6309	$19.9571	
	$1,064.3790	$1,330.4736	$1,596.5685	
106	**$29,334.2867**	**$36,667.8558**	**$44,001.4249**	Art Events Coordinator
	$14.1030	$17.6288	$21.1545	Right-of-Way Supervisor
	$1,128.2418	$1,410.3021	$1,692.3625	Warrant Clerk Supervisor
107	**$31,094.3404**	**$38,867.9255**	**$46,641.5106**	Assistant Streets Superintendent
	$14.9492	$18.6865	$22.4238	Data Processing Supervisor
	$1,195.9362	$1,494.9202	$1,793.9043	
108	**$32,960.0000**	**$41,200.0000**	**$49,440.0000**	Assistant Building Maintenance Superintendent
	$15.8462	$19.8077	$23.7692	Assistant Court Administrator
	$1,267.6923	$1,584.6154	$1,901.5385	Assistant Golf Superintendent
				Cataloging Supervisor
				Children's Supervisor
				Circulation Supervisor
				Chief Dispatcher
				Environmental Education Coordinator
				Greens Foreman
				Permitting Supervisor
				Reference Supervisor
				World Birding Center Interpreter
109	**$34,937.6000**	**$43,672.0000**	**$52,406.4000**	Accounts Manager
	$16.7969	$20.9962	$25.1954	Assistant Utility Billing Supervisor
	$1,343.7538	$1,679.6923	$2,015.6308	City Forester
				Executive Assistant to the City Manager
				Grants Accountant

				Lift Station Supervisor Meter Reader Supervisor Recycling Coordinator Wastewater Maintenance Supervisor Water Maintenance Supervisor
110	**$37,033.8560** $17.8047 $1,424.3791	**$46,292.3200** $22.2559 $1,780.4738	**$55,550.7840** $26.7071 $2,136.5686	Assistant Systems Superintendent Assistant Water Plant Superintendent Golf Course Manager Golf Superintendent Public Information Specialist Purchasing Agent Recreation Supervisor
111	**$39,255.8853** $18.8730 $1,509.8417	**$49,069.8592** $23.5913 $1,887.3023	**$58,883.8331** $28.3095 $2,264.7628	Accountant Aquatics Supervisor Building Maintenance Superintendent Engineering Assistant Fleet Maintenance Manager Human Resources Coordinator Librarian Parks Superintendent Risk Management Coordinator Right-of-Way Superintendent Subdivision Coordinator Traffic Manager Urban Planner Utility Billing Supervisor Waste Operations Supervisor
112	**$41,611.2378** $20.0054 $1,600.4322	**$52,014.0524** $25.0068 $2,000.5405	**$62,416.8567** $30.0081 $2,400.6483	Airport Manager Parks Operations Manager Recreation Manager Reporter/Producer Streets Manager Systems Superintendent Water Plant Superintendent Wastewater Plant Superintendent

113	**$44,107.9166**	**$55,134.8906**	**$66,161.8749**	Assistant Director of Finance
	$21.2057	$26.5072	$31.8086	Assistant Director of Library
	$1,696.4583	$2,120.5727	$2,544.6875	Assistant Director of Public Works
				Building Official
				Waste Operations Superintendent
				World Birding Center Manager
114	**$46,754.3883**	**$58,442.9828**	**$70,131.5876**	Court Administrator
	$22.4781	$28.0976	$33.7171	
	$1,798.2457	$2,247.8070	$2,697.3688	

SECTION III. WAIVER CLAUSE

The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

SECTION IV. 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.

SECTION V. SAVINGS CLAUSE

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 Council 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 VI. CODIFICATION CLAUSE

The provisions of Section I & II of this Ordinance are to be published in the location indicated in the Code of Ordinances of the City of Edinburg, Texas, as soon as possible.

SECTION VII. PUBLICATION AND EFFECTIVE DATE

This Ordinance shall take effect May 17, 2016 and shall be published according to law.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Government Code, Section 551.041 on the 17th day of May, 2016.

CITY OF EDINBURG

BY: _____
Richard H. Garcia, Mayor

ATTEST:

BY: _____
Myra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:
PALACIOS, GARZA, & THOMPSON, P.C.

BY: _____
City Attorney

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Reviewing and Approving Ordinance Amending the Budget for the 2015-2016 Fiscal Year by Providing Additional Appropriations to the General Fund, Municipal Court Restricted Fund, and the Boys & Girls Club Fund. [Ascencion Alonzo, Director of Finance]
****

STAFF COMMENTS AND RECOMMENDATION:

GENERAL FUND

This ordinance amends the 2015-2016 Budget Ordinance by providing $65,043 in additional revenues and $364,666 in additional appropriations to the General Fund. The additional appropriations will be funded as follows: $299,623 from Unreserved Fund Balance and $65,043 from Parkland Dedication.

		ADDITIONAL APPROPRIATIONS
FUNDING SOURCE		
Parkland Dedication		$ 65,043
Unreserved Fund Balance		299,623
	Total	$364,666
APPROPRIATIONS		
Parks & ROW		$ 65,043
Non-Departmental		299,623
	Total	$364,666

MUNICIPAL COURT RESTRICTED FUND

This ordinance provides $18,421 in additional appropriations to the Municipal Court Restricted Fund. The additional appropriations will be funded as follows: $18,421 from Unreserved Fund Balance.

		ADDITIONAL APPROPRIATIONS
FUNDING SOURCE		
Unreserved Fund Balance		$ 18,421
	Total	$ 18,421
APPROPRIATIONS		
Municipal Court		$ 18,421
	Total	$ 18,421

BOYS & GIRLS CLUB FUND

This ordinance provides $7,876 in additional appropriations to the Boys & Girls Club Fund. The additional appropriations will be funded as follows: $7,876 from Unreserved Fund Balance.

	ADDITIONAL APPROPRIATIONS
FUNDING SOURCE	
Unreserved Fund Balance	$ 7,876
Total	$ 7,876
APPROPRIATIONS	
Boys & Girls Club	$ 7,876
Total	$ 7,876

NOTE: REFER TO DETAIL

	GENERAL FUND
Fund Balance 09/30/2015	$16,062,209
Add –Add'l Revenue-02/02/16	505,634
Add –Add'l Revenue-05/17/16	65,043
Less-Add'l Appropriations-Carry-Overs	(542,655)
Less-Add'l Appropriations-02/02/16	(844,490)
Less-Add'l Appropriations-05/17/16	(364,666)
Estimated Unreserved Fund Balance	$14,881,075

City Staff has closely examined the additional appropriations and their effect on Fund Balance and concluded that sufficient funds are available. Fund Balance for General Fund is estimated to be 29.19% of the 2015-2016 budgeted expenditures and is projected to be higher at year end due to current and anticipated increase in revenues for this Fiscal Year.

This Ordinance amends the 2015-2016 Budget Ordinance by appropriating for all revenues and expenditures incurred and committed to date. Approval of additional revenues or expenditures will require an appropriation at the same City Council Meeting wherein agenda item is approved.

RECOMMENDATION:

Approve Ordinance Amending the Budget for the 2015-2016 Fiscal Year by Providing Additional Appropriations to the General Fund, Municipal Court Restricted Fund, and the Boys & Girls Club Fund.

REVIEWED BY:		PREPARED BY:
/s/Richard M. Hinojosa	/s/ Ricardo Palacios by CP	/s/Ascencion Alonzo
Richard M. Hinojosa City Manager	Ricardo Palacios CityAttorney	Ascencion Alonzo Director of Finance

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

ORDINANCE NO.

AN ORDINANCE AMENDING THE BUDGET ORDINANCE FOR THE 2015-2016 FISCAL YEAR BY APPROPRIATING TO THE **GENERAL FUND** ADDITIONAL APPROPRIATIONS IN THE AMOUNT OF **$364,666** FOR ADDITIONAL EXPENDITURES FROM FUND BALANCE; TO THE **MUNICIPAL COURT RESTRICTED FUND** ADDITIONAL APPROPRIATIONS IN THE AMOUNT OF **$18,421** FROM FUND BALANCE; AND TO THE **BOYS & GIRLS CLUB FUND** ADDITIONAL APPROPRIATIONS IN THE AMOUNT OF **$7,876**. CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; PROVIDING A WAIVER OF (3) SEPARATE READINGS; AND PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, THAT:

SECTION I. The **GENERAL FUND** Budget estimated revenues and appropriations of the City of Edinburg for the Fiscal Year 2015-2016 is hereby amended in the sum of SIXTY-FIVE THOUSAND FORTY-THREE AND NO/100 DOLLARS ($65,043.00) in estimated revenues and THREE HUNDRED SIXTY-FOUR THOUSAND SIX HUNDRED SIXTY-SIX AND NO/100 DOLLARS ($364,666.00) in appropriations from fund balance for payment of operating expenditures and capital outlay.

Estimated revenues to be derived from Parkland Dedication Projects, of SIXTY-FIVE THOUSAND FORTY-THREE AND NO/100 DOLLARS ($65,043.00).

The appropriations to be appropriated are as follows:

SIXTY-FIVE THOUSAND FORTY-THREE AND NO/100 DOLLARS ($65,043.00) for the **PARKS & ROW** Department; and TWO HUNDRED NINETY-NINE THOUSAND SIX HUNDRED TWENTY-THREE AND NO/100 DOLLARS ($299,623.00) for the **NON-DEPARTMENTAL** Department.

SECTION II. The **MUNICIPAL COURT RESTRICTED FUND** Budget of the City of Edinburg for the Fiscal Year 2015-2016 is hereby amended in the sum of EIGHTEEN THOUSAND FOUR HUNDRED TWENTY-ONE AND NO/100 DOLLARS ($18,421.00) in appropriations for payment of operating expenses and capital outlay from Fund Balance.

SECTION III. The **BOYS & GIRLS CLUB FUND** Budget of the City of Edinburg for the Fiscal Year 2015-2016 is hereby amended in the sum of SEVEN THOUSAND EIGHT HUNDRED SEVENTY-SIX AND NO/100 DOLLARS ($7,876.00) in appropriations for payment of operating expenses and capital outlay from Fund Balance.

SECTION IV. The Director of Finance is hereby instructed to amend the appropriate line items in the budget for Fiscal Year 2015-2016 to take into consideration the expenditures appropriated hereby.

SECTION V. REPEALER CLAUSE. This Ordinance shall be cumulative of all other ordinances dealing with the same subject any provision of any ordinance in direct conflict with any provision of the 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.

SECTION VI. SEVERABILITY CLAUSE. 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 Council in passing the 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 VII. WAIVER CLAUSE. The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all members of the City Council.

SECTION VIII. PUBLICATION AND EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage and publication according to law.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present and which was held in accordance with V.T.C.A., Government Code, Section 551.041, on the **17th** day of **May, 2016**.

CITY OF EDINBURG

BY: _____
Richard H. Garcia, Mayor

ATTEST:

BY: _____
Myra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:
PALACIOS, GARZA & THOMPSON, P.C.

BY: _____
City Attorney

GENERAL FUND

DEPARTMENT	ACCOUNT NUMBER	ACCOUNT TITLE	EXHIBIT	DETAIL	TOTAL AMOUNT	FUNDING SOURCE: UNRESERVED FUND BALANCE	FUNDING SOURCE: PARKLAND DEDICATION	FUNDING SOURCE: GRANTS & OTHER SOURCES
Parks & ROW	01-5386-04980-00	Parkland Dedication	"A"	Appropriation for Parkland Dedication Projects Zone 1 & 6	65,043		65,043	
				TOTAL FOR PARKS & ROW	**65,043**		**65,043**	
Non-Departmental	01-5807-04402-00	Special Projects	"B"	Appropriation for Participation of the Improvements for a Section of the Blueline Ditch	214,452	214,452		
Non-Departmental	01-5807-04402-00	Special Projects	"C"	Appropriation for Dannenbaum Construction Management Services for the Bert Ogden Arena	85,171	85,171		
				TOTAL FOR NON-DEPARTMENTAL	**299,623**	**299,623**		
				TOTAL FOR GENERAL FUND	**364,666**	**299,623**	**65,043**	

MUNICIPAL COURT RESTRICTED FUND

DEPARTMENT	ACCOUNT NUMBER	ACCOUNT TITLE	EXHIBIT	DETAIL	TOTAL AMOUNT	FUNDING SOURCE: UNRESERVED FUND BALANCE	FUNDING SOURCE: RESERVED FUND BALANCE	FUNDING SOURCE: GRANTS & OTHER SOURCES
Municipal Court	53-5032-04300-00	Supplies	"D"	Appropriation for Purchase of Tint Meter & Distracted Driving Activity Mat	851	851		
Municipal Court	53-5032-04390-00	Other Supplies	"D"	Appropriation for Purchase of Supplies for Marshals	1,518	1,518		
Municipal Court	53-5034-04550-00	Office Equipment & Furniture	"D"	Appropriation for Annual Maitenance of Equipment	15,796	15,796		
Municipal Court	53-5035-04780-00	Rents & Contracts	"D"	Appropriation for Membership Dues	256	256		
				TOTAL FOR MUNICIPAL COURT RESTRICTED FUND	**18,421**	**18,421**		

BOYS & GIRLS CLUB FUND

DEPARTMENT	ACCOUNT NUMBER	ACCOUNT TITLE	EXHIBIT	DETAIL	TOTAL AMOUNT	FUNDING SOURCE: UNRESERVED FUND BALANCE	FUNDING SOURCE: TRANSFER IN GENERAL FUND	FUNDING SOURCE: GRANTS & OTHER SOURCES
Boys & Girls Club	72-5376-04860-00	Structures	"E"	Appropriation for Installation of Access Control System	7,876	7,876		
				TOTAL FOR BOYS & GIRLS CLUB	**7,876**	**7,876**		

EXHIBIT "A"

MEMORANDUM

DATE: May 4, 2016

TO: Ascencion Alonzo, Director of Finance

FROM: Luis A. Rodriguez, Parks Operation Manager

SUBJECT: Appropriation of Parkland Dedication Funds

A total of $65,043 needs to be transferred from various Parkland Dedication Accounts into the 01-5386-04980-00 Account. Listed below is the breakdown by Account:

76-0000-23814-00	**Cost**
Resurfaced main entrance road at Municipal Park.	$ 30,454.00
Total	$ 30,454.00

76-0000-23819-00	**Cost**
Replacement parts for playscapes.	$ 6,175.00
Windscreen for ballfields.	$ 15,214.00
Sidewalk work done around playscapes at South and Trevino Park.	$ 13,200.00
Total	$ 34,589.00
Grand Total	$ 65,043.00

c: Joe Filoteo, Parks & Recreation Director
Pete Garza, Assistant Director of Finance

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
APRIL 19, 2016

Consider Authorizing the City Manager to Enter Into an Interlocal Cooperation Agreement Between the City of Edinburg and the City of McAllen Concerning Participation for Improvements for a Section of the Blueline Ditch. [Sonia Marroquin, Assistant City Manager]

****

STAFF COMMENTS AND RECOMMENDATION:
The City of Edinburg, City of McAllen and Doctors Hospital at Renaissance (DHR) have been working on a project which involves enclosing a section of the North East Blueline Channel (Ditch) located in the vicinity of DHR and within the Edinburg City Limits. The enclosure of the Ditch will allow for future development to include a Medical Tower and additional parking.

The City of McAllen has agreed to allow Doctors Hospital at Renaissance to place the Ditch underground through an agreement that certifies that the existing drainage capacity and any new development will be accommodated. As part of the Interlocal, the City of Edinburg agrees to provide $214,451.57 for the Ditch Project which will provide the City drainage outfall for new developments on the Doctors Hospital at Renaissance Campus.

Approval of this item will require an appropriation from the FY 2015-16 General Fund budget.

Attachment: Interlocal Agreement executed by the City of McAllen with exhibits.

RECOMMENDATION:
Approve Authorizing the City Manager to Enter Into an Interlocal Cooperation Agreement Between the City of Edinburg and the City of McAllen Concerning Participation for Improvements for a Section of the Blueline Ditch.

REVIEWED BY:

PREPARED BY:
Sonia Marroquin, Asst.
City Manager

/s/ Ricardo Palacios by CP
Ricardo Palacios
CityAttorney

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Ascencion Alonzo
Ascencion Alonzo
Director of Finance

/s/Sonia Marroquin
Sonia Marroquin
Assistant City Manager

****

RECORD OF VOTE:

APPROVED _____
DISAPPROVED _____
TABLED _____
NO ACTION _____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

STATE OF TEXAS §

COUNTY OF HIDALGO §

INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE CITY OF McALLEN
AND THE CITY OF EDINBURG

This Agreement is made on this the ___ day of _____, 2016, by and between the **CITY OF MCALLEN,** hereinafter referred to as "McAllen" and the **CITY OF EDINBURG, TEXAS,** hereinafter referred to as "Edinburg" pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, McAllen is engaging in a project for improvements to McAllen owned Blue-Line Ditch inside the city limits of Edinburg; and

WHEREAS, Edinburg has determined that Edinburg will receive benefit from the Project and has agreed to assist McAllen; and

WHEREAS, McAllen has determined that McAllen will receive benefit from the Project and has agreed to assist Edinburg; and

WHEREAS, Edinburg and McAllen are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, Texas Gov't Code 791.001 et seq., which authorizes local governments to contract with each other to perform governmental functions and services under the terms of the Act.

NOW, THEREFORE, Edinburg and McAllen, in consideration of the mutual covenants expressed hereinafter, agree as follows:

SECTION I.
McALLEN OBLIGATIONS

McAllen shall provide Edinburg with drainage and economic help by working to improve the McAllen owned Blue-Line Ditch inside the city limits of Edinburg, including the placement of a large part of it underground, so Edinburg can commercially develop adjacent areas. The Blue-Line Ditch improvements will be subject to engineering assurances to the satisfaction of McAllen, that the improvements shall not reduce McAllen's drainage outflows or ability to maintain and expand the facilities to meet future needs at McAllen's expense.

SECTION II.
EDINBURG OBLIGATIONS

Edinburg shall provide McAllen with up to $214,451.57 to assist with the costs related to regional drainage improvements. The monetary obligation and the amount

thereof will be subject to the acquisition of a tract of land from a third party by Affordable Homes of South Texas.

SECTION III.
PROCUREMENT

Each party agrees to conform to its own applicable purchasing laws, regulations, policies, and procedures with respect to the portion of the work under this Agreement performed by each party.

SECTION IV.
CONFLICT OF APPLICABLE LAW

Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of their Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provision of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

SECTION V.
INDEMNIFICATION

To the extent allowed by law, McAllen agrees to indemnify and hold harmless and defend Edinburg, its agents, employees and officers from and against any claim, loss, damage, liability and expense, including reasonable attorney's fees, incurred or suffered by it, by reason of any and all claims, demands or causes of action asserted or that may be asserted, against any or all of the above named parties, whether alleging intentional or negligent acts or omissions, and whether seeking compensatory or punitive damages, and involving, arising out of, or in any manner related to this agreement.

To the extent allowed by law, Edinburg agrees to indemnify and hold harmless and defend McAllen, its agents, employees and officers from and against any claim, loss, damage, liability and expense, including reasonable attorney's fees, incurred or suffered by it, by reason of any and all claims, demands or causes of action asserted or that may be asserted, against any or all of the above named parties, whether alleging intentional or negligent acts or omissions, and whether seeking compensatory or punitive damages, and involving, arising out of, or in any manner related to this agreement."

SECTION VI.
NO WAIVER

No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

SECTION VII.
NOTICE

Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to Edinburg:	City of Edinburg Attention: Richard M. Hinojosa, City Manager P.O. Box 1079/415 West University Drive Edinburg, Texas 78540 (956)388-8207 phone (956) _____ fax
If to McAllen:	City McAllen Attn.: Roel Rodriguez, City Manager 1301 W. Houston Avenue McAllen, Texas 78501 (956)681-1001 phone (956)681-1010 fax

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

SECTION VIII.
ADDITIONAL DOCUMENTS

The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

SECTION IX
SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

SECTION X
ASSIGNMENT

This Agreement shall not be assignable.

SECTION XI
HEADINGS

The headings and captions contained in this Agreement are solely for convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.

SECTION XII
GENDER AND NUMBER

All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.

SECTION XIII
AUTHORITY TO EXECUTE

The execution and performance of this Agreement by Edinburg and McAllen have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of Edinburg and McAllen in accordance with its terms.

SECTION XIV
GOVERNMENTAL PURPOSE

Each party hereto is entering into this agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

SECTION XV
COMMITMENT OF CURRENT REVENUES ONLY

In the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. §271.903.

SECTION XVI
REMEDIES

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Should any party be in breach hereof then the non-breaching party shall give sixty (60) days' notice of such breach and

the breaching party shall have such sixty (60) days to cure the breach before the non-breaching party may terminate this Agreement or take any other action to enforce the provisions hereof.

SECTION XVII
ALTERNATE DISPUTE RESOLUTION/NEUTRAL PARTY

A. Any controversy, claim or dispute between the parties arising out of or relating to the provisions of this Agreement or the breach, termination or validity thereof shall, upon written request of either party, immediately be referred jointly for resolution of the controversy by non-binding mediation.

B. The mediation must be concluded within any period mutually agreed upon by the parties but in no event no later than within forty-five (45) days after written notice is given by either party of its intent to proceed to mediation. Unless the parties expressly agree otherwise, each party shall bear its own costs, legal and expert fees incurred in the mediation, and evenly share the costs of the mediator. If, after proceeding in good faith the parties, with the assistance of a neutral mediator, do not resolve the dispute within the forty-five (45) day period, the parties may proceed in accordance with paragraph (C) below.

C. After exhausting the procedures set forth above, either party may initiate litigation to resolve the dispute. The Law of the State of Texas shall control the matter in controversy. Venue is mandatory in Hidalgo County, Texas.

SECTION XVIII
ASSIGNMENT

In the event Edinburg or McAllen breaches any of the terms of this Agreement whereby the party not in default employs attorneys to protect its rights hereunder and prevails, then the defaulting party agrees to pay the other party reasonable attorney's fees so incurred by such other party.

SECTION XIX
FORCE MAJEURE

Neither Edinburg nor McAllen shall be required to perform any term, condition or covenant in this Agreement so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Edinburg or McAllen, and which by the exercise of due diligence Edinburg or McAllen is unable, wholly or in part, to prevent or overcome.

SECTION XX.
ENTIRE AGREEMENT

This Agreement contains the entire contract between the parties hereto and each party acknowledges that neither has made (either directly or through any agent or representative) and representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by Edinburg and District, and not otherwise.

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

CITY OF McALLEN

By: _____
Roel Rodriguez, P.E., City Manager

ATTEST:

By: _____
Perla Lara, TRMC/CMC, CPM
City Secretary

APPROVED AS TO FORM:

By: _____
Gary Henrichson, Deputy City Attorney

CITY OF EDINBURG

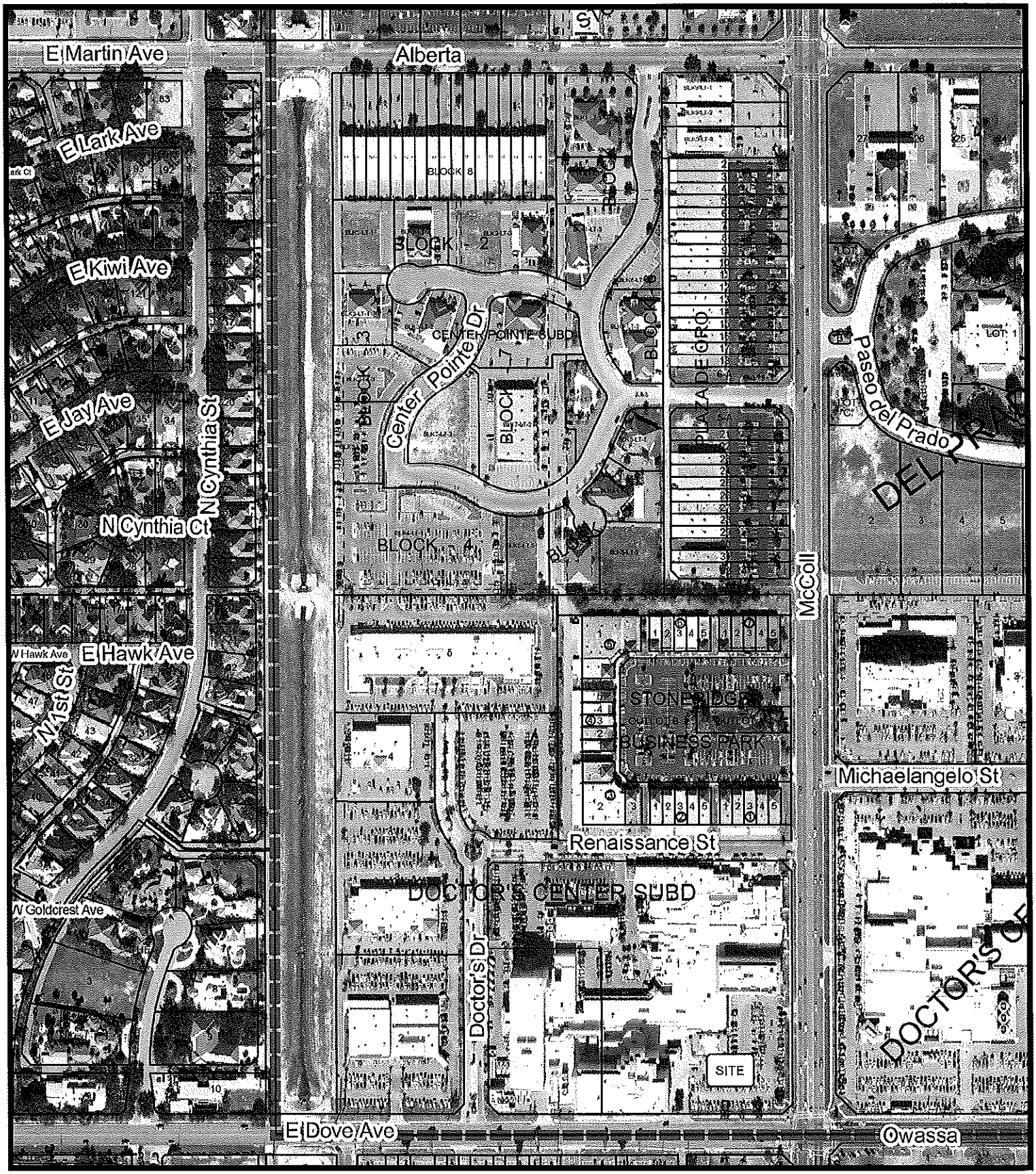
By:_____
Richard M. Hinojosa, City Manager

ATTEST:

By: _____
Myra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:
PALACIOS GARZA & THOMPSON, P.C.

By:_____
City Attorney



AERIAL SITE MAP

THE CITY OF EDINBURG

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 03, 2016

Consider Authorizing the City Manager to Appropriate Funds from the Fiscal Year 2015-2016 General Fund for the Agreement Between the City of Edinburg and Dannenbaum Engineering Regarding the Bert Ogden Arena Project Pursuant to RFQ No. 2015-003, Consultant Services for Construction Project Management. [Sonia Marroquin, Assistant City Manager]

****

STAFF COMMENTS AND RECOMMENDATION:
On August 18, 2015 City Council approved and authorized the City Manager to negotiate an agreement with Dannenbaum Engineering regarding Consultant Services for Construction Project Management for the Bert Ogden Arena Project. City staff advised Council at that time that approval would require an appropriation of funds. On September 15, 2015, City Council approved the agreement with Dannenbaum Engineering for construction project management services in a total amount not to exceed $478,439.11. The proposed funding source for Dannenbaum's services was originally intended to be obtained from the sale of Certificate of Obligation Bonds. However, upon further review by the City's Bond Counsel, it was determined that proceeds from the sale of CO's could not be used to fund construction management services.

As of April 28, 2016, Dannenbaum Engineering has received payment in the amount of $48,682.08. An additional invoice in the amount of $36,488.92 is pending payment.

In order for the City to continue with the Dannenbaum Engineering Agreement, an appropriation in the amount of $478,439.11 from the 2015-16 FY General Fund Operating Budget will be required.

RECOMMENDATION:
Approve Authorizing the City Manager to Appropriate Funds from the Fiscal Year 2015-2016 General Fund for the Agreement Between the City of Edinburg and Dannenbaum Engineering Regarding the Bert Ogden Arena Project Pursuant to RFQ No. 2015-003, Consultant Services for Construction Project Management.

REVIEWED BY: **PREPARED BY:**

Â
/s/ Ricardo Palacios by CP
Ricardo Palacios
CityAttorney

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Ascencion Alonzo
Ascencion Alonzo
Director of Finance

/s/Sonia Marroquin
Sonia Marroquin
Assistant City Manager

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

EDINBURG MUNICIPAL COURT

Municipal Judge
Toribio "Terry" Palacios

Municipal Court Clerk
Maribel E. Velasquez

EXHIBIT "D"

DATE: May 5, 2016

TO: Ascencion Alonzo, Director of Finance

FROM: Maribel Velasquez, Court Administrator

RE: Mid-Year Appropriations
2015 – 2016 Fiscal Year

The Municipal Court Department has incurred additional expenses this fiscal year:

P160303	Laser Labs Inc.	01-5032-04300-00	$161
P160058	Tyler Technologies Inc.	01-5034-04550-00	$1,200
P160372	Tyler Technologies Inc.	01-5034-04550-00	$980
Check Req.	Tyler Technologies Inc.	01-5034-04550-00	$13,300

I am requesting the total amount ***($15,641)*** to be funded from the Municipal Court Technology Fund ***(Account No. 53-0000-20152-00)***.

SPO172094	Glick Twins	01-5032-04390-00	$89.90
SPO172097	VSL	01-5032-04390-00	$748
SPO172098	Academy	01-5032-04390-00	$679.98
Check Req.	Texas Marshal Asso.	01-5035-04780-00	$100
Check Req.	The Productivity Center	01-5035-04780-00	$156

I am requesting the total amount ***($1,773.88)*** to be funded from the Municipal Court Security Fund ***(Account No. 01-4068-06319-00)***.

Check Req.	Cummins Allison	01-5034-04550-00	$316

I am requesting the total amount ***($316)*** to be funded from the Municipal Court – Time Payment Fee Fund ***(Acct No. 01-4068-06318-00)***.

P160893	Innocorp LTD	01-5032-04300-00	$690

I am requesting the total amount ***($690)*** to be funded from the Municipal Court – Truancy & Prevention Fund/City Fee Fund ***(Acct. No. 53-4068-06302-00)***.

Please credit to the appropriate account.

Should you require additional information or have any questions, please call me.

1702 South Closner Blvd. • Edinburg, Texas 78539 • Tel. (956) 289-7797

INTERDEPARTMENTAL MEMORANDUM

Boys & Girls Clubs of Edinburg RGV
P.O. Box 1079
Edinburg, Texas 78540

Date: May 4, 2015

To: Ascension Alonzo, Director of Finance

From: Sabrina Walker-Hernandez, CPO

Subject: 2015-2016 Mid -Year Appropriation

Boys & Girls Clubs of Edinburg RGV have received funding from CBDG in the amount of $36,750.00 for a door installation and control access control system. The cost of the project exceeds the CDBG award. At the Wednesday, April 13, 2016 board meeting the board approved to secure the remaining portion of $7,875.35 to complete the project from the fund balance.

The account number to be used on the purchase requisition will be 72-5376-04860-00 Capital Outlay-Structure.

If you have any questions or need further information please do not hesitate to contact me at 956.383.2582 (office) or 956.453.3677 (cell).

Cc: Sandra Aguirre
Pete Garza

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Ordinance Providing for a Temporary Special Use Permit and a Request for Waiver of Fees for a Special Event, "Champ Returns to his Heritage Boxing Event" to be Held May 27, 2016, at the Edinburg Municipal Park, Being the South Half of Lot 11, Section 268, Texas-Mexican Railway Company Survey, Located at the Intersection of Raul Longoria Road and East Sprague Street, as Requested by Mr. Manuel Garza [Jesus R. Saenz, Director of Planning and Zoning]
****

STAFF COMMENTS AND RECOMMENDATION:
The applicant, Mr. Manuel Garza, is requesting a Temporary Special Use Permit for the "Champ Returns to His Heritage Boxing Event" to be held on Friday May 27, 2016 at Edinburg Municipal Park. In processing the request, a Waiver Fees is being requested by the applicant. This request is being coordinated through the Parks and Recreation, Public Works, Code Enforcement, Engineering, Solid Waste, Fire, and Police Departments.

RECOMMENDATION:
The Planning and Zoning Staff recommends approval of the Temporary Special Use Permit for a Special Event the "Champ Returns to His Heritage Boxing Event" to be held from May 27, 2016 with the conditions that the event meets all City requirements. The Waiver of Fees will be at the City Council's discretion.

	REVIEWED BY:	**PREPARED BY:**
/s/Richard M. Hinojosa	/s/ Ricardo Palacios by CP	/s/Jesus R. Saenz
Richard M. Hinojosa City Manager	Ricardo Palacios CityAttorney	Jesus R. Saenz Planning and Zoning Director

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

_____	_____	_____	_____	_____
Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

MEETING DATES:
CITY COUNCIL – 05/17/16
DATE PREPARED – 05/05/16

STAFF REPORT
GENERAL INFORMATION

APPLICATION:	Temporary Special Use Permit for "The Champ Returns to His Heritage Boxing Event"
APPLICANT:	Mr. Manuel Garza
AGENT:	N/A
LEGAL:	South half of Lot 11, Section 268, Texas-Mexican Railway Company Survey
LOCATION:	At the intersection of Raul Longoria Road and East Sprague Street
LOT/TRACT SIZE:	N/A
CURRENT USE OF PROPERTY:	Edinburg Municipal Park
PROPOSED USE OF PROPERTY:	Amature Boxing Event/Motivational Speech
EXISTING LAND USE/ ADJACENT ZONING:	North - Park; Suburban Residential (S) District South – Park; Suburban Residential (S) District East - Outside City Limits West - Residential; Neighb. Conserv. 5 (NC5) Dist.
LAND USE PLAN DESIGNATION:	Park
ACCESS AND CIRCULATION:	This property has access onto Raul Longoria Road, a four (4) lane principal arterial roadway and Sprague Street, a two (2) lane collector roadway
PUBLIC SERVICES:	Public utilities serve the site.
RECOMMENDATION:	Staff recommends approval of the Temporary Special Use Permit. A comprehensive evaluation is on the following page(s).

TEMPORARY SPECIAL USE PERMIT

MR. MANUEL GARZA

EVALUATION AND CONDITIONS FOR APPROVAL

The following is the staff's evaluation and conditions for approval of this application.
The Champ Returns to his Heritage Boxing Event consists of an amature boxing event and motivational speech for a charitable organization.

1. **Duration:** The proposed days and hours requested by the applicant are as follows:
   Saturday May 27, 2016 from 5:00 pm to 10:30 pm

   The days and hours of operation must meet Section 130.22 Curfew Hours of the Code of Ordinances.

2. **Access Control:** The main access for this event will be from Sprague Street.

3. **Security Services:** Security services are not required as the scope of the event does not warrant this service provision.

4. **Sanitation:** The applicant requested plastic containers be provided for the event.

5. **Electric and Lighting:** The Event organizer will provide additional lighting if necessary near the pavilion. The applicant will set up a Boxing Ring and PA system which will need to be inspected by the Fire Marshal's office.

6. **Noise:** The event will have no live band and the only sound generation will be by PA system which will be situated away from World Birding Center.

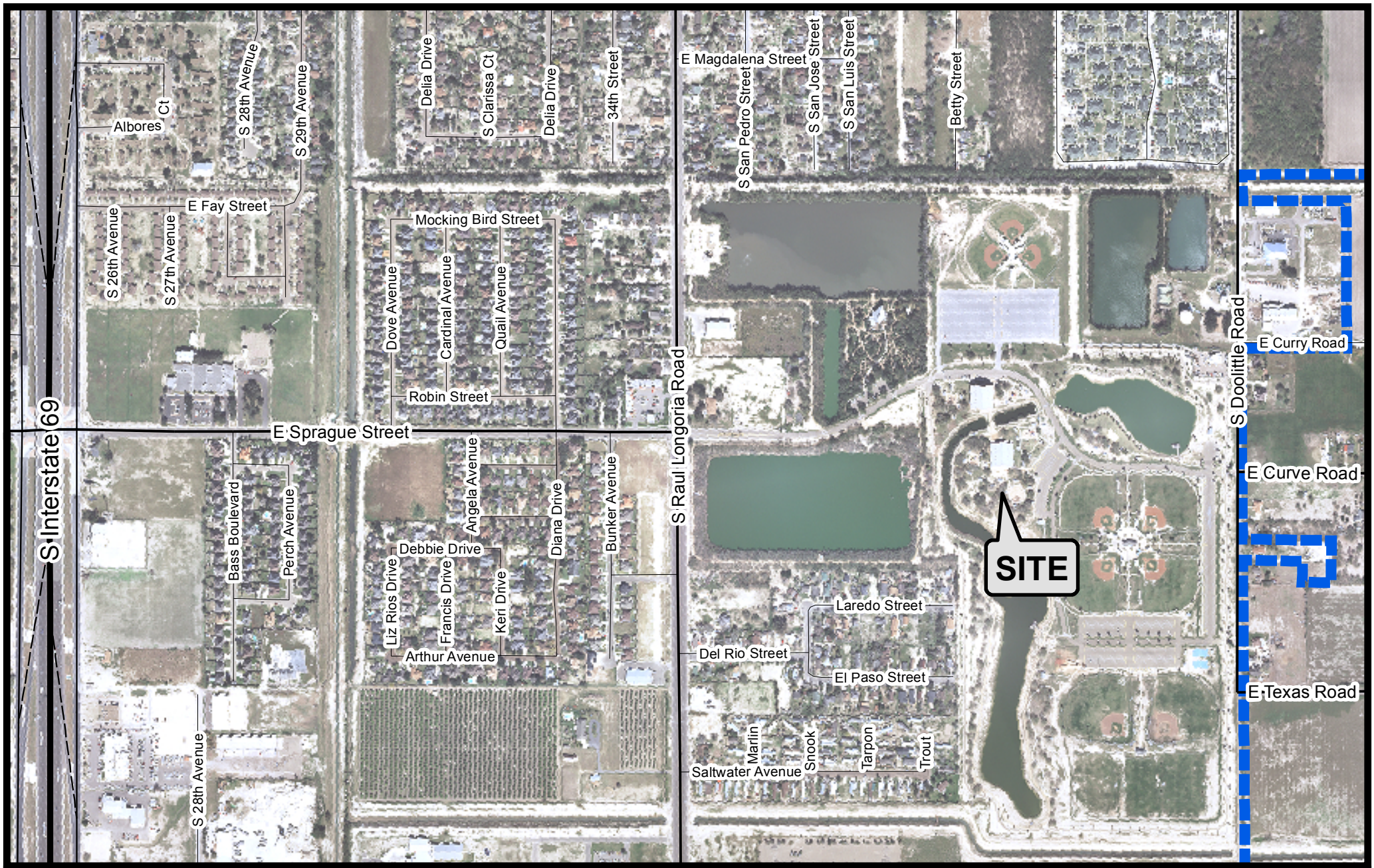
7. **Site Restoration:** The Champ Returns to His Heritage Boxing Event event staff will be responsible for restoring the park to its original condition.

8. **Liability Insurance:** The City is provided with and is included as an added insured in the liability insurance carried by the applicant.

9. **Indemnity:** The City is indemnified by the applicant of all liability in accordance with the provisions set out in a Hold Harmless Agreement between the applicant and the City.

10. **Health Permit:** A temporary health permit for food vendors is required for vendors selling consumable items.

ATTACHMENTS: Site Map
Aerial Photo
Hold Harmless Agreement
Ordinance



Legend

City Limits

EDINBURG MUNICIPAL PARK

N

THE CITY OF EDINBURG

4/11/16

R. Hinojosa
Edinburg City Manager
415 W. University Drive
Edinburg, TX. 78541

Re: 5/27/16 Champ Returns to his Heritage non-profit Event
at Edinburg Municipal Park (north Pavilion)

Dear Mr. Hinojosa,

My name is Manuel Garza, long time city resident and event coordinator. As per recommendations of yesterday's meeting at Zoning & Planning with city's Dept representatives from Edinburg Police Dept, Fire Marshall, City Health Inspector, Solid Waste Management and Parks & Recreation with no objections pending final approval from the city council.

Event is a non-profit event and its primary purpose is to motivate & encourage young people and adults at large while at the park to "Dream, Believe & Achieve"; to set goals, self-discipline, exercise and stay out of drugs to reach their dreams. Champ Returns to his Heritage & Fight House Boxing Gym partnered to bring live boxing matches (amateur) as the primary venue with Special Guest: Hall of Fame inductee & WBA World Champion Loreto Garza. This is a free event to the people at large. The only charge will be the ring side seats to help offset the cost of USA Boxing sanction fee, ring rental, title belts, trophies, etc. I was instructed to write letter to city Manager / City Council requesting approval & if city could help with this event as follows:

- Requesting permission to utilize north pavilion at the Edinburg Municipal Park
- Requesting permission to borrow chairs and bleachers & crowd control barriers & traffic barricades (only around boxing ring & pavilion)
- Requesting event fees waived (city fees, pavilion fee, police officer fee, fire marshal fees, solid waste fee, chairs & bleachers fees)
- Permission to place a banner for advertising of coming event to the park

"we cannot always build a future for our youth, but we can build our youth for the future"
Franklin Rooselvelt

Inspiring one child or young person will be worth our time. Your assistance to this endeavor is greatly appreciated.

Sincerely,

Manuel Garza
Event Coordinator

"CHAMP RETURNS"
LORETO GARZA

LIVE BOXING

(amateur fights)

brought to you by:

"Fight House Boxing Gym"

&

Champ Returns to his Heritage

Special Guest Speaker: Loreto Garza WBA Champion

"Dream, Believe & Achieve"

*Golden Gloves Winner
*WBA World Jr. Welter Champion
*WBC Continental Light Welter Champion
*USBA Jr. Welter Champion
*Sacramento Sports Hall of Fame Inductee
*California Sports Hall of Fame Inductee

32-2-1

(28 by knockout)

5/27/16

EDINBURG MUNICIPAL PARK

714 s Raul Longoria Rd

5pm

"Champ returns to his Heritage / Roots at RGV"
"Main Event"

"Dream, Believe, Achieve"

Location: Edinburg Municipal Park 714 S Raul Longoria Rd, Edinburg, TX 78542

May 27th 2016 5pm

Loreto Garza, WBA Champ and Hall of Fame inductee will be speaking at the Edinburg Municipal Park as an inspirational speaker. Loreto is a winner of the Golden Gloves, WBA Champ, WBC Champ, USBA Jr. Welter Champ. Professional boxing record of 32-2-1 (28 by knockout)

Purpose for this event is to provide a positive message & encouragement to young people as they finish their school year into summer school

- message to "believe in yourself and reach your goals"
- message about discipline
- message about wellness & exercise
- message about nutrition
- message about to say "no" to drugs

*Amateur fights scheduled following Loreto's speech sponsored by "Fight House Boxing" Gym

Promotion will be done by radio interviews, flyer distribution, promotional items, social media, etc.

STATE OF TEXAS §

HOLD HARMLESS AGREEMENT

COUNTY OF HIDALGO §

CITY OF EDINBURG

This agreement is entered into this 17th day of May, 2016, by and between CITY OF EDINBURG, Hidalgo County, Texas, hereinafter called City, and MANUEL GARZA, Edinburg, Hidalgo County, Texas, hereinafter called Indemnitor.

WITNESSETH:

I.

INDEMNITY

Mr. Manuel Garza, shall indemnify, hold harmless and defend City, its agents and employees, from and against any and all claims, demands, actions, suits or proceedings for damages resulting from the temporary special use permit granted May 17, 2016 for the live boxing event & positive message to youth "Champ Returns to his Heritage" to be held on May 27, 2016, from 5:00 p.m. – 8:00 p.m. at the Edinburg Municipal Park, being the north half of Lot 11, Section 268, Texas-Mexican Railway Company Survey, located at 714 South Raul Longoria Road, Edinburg, Hidalgo County, Texas. Mr. Manuel Garza shall indemnify, hold harmless and defend City, from liability or costs, including court costs and attorney's fees resulting from any and all claims, demands, suits, actions or proceedings of any kind or nature, in any way resulting form or arising out of the granting of a temporary special use permit on May 17, 2016, for the live boxing event & positive message to youth "Champ Returns to his Heritage" to be held on May 27, 2016 from 5:00 p.m. – 10:30 p.m. at the Edinburg Municipal Park, located at 714 South Raul Longoria Road, Edinburg, Hidalgo County, Texas.

EXECUTED this the 17th day of May, 2016.

CITY OF EDINBURG

APPROVED AS TO FORM

PALACIOS, GARZA & THOMPSON, P.C. By: _____
Richard M. Hinojosa, City Manager

By: _____
City Attorney

Indemnitor(s)

By: _____
Manuel Garza

JRS/dmg-contracts\live boxing event-champ returns to his heritage-5-17-16

ORDINANCE NO. _____

AN ORDINANCE GRANTING A TEMPORARY SPECIAL USE PERMIT FOR A LIVE BOXING EVENT & POSITIVE MESSAGE TO YOUTH "CHAMP RETURNS TO HIS HERITAGE" AND WAIVER OF FEES TO BE HELD FRIDAY, MAY 27, 2016 AT THE EDINBURG MUNICIPAL PARK, BEING THE SOUTH HALF OF LOT 11, SECTION 268, TEXAS-MEXICAN RAILWAY COMPANY SURVEY, LOCATED AT 714 SOUTH RAUL LONGORIA ROAD, EDINBURG, HIDALGO COUNTY, TEXAS, AS PROVIDED IN ARTICLE 2.511 OF THE CITY OF EDINBURG UNIFIED DEVELOPMENT CODE, PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIVER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

WHEREAS, Manuel Garza, has applied for a Temporary Special Use Permit under Article 2.511 of the Unified Development Code of the City of Edinburg, Texas for a live boxing event & positive message to youth "Champ Returns to his Heritage"; and

WHEREAS, this type of activity is prohibited by said Zoning Ordinance unless a Temporary Special Use Permit is granted; and

WHEREAS, the City Council of the City of Edinburg may by an affirmative two-thirds' (2/3) vote grant by a temporary special use permit the location of this type of activity in any zoning district, but not within three hundred (300) feet of any Residential District;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, AS FOLLOWS:

SECTION I. AUTHORITY OF LAW: All requirements of the law have been met in the passing of this Ordinance.

SECTION II. That a Temporary Special Use Permit under Article 2.511 of the Unified Development Code of the City of Edinburg, Texas, be granted to Manuel Garza a live boxing event & positive message to youth "Champ Returns to his Heritage", to be held on the south half of Lot 11, Section 268, Texas-Mexican Railway Company Survey, located at 714 South Raul Longoria Road, with the following conditions:

1. **Duration:** The proposed days and hours requested by the applicant are as follows:

   Friday – May 27, 2016 – 5:00 p.m. to 10:30 p.m.

   A tentative itinerary and proposal is attached for the Council's Review.

   The days and hours of operation must meet Section 130.22 Curfew Hours of the Code of Ordinances.

2. **Access Control:** The main access for this event will be from Raul Longoria Road and Doolittle Road. No parking will be allowed at the World Birding Center parking lot.

3. **Security Services:** Security services are provided by off-duty city police officers until the time of closing of the carnival operation.

4. **Sanitation:** The applicant must provide roll-off containers from the Solid Waste Department for this event.

5. **Electric and Lighting:** Edinburg Municipal Park Lighting is sufficient for the event. If any additional lighting is required the applicant is responsible to provide this lighting.

6. **Noise:** The applicants have been made aware that all sound equipment must be situated in a manner not to adversely affect the World Birding Center.

7. **Site Restoration:** The applicants will maintain and clear the property.

8. **Liability Insurance:** The City is provided with and is included as an added insured in the liability insurance carried by the applicant.

9. **Indemnity:** The City is indemnified by the applicant of all liability in accordance with the provisions set out in a Hold Harmless Agreement between the applicant and the City.

10. **Health Permit:** A temporary health permit for food vendors must be obtained through the Code Enforcement Division if food and beverages will be provided at the event.

SECTION III. 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.

SECTION IV. SAVINGS CLAUSE: 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 Council 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 V. PUBLICATION AND EFFECTIVE DATE: This Ordinance shall take effect immediately upon its passage and publication according to law.

SECTION VI. CODIFICATION: That this Ordinance shall not be published in the Code of Ordinances of the City of Edinburg, Texas, as it is not amendatory thereof.

SECTION VII. WAIVER CLAUSE: This requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

READ, CONSIDERED, PASSED AND APPROVED on this first reading at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present and which was held in accordance with V.T.C.A., Government Code, Section 551.041, on the 17th day of May, 2016.

CITY OF EDINBURG

By: _____
Richard H. Garcia, Mayor

ATTEST:

By: _____
Myra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:

PALACIOS, GARZA, & THOMPSON, P.C.

By: _____
City Attorney

JRS/dmg-ordinances/sup-live boxing event & positive message to youth-5-17-16

AWARDING OF BIDS

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Awarding Bid No. 2016-79, Crushed Wood Surfacing, to The PlayWell Group, Inc. in the Amount of $26,976.74. [Joe Filoteo Jr., Director of Parks & Recreation]

****

STAFF COMMENTS AND RECOMMENDATION:
On Monday, April 18, 2016, bid were opened for Bid No. 2016-79, Crushed Wood Surfacing. Two (2) bids were received and opened. A review and tabulation of the bids revealed The PlayWell Group, Inc. as the lowest bidder meeting specifications at $26,976.74.

The bid consists of the purchase of 800 cubic yards of crushed wood surfacing. Crushed wood surfacing will be placed on all of the protective or fall zone areas of our playscapes throughout the park system.

Funding is available within the 2015-16 Fiscal Year General Fund Operating Budget. Staff has verified that no delinquent taxes or monies are owed to the City of Edinburg by The PlayWell Group, Inc. The City has purchased equipment and materials from The PlayWell Group Inc. in previous years.

RECOMMENDATION:
Approve Awarding Bid No. 2016-79, Crushed Wood Surfacing, to The PlayWell Group, Inc. in the Amount of $26,976.74.

REVIEWED BY:

PREPARED BY:
Luis Rodriguez, Parks Operations Manager

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Ascencion Alonzo
Ascencion Alonzo
Director of Finance

/s/Joe Filoteo
Joe Filoteo
Director of Parks and Recreation

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

_____	_____	_____	_____	_____
Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

BID RECOMMENDATION FORM

Title: Crushed Wood Surfacing
Bid No.: 2016-79
Date Opened: 18-Apr-16

			Park Place Recreation Design, Inc.		The PlayWell Group			
ITEM	QUANTITY	DESCRIPTION OF GOODS OR SERVICES	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE
1	800 cy	Crushed wood surfacing	$34.12	$27,296.00	$33.720925	$26,976.74		
		SUBTOTAL.		$27,296.00		$26,976.74		
		NET TOTAL.						
		TERMS.						
		DELIVERY						

RECOMMENDATION:

Award: Award Bid to The PlayWell Group, Inc. the lowest bidder meeting specifications in the amount of $26,976.74.

Department: Parks & ROW
Budgeted Amount Available: $30,000
Additional Funds Required: $0.00
Prepared By: Luis A. Rodriguez, Parks Operation Manager

DISCLAIMER:

The above bid recommendation is made by Department Directors and the final award is subject to City Council approval.

THE CITY OF EDINBURG

NOTICE TO BIDDERS

The City of Edinburg is soliciting sealed bids to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Bids will be received until **3:00 p.m. Central Time**, on **Monday, April 18, 2016**, shortly thereafter all submitted bids will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any bid received after the closing time will not be accepted and will be returned to the bidder unopened. It is the responsibility of the bidder to see that any bid submitted shall have sufficient time to be received by the City Secretary's Office prior to the bid opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the bids. Bids will not be accepted by telephone or facsimile machine. All bids must bear original signatures and figures. The Bid shall be for:

BID NO. 2016-79
CRUSHED WOOD SURFACING

Bidders receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of: LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-1895 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this bid, please contact Mr. Luis A. Rodriguez, Director of Community Services at (956) 292-2109.

If Hand-delivering Bids: 415 West University Drive,
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
C/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Bids: City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all bids and to waive any or all formalities or technicalities and to accept the bid deemed most advantageous to the City, and hold the bids for a period of **60** days without taking action.

Bids must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the bid envelope with corresponding bid number and title.

CITY OF EDINBURG
INSTRUCTIONS TO BIDDERS

DEVIATION FROM SPECIFICATION

Please read your specifications/requirements thoroughly and be sure that the SERVICES offered comply with all specifications/requirements. Any variation from the specifications/requirements must be clearly indicated by letter attached to your bid referencing variations on a point-by-point basis. If no exceptions are noted, and you are the successful bidder, it will be required that the SERVICES be provided as specified.

PURPOSE

1. The purpose of these specifications/requirements and bidding documents is for the purchase of **CRUSHED WOOD SURFACING** for the City of Edinburg.

2. The SERVICES to be furnished under this bid shall be as specified in these bid documents. All specifications/requirements shown are minimum. There is no intention to disqualify any bidder who can meet these specifications/requirements.

SUBMITTAL OF BID

Bids will be submitted in sealed envelopes upon the blank bid form attached hereto. Submit two (2) complete sets of the bid, one (1) original marked "**ORIGINAL,**" and one (1) copy marked "**COPY**". Each bid must be completely filled out and **SUBMITTED IN ORIGINAL FORM**, complete with all supporting documentation. Bids submitted by facsimile (fax) or electronically will **NOT** be accepted. Submittal of a bid in response to this solicitation for Bids constitutes an offer by the Bidder. Bids which do not comply with these specifications/requirements may be rejected at the option of the City. Bids must be filed with the City of Edinburg, before opening day and hour. No late Bids will be accepted. They will be returned to Bidder unopened (if properly identified).

If Hand-delivering Bids:	415 West University Drive, c/o City Secretary Department (1st Floor)
If using Land Courier (i.e., FedEx, UPS):	415 West University Drive, c/o City Secretary Department (1st Floor), Edinburg, Texas 78541
If Mailing Bids:	P.O. Box 1079, Edinburg, TX 78540-1079

PREPARATION OF BID

Bids MUST give full firm name and address of bidder, and be manually signed. Failure to do so will disqualify your bid. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT.

Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent/Bidder whether corporation, partnership, or individual, shall also be stated in the bid. A corporation shall execute the bid by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent/Bidder shall give full names and addresses of all partners. All partners shall execute the bid. Partnership and Individual Respondent/Bidder shall state in the bid the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent/Bidder, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

ALTERATIONS/AMENDMENTS TO BID

Bids **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after opening time without acceptable reason in writing and

INSTRUCTIONS TO BIDDERS (Continued):

SALES TAX
State sales tax must not be included in the bid.

SUBSTITUTIONS
No substitutions or cancellations will be permitted without written approval of City of Edinburg.

NO BID RESPONSE
If unable to submit a bid, bidder should return inquiry giving reasons.

EXCEPTIONS
Any additions, deletions, or variations from the following specifications/requirements must be noted. The bidder shall attach to his/her bid sheet a list of any exceptions to the specifications/requirements if unable to do so, on specification sheet.

BRAND OR MANUFACTURER REFERENCE
Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Bids on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

DELIVERY
Number of days required to deliver SERVICES after receiving order must be stated in the bid. Failure to so state will obligate bidder to complete service delivery within ONE day.

DELAY IN SERVICE DELIVERY
When delay can be foreseen, Bidder shall give prior notice to City of Edinburg. Bidder must keep City of Edinburg advised at all times of status of order. Default in promised service delivery (without acceptable reasons) or failure to meet specifications/requirements, authorizes the City of Edinburg to purchase such SERVICES elsewhere and charge increase in cost to defaulting vendor. Acceptable reasons for delayed delivery are as follows: Acts of God (floods, tornadoes, hurricanes, etc.), acts of government, fire, strikes, war; Actions beyond the control of the successful bidder.

SERVICE DELIVERED PRICING
Bids in units of quantity specified - extend and show total. In the event of discrepancies in extension, unit prices will govern. Bids subject to unlimited price increase will not be considered.

VALID BID TIME FRAME
The City may hold bids 60 days after bid opening without taking action. BIDDERS shall be required to hold their Bids firm for the same period of time.

RIGHT TO REJECT/AWARD
The City of Edinburg reserves the right to refuse and reject any or all Bids, and to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

INSTRUCTIONS TO BIDDERS (Continued):

MULTIPLE VENDOR CONTRACTS

Bidders are advised that the City of Edinburg may award Service Contracts to multiple vendors based on low bid per item basis. All items specified on the "Bid Form" **must** reflect the individual unit prices. The City of Edinburg reserves the right to award all items individually or in any combination thereof.

INDEMNIFICATION CLAUSE

The Bidder agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

ADDENDA

Bidder shall carefully examine the bid forms, specifications/requirements, and instructions to Bidders. Should the bidder find discrepancies in, or omissions from bid forms, specifications/requirements, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Agent (Edinburg City Hall, 956-388-8972) and obtain clarification by addendum prior to submitting any bid. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda which shall become a part of the Contract documents. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective Bidders. All Addenda issued in respect to this project shall be considered official changes to the original bid documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative nor binding. It shall be the Bidder(s) responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, Bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the bidder's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any bidder to receive any such addendum or interpretation shall not relieve such Bidder from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at www.cityofedinburg.com.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been provided and invoiced. No other method of payment will be considered.

SYNONYM

Where in this bid package ITEMS OR SERVICES is used, its meaning shall refer to the purchase of CRUSHED WOOD SURFACING as specified.

ASSIGNMENT

Neither the Bidder's contract nor payment due to an awarded vendor may be assigned to a third party without the written approval of the Purchasing Department for the City of Edinburg.

BIDDER'S EMPLOYEES

Neither the Bidder nor his/her employees engaged in fulfilling the terms and conditions of this Purchase Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INSTRUCTIONS TO BIDDERS (Continued):

INTERPRETATIONS

Any questions concerning the conditions and/or specifications/requirements with regards to this solicitation for Bids shall be directed to the designated individuals as outlined in the Request for Bids. Such interpretations, which may affect the eventual outcome of this request for Bids, shall be furnished in writing to all prospective Bidders via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "Addenda".

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Bidder to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

RIGHT TO WAIVE

City of Edinburg reserves the right to waive or take exception to any part of these specifications/requirements when in the best interest of the City of Edinburg.

COOPERATIVE PRICING

Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold bids **60** days after the opening of Bids without taking action. Bidders are required to hold their Bids firm for same period of time.

PREPARATION OF BID

The City of Edinburg shall not be held liable for any costs incurred by any bidder for work performed in the preparation of and production of a bid or for any work performed prior to execution of contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the bidder should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the bidder may not be considered confidential under Texas Law, or pursuant to a Court order.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Vendor on contract.

INSTRUCTIONS TO BIDDERS (Continued):

MATHEMATICAL ERRORS
In the event that mathematical errors exist in any bid, unit prices/rates -v- totals, unit prices/rates will govern.

AUDIT
The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

PAST PERFORMANCE
Vendor's past performance shall be taken into consideration in the evaluation and award of Service Contract for the Purchase of SERVICES.

JURISDICTION
Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

VENUE
The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST
CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE
Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)
In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a

INSTRUCTIONS TO BIDDERS (Continued):

contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

AWARD

For purposes of this project, award will be contingent on approval of budget.

SPECIAL CIRCUMSTANCES

In the event that the City of Edinburg has an immediate need for a particular service(s) that is/are on contract and the

successful vendor on contract is not able to meet the special service delivery needs of the City of Edinburg, the City of Edinburg reserves the right to purchase such services elsewhere to fulfill its' immediate need.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, if the City is being repeatedly over charged, improperly charged, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice. The bidder shall be afforded the same right to terminate this contract in the same manner.

INSURANCE REQUIREMENTS

Staff may waive insurance requirements for contracts $0 - $4,999.99, including but not limited to contracts for food, materials, supplies, and construction. Workers' Compensation in amounts which satisfy statutory coverage shall be required for construction projects.

The following insurance requirements will be included in all City contracts of $5,000 - $14,999.99. In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim.

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Comprehensive General Liability (City named as additional insured) Bodily Injury	$250,000 each person/$500,000 each occurrence
Property Damage	$100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

The following insurance requirements will be included in all City contracts of $15,000 or more.

(1) The successful bidder will be required to carry the following insurance coverage and limits of coverage, as well as list the City as an additional insured to liability coverage as requested by the City. In addition, the successful bidder shall provide the City with evidence of coverage and furnish acceptable proof of payment of

INSTRUCTIONS TO BIDDERS (Continued):

insurance premiums.

(2) The successful bidder will be required to secure and/or have insurance coverage in force with an admitted property and casualty insurance company licensed by the State of Texas to conduct business in the State of Texas.

(3) In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim.

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Employer's Liability	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $100,000 each employee/$500,000 policy limit
Comprehensive General Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
Comprehensive Auto Liability Bodily Injury Property Damage	 $100,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
City's Protective Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

Policies must name the City of Edinburg as an Additional Insured.
Certificates of insurance naming the CITY as an additional insured shall be submitted to the CITY for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the CITY prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence that adequate replacement coverage is

INSTRUCTIONS TO BIDDERS (Continued):

provided to the CITY. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, the Contract shall automatically terminate.

BID BOND INFORMATION – *CONSTRUCTION PROJECTS ONLY*

If the contract amount is over twenty-five-thousand dollars ($25,000) for construction of the project, the successful bidder shall provide a bid guarantee, give a good and sufficient bond in the full amount of the contract price for the faithful performance of such contract, executed by a surety company authorized to do business in the State of Texas, in accordance with Article 5160, Vernon's Texas Civil Statutes, and amendments thereto. A payment bond in the full amount of the contract price to assure payment shall be required by law of all persons supplying labor and material in the execution of the project provided for in the contract documents.

A bid guarantee equivalent to five percent (5%) of the bid price will be required from each bidder. The "bid guarantee" shall consist of a firm commitment, such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his/her bid, execute such contractual documents as may be required within the time specified.

A performance bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

A payment bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in execution of the work provided for in the contract documents.

CITY OF EDINBURG
REQUEST FOR BIDS FOR
CRUSHED WOOD SURFACING

BID NO. 2016-79

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

It is the intent of this Request for Bids to describe and ultimately make it possible for the City of Edinburg to purchase the below mentioned **CRUSHED WOOD SURFACING.**

GENERAL REQUIREMENTS AND AGREEMENT FOR CRUSHED WOOD SURFACING

1. **INSTRUCTIONS:** The specifications herein describe the minimum acceptable quantities and product requirements for **CRUSHED WOOD SURFACING** for the City of Edinburg. Bidders are to have thoroughly read and understood these specifications prior to bid submission. Bidders must submit delivery time and date for supplies requested. Bidders which fail to meet specifications will not be considered

ESTIMATED QUANTITIES NOT GUARANTEED: The estimated quantities specified herein are not a guarantee of actual quantities, as the City does not guarantee any particular quantity of **CRUSHED WOOD SURFACING** to be purchased. The quantities may vary depending upon the actual needs of the department. The quantities specified herein are good faith estimates of **CRUSHED WOOD SURFACING** to be purchased upon availability of funds. **(The City of Edinburg reserves the right to purchase any part or all quantities as deemed necessary.)**

2. SPECIFICATIONS:

Approximately 800 cubic yards of crushed wood surfacing. Hauling of crushed wood surfacing should be included in the price.
- wood surfacing made up of virgin wood fibers
- must be non-toxic, free of bark and organic material
- tested in accordance with ATSM standard F 1292, at the critical height of 13 feet
- tested to be handicapped and wheel chair (ADA) accessible
- included warranty period
- Installation of crushed wood fiber to protective playscape areas will be performed by City Staff.

Please include sample if possible. Should you have any question please call Luis A. Rodriguez, at 956-292-2109.

copy

CITY OF EDINBURG
BID FORM FOR
CRUSHED WOOD SURFACING

BID NO. 2016-79

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in ORIGINAL FORM for CRUSHED WOOD SURFACING according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☐ BUYBOARD ☐ H-GAC ☐ TXMAS ☐ DEALER/LOCAL
☐ TX DIR ☐ TFC ☐ OTHER _____
Specify

CONTRACT NUMBER: _____ (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	ESTIMATED QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	800 C.Y.	CRUSHED WOOD SURFACING delivered price	$33.720925	$26,976.74

Note: The City reserves the right to consider each group as a separate bid and award any or all, whichever may be more advantageous to the City. The City reserves the right to increase or decrease the quantities depending on availability of funds.

Delivery- 7-14 day advance notice

Copy

BID FORM FOR CRUSHED WOOD SURFACING (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes _____ No X

Has the Company ever conducted business with the City of Edinburg? Yes X No _____

Respectfully submitted this 18th day of April, 2016.

SIGNATURE: [signature]

TYPE/PRINT NAME: Dan Libby

TITLE: Sales Consultant

COMPANY: The PlayWell Group

ADDRESS: 4743 Iberia Ave., Suite C
Dallas, Texas 75207

TELEPHONE NO.: 800-726-1816

FAX NO.: 800-560-9150

EMAIL: dan@playwellgroup.com

PARK PLACE
RECREATION DESIGNS, INC.
P.O. Box 18186
San Antonio TX 78218
210-821-5878 • 800-626-0238
FAX: 210-832-0115
Email: fun@miracleparkplace.com
www.miracleparkplace.com

CITY OF EDINBURG
BID FORM FOR
CRUSHED WOOD SURFACIN

BID NO. 2016-79

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in ORIGINAL FORM for CRUSHED WOOD SURFACING according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☑ BUYBOARD ☐ H-GAC ☐ TXMAS ☐ DEALER/LOCAL
☐ TX DIR ☐ TFC ☐ OTHER _____
Specify

CONTRACT NUMBER: 423-13 (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	ESTIMATED QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	800 C.Y.	CRUSHED WOOD SURFACING Kiddie Cushion by New Earth	$ 34.12	$ 27,296.00

Note: The City reserves the right to consider each group as a separate bid and award any or all, whichever may be more advantageous to the City. The City reserves the right to increase or decrease the quantities depending on availability of funds.

We are bidding Kiddie Cushion Engineered Wood Fiber. Our trucks carry 85 cubic yards. Nine (9) trucks would bring 765 cubic yards.
Specifications are attached.
SAMPLE is attached

BID FORM FOR CRUSHED WOOD SURFACING (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes _____ No ✓

Has the Company ever conducted business with the City of Edinburg? Yes ✓ No _____

Respectfully submitted this 5 day of April, 2016.

SIGNATURE: Marilyn Ahrens

TYPE/PRINT NAME: Marilyn Ahrens

TITLE: Vice President

COMPANY: Park Place Recreation Designs Inc

ADDRESS: P.O. Box 18186
San Antonio TX 78218

TELEPHONE NO.: 800. 626. 0238

FAX NO.: 210. 832. 0115

EMAIL: fun@miracleparkplace.com

BIDDER'S LIST
CRUSHED WOOD SURFACING

Park Place Recreation
P.O. Box 18186
San Antonio, Texas 78218

Webuildfun, Inc.
P.O. Box 29
Allen, Texas 75013

Playworld Systems
Spectrum Corporation
P.O. Box 750456
Houston, Texas 77275

Playwell Group
4743 Iberia Avenue, Suite C
Dallas, Texas 75207

Exerplay, Inc.
P.O. Box 1160
Cedar Crest, NM 87008

Kraftsman Playground & Park
19535 Haude Rd.
Spring, Texas 77388

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Awarding Bid No. 2016-80, Construction Material, to Frontera Materials Inc., for their Unit Price of $80.00 Per Ton of Cold Mix, and for their Unit Price of $4.00 per Ton of Crush Caliche and to Valley Caliche Products, Inc., for their Unit Price of $47.50 Per Ton of Type "D" Hot Mix and Authorize the City Manager to Enter into an Agreement Relating Thereto. [Ponciano N. Longoria P.E. C.F.M., Director of Public Works]

****

STAFF COMMENTS AND RECOMMENDATION:
The City solicited bids from qualified vendors to furnish construction materials that will be utilized throughout the City for the approved Capital Improvement Projects (CIP), Neighborhood Paving Program, and the Alley Paving Program.

On Monday, April 18, 2016, two (2) bids were received and opened for Bid No. 2016-80, Construction Material. A review and tabulation of bids revealed Frontera Materials Inc. as the lowest bidder meeting specifications for cold mix with the unit price of $80.00 per ton and for crushed caliche with a unit price of $4.00. it also revealed Valley Caliche Products, Inc., as the lowest bidder meeting specifications for hot mix with a unit price of $47.50 per ton.

Staff has verified that no monies are owed to the City of Edinburg by Frontera Materials Inc. and Valley Caliche Products, Inc. Frontera Materials Inc. and Valley Caliche Products, Inc. have been supplying the City of Edinburg with construction materials for the past twenty (20) years. Funding is available through the FY 2015-2016 Department of Public Works / Streets Division General Fund Operating Budget.

Staff notes that the bid is being awarded based on the unit price, valid through September 30, 2016 and that quantities are only an estimate, subject to increase or decrease to accommodate changes in project scope, schedules, locations, and funding.

RECOMMENDATION:
Approve Awarding Bid No. 2016-80, Construction Material, to Frontera Materials Inc., for their Unit Price of $80.00 Per Ton of Cold Mix, and for their Unit Price of $4.00 per Ton of Crush Caliche and to Valley Caliche Products, Inc., for their Unit Price of $47.50 Per Ton of Type “D” Hot Mix and Authorize the City Manager to Enter into an Agreement Relating Thereto.

REVIEWED BY: **PREPARED BY:**

/s/Ricardo Palacios by CP
Ricardo Palacios
CityAttorney

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Ascencion Alonzo
Ascencion Alonzo
Director of Finance

/s/ Ponciano N. Longoria, P.E., CFM
Ponciano N. Longoria
PE, CFM

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

BID RECOMMENDATION FORM

Title: Construction Material
Bid No.: 2016-80
Date Opened: 04/18/16 @ 3:00 PM

			VALLEY CALICHE PRODUCTS, INC.		FRONTERA MATERIALS, INC			
ITEM	**QUANTITY**	**DESCRIPTION OF GOODS OR SERVICES**	**UNIT PRICE**	**EXTENDED PRICE**	**UNIT PRICE**	**EXTENDED PRICE**	**UNIT PRICE**	**EXTENDED PRICE**
1	3,000 TONS	Type "D" Hot Mix	$47.50	$142,500.00	$50.00	$150,000.00	$0.00	$0.00
2	400 TONS	Type "D" Cold Mix	NO BID	NO BID	$80.00	$32,000.00	$0.00	$0.00
3	1,000 TONS	Crushed Caliche	NO BID	NO BID	$4.00	$4,000.00	$0.00	$0.00
		Bid Bond	YES		YES		YES	
		SUBTOTAL.						
		NET TOTAL		$142,500.00		$186,000.00		$0.00
		TERMS.						
		DELIVERY						

RECOMMENDATION:

Award: Consider Awarding Bid No. 2016-80 Construction Material to Frontera Materials Inc., for their unit price of $80.00 per ton for Cold Mix, for their unit price of $4.00 per ton for Crushed Caliche & to Valley Caliche Products, Inc. for their Unit Prices of $47.50 per ton for Type "D" Hot Mix.

Department: Public Works/Streets
Budgeted Amount Available: $211,264.00
Additional Funds Required: $0.00
Prepared By: Tom Reyna AD PWKS

DISCLAIMER:

The above bid recommendation is made by Department Directors and the final award is subject to City Council approval.

THE STATE OF TEXAS	**§**	**AGREEMENT BETWEEN THE CITY OF EDINBURG AND VALLEY CALICHE PRODUCTS, INC., FOR CONSTRUCTION MATERIALS**
COUNTY OF HIDALGO	**§**	
SERVICE CONTRACT	**§**	

The **City of Edinburg** (hereinafter called "City"), and **Valley Caliche Products, Inc.,** (hereinafter called "Vendor"), entered into an agreement for construction materials (hereinafter called "materials"), as required for various road improvement projects scheduled for completion.

RECITALS

WHEREAS, the City desires to engage the Vendor for certain services in connection therewith; and,

WHEREAS, Vendor represents that it has the materials needed by the City;

NOW, THEREFORE, the City and Vendor do mutually agree as follows:

SECTION I
EMPLOYMENT OF VENDOR

City agrees to employ Vendor to provide the following materials as stated in the following sections and upon receipt of such satisfactory materials; City agrees to pay Vendor as stated in the sections to follow.

SECTION II
BASIC SERVICES OF VENDOR

The Vendor agrees to provide materials in connection therewith, under the terms as stated in Exhibit A; and at its own proper cost and expense to furnish all materials, insurance and other accessories and services necessary to complete the said tasks in accordance with the conditions and prices stated in Exhibits "A & C" Scope of Work and Notice to Bidders and Bid Form pertaining to Bid #2016-80 Construction Materials.

SECTION III
TIME OF PERFORMANCE

The Vendor shall provide materials as identified in Request for Bid No. 2016-80 and bid proposal submitted by Vendor attached as stated in Exhibit "A & C'. Work shall be completed upon request of the City and during the course of the City's fiscal year 2015-2016, with the contract terminating on September 30, 2016. Vendor shall not be liable for any delay due to circumstance beyond its control.

SECTION IV
TERMS OF PAYMENT

City agrees to pay Vendor for materials herein contracted for as follows:

A. Payment for materials shall be upon receipt of invoice by City. Invoice shall be submitted to City upon delivery and inspection of materials. The total compensation to Vendor during the contract performance for the unit price of **$47.50 per ton** for Type "D" Hot Mix.

B. Invoice shall be completed and processed in accordance with City regulations.

C. City shall authorize all payments made for materials purchased. Payment terms shall be net thirty (30) days from receipt of invoice.

SECTION V
NON-APPROPRIATIONS

Notwithstanding anything in the contract documents to the contrary, any and all payments which the City is required to make under this contract shall be subject to annual appropriation or other availability of funds, as certified by the Director of Finance.

If the City cannot appropriate sufficient funding, then either party has the right to terminate the contract by providing (10) ten days' written notice to the other party.

Furthermore, execution of this contract does not automatically guarantee a renewal of contract upon expiration.

SECTION VI
MINIMUM INSURANCE REQUIREMENTS

In accordance with City ordinances, Vendor shall be required to hold the following minimum insurance coverage throughout the duration of this Agreement:

A. Workers Compensation-
In accordance with the State statute

B. Comprehensive General Liability

Bodily Injury	$250,000 each person
	$500,000 each occurrence
Property Damage	$100,000 each occurrence
	$100,000 aggregate
-or-	$500,000 combined single limits

C. Comprehensive Auto Liability

Bodily Injury	$100,000 each person
	$500,000 each occurrence
Property Damage	$100,000 each occurrence
	$100,000 each aggregate

-or- $500,000 combined single limits

D. City's Protective Liability

Bodily Injury	$250,000 each person
	$500,000 each occurrence
Property Damage	$100,000 each occurrence
	$100,000 each aggregate

-or- $500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement. The City shall be listed as an additional insured.

Vendor warrants that it is adequately insured and carries liability, workers compensation, and automobile insurance for injury to its employees and others incurring loss or injury as a result of the acts of Vendor or its employees.

SECTION VII
TERMINATION OF CONTRACT

In addition to any other termination clause in this agreement, either party to this agreement shall have the right to terminate this contract at any time, and for any reason, after 30 days' written notice and any payment requested shall be made on work completed and/or goods delivered and as provided for in the contract.

SECTION VIII
SEVERABILITY

If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION IX
ALTERNATE DISPUTE RESOLUTION/NEUTRAL PARTY

A. Any controversy, claim or dispute between the parties arising out of or relating to the provisions of this Agreement or the breach, termination or validity thereof shall, upon written request of either party, immediately be referred jointly for resolution of the controversy by non-binding mediation.

B. The mediation must be concluded within any period mutually agreed upon by the parties but in no event no later than within forty-five (45) days after written notice is given by either party of its intent to proceed to mediation. Unless the parties expressly agree otherwise, each party shall bear its own costs, legal and expert fees incurred in the mediation, and evenly share the costs of the mediator. If, after proceeding in good faith the parties, with the assistance of a neutral mediator, do not resolve the dispute within the forty-five (45) day period, the parties may

proceed in accordance with paragraph (C) below.

C. After exhausting the procedures set forth above, either party may initiate litigation to resolve the dispute. The Law of the State of Texas shall control the matter in controversy. Venue is mandatory in Hidalgo County, Texas.

SECTION X
NOTICE

All notices or other communications required under this Agreement may be affected either by personal delivery in writing or by Certified Mail, Return Receipt Requested. Notice shall be deemed to have been given when delivered or mailed to the parties at their respective addresses as set forth below or when mailed to the last address provided in writing to the other party by the addressee.

SECTION XI
HOLD HARMLESS CLAUSE

Vendor hereby agrees to indemnify and hold harmless and defend the City, its agents, employees, and officers from and against any claim, loss, damage, liability, and expense, including reasonable attorney's fees, incurred or suffered by it, by reason of any and all claims, demands, or causes of action asserted or that may be asserted, against any or all of the above named parties, whether alleging intentional or negligent acts or omissions, and whether seeking compensatory or punitive damages, and involving, arising out of, or in any manner relating to this Contract.

SECTION XII
MISCELLANEOUS

Any changes to this document must be approved by the City and signed by both parties to the agreement.

EXECUTED by the parties in triplicate originals on this _____ day of _____, 2016.

CITY OF EDINBURG:

BY:_____

Richard M. Hinojosa, City Manager
City of Edinburg
415 W. University Dr. / P.O. Box 1079
Edinburg, Texas 78540
Phone: (956)383-5661
Fax: (956)383-7111

ATTEST:

BY:_____
Myra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:

PALACIOS, GARZA & THOMPSON P.C.

BY:_____
City Attorney

VALLEY CALICHE PRODUCTS, INC.

BY:_____
Mark Motheral
Vice President
PO Box 1086
Mission, Texas 78573
Phone: (956) 581-2751
Fax: (956) 585-6844
Email: valleycaliche@aol.com

ATTACHMENTS: Exhibit A: Scope of Work (Construction Materials)
Exhibit B: Certificate of Insurance
Exhibit C: Bid 2016-80 Notice to Bidders and Bid Form

EXHIBIT "A" FOR AGREEMENT BETWEEN THE CITY OF EDINBURG AND VALLEY CALICHE PRODUCTS, INC., FOR CONSTRUCTION MATERIALS

Scope of Work (Construction Materials)

TYPE "D" HOT MIX

1. Shall meet the Texas Department of Transportation (TXDOT) specifications for Type "D" Hot Mix Asphalt.

2. Hot Mix will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.

3. Hot Mix must be available within a 25 mile radius of the City of Edinburg.

4. Hot Mix must be available with at least a 24 hour notice.

CONTRACT PRICES

Item	EST. QTY	Description	Unit Price	Extended Price
1	3,000 TONS	TYPE "D" HOT MIX	$47.50	$142,500.00

The contract is being awarded based on the UNIT PRICE, and quantities are only an estimate, subject to increase or decrease to accommodate changes in project scope, schedules, locations, and funding.

EXHIBIT “B” FOR AGREEMENT BETWEEN THE CITY OF EDINBURG AND VALLEY CALICHE PRODUCTS, INC., FOR CONSTRUCTION MATERIALS

Exhibit "B"

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/21/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

American Casualty Insurance Agency
11442 North I.H 35
Austin TX 78753

CONTACT NAME: Pam Baer
PHONE (A/C, No, Ext): (956) 423-1147 FAX (A/C, No): (956) 432-3906
E-MAIL ADDRESS: Pam.Baer@acitx.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : TRAVELERS IND CO OF AMER	25666
INSURER B : TRAVELERS IND CO	25658
INSURER C : TEXAS MUTUAL INSURANCE COMPANY	22945
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Valley Caliche Products, Inc.
PO Box 1086
Mission TX 78573

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC OTHER:			660-7G99139A	03/01/2016	03/01/2017	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS HIRED AUTOS / NON-OWNED AUTOS			BA-7G99139A	03/01/2016	03/01/2017	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$ 1,000,000
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR EXCESS LIAB / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		TSF-0012396501	05/11/2015	05/11/2016	PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$ 500,000
							E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of Edinburg
ATTN: Velma Gomez
P O Box 1079
Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 05/04/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

American Casualty Insurance Agency
11442 North I.H 35
Austin TX 78753

CONTACT NAME: Pam Baer
PHONE (A/C, No, Ext): (956) 423-1147 FAX (A/C, No): (956) 423-3906
E-MAIL ADDRESS: Pam.Baer@acitx.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : TRAVELERS IND CO OF AMER	25666
INSURER B : TRAVELERS IND CO	25658
INSURER C : TEXAS MUTUAL INSURANCE COMPANY	22945
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Valley Caliche Products, Inc.
PO Box 1086
Mission TX 78573

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC OTHER:			660-7G99139A	03/01/2016	03/01/2017	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
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							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS HIRED AUTOS / NON-OWNED AUTOS			BA-7G99139A	03/01/2016	03/01/2017	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR EXCESS LIAB / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		TSF-0012396501	05/11/2016	05/11/2017	PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$ 500,000
							E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Proof of Insurance.

CERTIFICATE HOLDER

City of Edinburg
Attn: Tom Reyna
PO Box 1079
Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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EXHIBIT “C” FOR AGREEMENT BETWEEN THE CITY OF EDINBURG AND VALLEY CALICHE PRODUCTS, INC., FOR CONSTRUCTION MATERIALS

Exhibit "C"

THE CITY OF

EDINBURG

NOTICE TO BIDDERS

The City of Edinburg is soliciting sealed bids to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Bids will be received until **3:00 p.m. Central Time**, on **Monday, April 18, 2016**, shortly thereafter all submitted bids will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any bid received after the closing time will not be accepted and will be returned to the bidder unopened. It is the responsibility of the bidder to see that any bid submitted shall have sufficient time to be received by the City Secretary's Office prior to the bid opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the bids. Bids will not be accepted by telephone or facsimile machine. All bids must bear original signatures and figures. The Bid shall be for:

BID NO. 2016-80
CONSTRUCTION MATERIALS

Bidders receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of:

LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-1895 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this bid, please contact Mr. Alfonso Quinones, Assistant Streets Superintendent at (956) 292-2122.

If Hand-delivering Bids: 415 West University Drive,
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
C/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Bids: City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all bids and to waive any or all formalities or technicalities and to accept the bid deemed most advantageous to the City, and hold the bids for a period of **60** days without taking action.

Bids must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the bid envelope with corresponding bid number and title.

CITY OF EDINBURG
INSTRUCTIONS TO BIDDERS

DEVIATION FROM SPECIFICATION

Please read your specifications/requirements thoroughly and be sure that the SERVICES offered comply with all specifications/requirements. Any variation from the specifications/requirements must be clearly indicated by letter attached to your bid referencing variations on a point-by-point basis. If no exceptions are noted, and you are the successful bidder, it will be required that the SERVICES be provided as specified.

PURPOSE

1. The purpose of these specifications/requirements and bidding documents is for the purchase of **CONSTRUCTION MATERIALS** for the City of Edinburg for a six (6) month period at firm unit prices, commencing from the date of award and expiring September 30, 2016.

2. The SERVICES to be furnished under this bid shall be as specified in these bid documents. All specifications/requirements shown are minimum. There is no intention to disqualify any bidder who can meet these specifications/requirements.

SUBMITTAL OF BID

Bids will be submitted in sealed envelopes upon the blank bid form attached hereto. Submit two (2) complete sets of the bid, one (1) original marked "**ORIGINAL,**" and one (1) copy marked "**COPY**". Each bid must be completely filled out and **SUBMITTED IN ORIGINAL FORM**, complete with all supporting documentation. Bids submitted by facsimile (fax) or electronically will **NOT** be accepted. Submittal of a bid in response to this solicitation for Bids constitutes an offer by the Bidder. Bids which do not comply with these specifications/requirements may be rejected at the option of the City. Bids must be filed with the City of Edinburg, before opening day and hour. No late Bids will be accepted. They will be returned to Bidder unopened (if properly identified).

If Hand-delivering Bids:	415 West University Drive, c/o City Secretary Department (1st Floor)
If using Land Courier (i.e., FedEx, UPS):	415 West University Drive, c/o City Secretary Department (1st Floor), Edinburg, Texas 78541
If Mailing Bids:	P.O. Box 1079, Edinburg, TX 78540-1079

PREPARATION OF BID

Bids MUST give full firm name and address of bidder, and be manually signed. Failure to do so will disqualify your bid. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT.

Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent/Bidder whether corporation, partnership, or individual, shall also be stated in the bid. A corporation shall execute the bid by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent/Bidder shall give full names and addresses of all partners. All partners shall execute the bid. Partnership and Individual Respondent/Bidder shall state in the bid the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent/Bidder, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

ALTERATIONS/AMENDMENTS TO BID

Bids **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after opening time without acceptable reason in writing and

INSTRUCTIONS TO BIDDERS (Continued):

SALES TAX
State sales tax must not be included in the bid.

SUBSTITUTIONS
No substitutions or cancellations will be permitted without written approval of City of Edinburg.

NO BID RESPONSE
If unable to submit a bid, bidder should return inquiry giving reasons.

EXCEPTIONS
Any additions, deletions, or variations from the following specifications/requirements must be noted. The bidder shall attach to his/her bid sheet a list of any exceptions to the specifications/requirements if unable to do so, on specification sheet.

BRAND OR MANUFACTURER REFERENCE
Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Bids on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

DELIVERY
Number of days required to deliver SERVICES after receiving order must be stated in the bid. Failure to so state will obligate bidder to complete service delivery within ONE day.

DELAY IN SERVICE DELIVERY
When delay can be foreseen, Bidder shall give prior notice to City of Edinburg. Bidder must keep City of Edinburg advised at all times of status of order. Default in promised service delivery (without acceptable reasons) or failure to meet specifications/requirements, authorizes the City of Edinburg to purchase such SERVICES elsewhere and charge increase in cost to defaulting vendor. Acceptable reasons for delayed delivery are as follows: Acts of God (floods, tornadoes, hurricanes, etc.), acts of government, fire, strikes, war; Actions beyond the control of the successful bidder.

SERVICE DELIVERED PRICING
Bids in units of quantity specified - extend and show total. In the event of discrepancies in extension, unit prices will govern. Bids subject to unlimited price increase will not be considered.

VALID BID TIME FRAME
The City may hold bids 60 days after bid opening without taking action. BIDDERS shall be required to hold their Bids firm for the same period of time.

RIGHT TO REJECT/AWARD
The City of Edinburg reserves the right to refuse and reject any or all Bids, and to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

INSTRUCTIONS TO BIDDERS (Continued):

MULTIPLE VENDOR CONTRACTS

Bidders are advised that the City of Edinburg may award Service Contracts to multiple vendors based on low bid per item basis. All items specified on the "Bid Form" **must** reflect the individual unit prices. The City of Edinburg reserves the right to award all items individually or in any combination thereof.

INDEMNIFICATION CLAUSE

The Bidder agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

ADDENDA

Bidder shall carefully examine the bid forms, specifications/requirements, and instructions to Bidders. Should the bidder find discrepancies in, or omissions from bid forms, specifications/requirements, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Agent (Edinburg City Hall, 956-388-8972) and obtain clarification by addendum prior to submitting any bid. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda which shall become a part of the Contract documents. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective Bidders. All Addenda issued in respect to this project shall be considered official changes to the original bid documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative nor binding. It shall be the Bidder(s) responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, Bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the bidder's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any bidder to receive any such addendum or interpretation shall not relieve such Bidder from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at www.cityofedinburg.com.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been provided and invoiced. No other method of payment will be considered.

SYNONYM

Where in this bid package ITEMS OR SERVICES is used, its meaning shall refer to the purchase of CONSTRUCTION MATERIALS as specified.

ASSIGNMENT

Neither the Bidder's contract nor payment due to an awarded vendor may be assigned to a third party without the written approval of the Purchasing Department for the City of Edinburg.

BIDDER'S EMPLOYEES

Neither the Bidder nor his/her employees engaged in fulfilling the terms and conditions of this Purchase Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INSTRUCTIONS TO BIDDERS (Continued):

INTERPRETATIONS

Any questions concerning the conditions and/or specifications/requirements with regards to this solicitation for Bids shall be directed to the designated individuals as outlined in the Request for Bids. Such interpretations, which may affect the eventual outcome of this request for Bids, shall be furnished in writing to all prospective Bidders via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "Addenda".

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Bidder to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

RIGHT TO WAIVE

City of Edinburg reserves the right to waive or take exception to any part of these specifications/requirements when in the best interest of the City of Edinburg.

COOPERATIVE PRICING

Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold bids **60** days after the opening of Bids without taking action. Bidders are required to hold their Bids firm for same period of time.

PREPARATION OF BID

The City of Edinburg shall not be held liable for any costs incurred by any bidder for work performed in the preparation of and production of a bid or for any work performed prior to execution of contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the bidder should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the bidder may not be considered confidential under Texas Law, or pursuant to a Court order.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Vendor on contract.

INSTRUCTIONS TO BIDDERS (Continued):

MATHEMATICAL ERRORS
In the event that mathematical errors exist in any bid, unit prices/rates -v- totals, unit prices/rates will govern.

AUDIT
The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

PAST PERFORMANCE
Vendor's past performance shall be taken into consideration in the evaluation and award of Service Contract for the Purchase of SERVICES.

JURISDICTION
Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

VENUE
The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST
CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE
Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)
In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a

INSTRUCTIONS TO BIDDERS (Continued):

contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

AWARD

For purposes of this project, award will be contingent on approval of budget.

SPECIAL CIRCUMSTANCES

In the event that the City of Edinburg has an immediate need for a particular service(s) that is/are on contract and the successful vendor on contract is not able to meet the special service delivery needs of the City of Edinburg, the City of Edinburg reserves the right to purchase such services elsewhere to fulfill its' immediate need.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, if the City is being repeatedly over charged, improperly charged, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice. The bidder shall be afforded the same right to terminate this contract in the same manner.

INSURANCE REQUIREMENTS

Staff may waive insurance requirements for contracts $0 - $4,999.99, including but not limited to contracts for food, materials, supplies, and construction. Workers' Compensation in amounts which satisfy statutory coverage shall be required for construction projects.

The following insurance requirements will be included in all City contracts of $5,000 - $14,999.99. In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim.

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Comprehensive General Liability (City named as additional insured) Bodily Injury	$250,000 each person/$500,000 each occurrence
Property Damage	$100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

The following insurance requirements will be included in all City contracts of $15,000 or more.

(1) The successful bidder will be required to carry the following insurance coverage and limits of coverage, as well as list the City as an additional insured to liability coverage as requested by the City. In addition, the successful bidder shall provide the City with evidence of coverage and furnish acceptable proof of payment of insurance premiums.

INSTRUCTIONS TO BIDDERS (Continued):

(2) The successful bidder will be required to secure and/or have insurance coverage in force with an admitted property and casualty insurance company licensed by the State of Texas to conduct business in the State of Texas.

(3) In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Employer's Liability	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $100,000 each employee/$500,000 policy limit
Comprehensive General Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
Comprehensive Auto Liability Bodily Injury Property Damage	 $100,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
City's Protective Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

Policies must name the City of Edinburg as an Additional Insured.
Certificates of insurance naming the CITY as an additional insured shall be submitted to the CITY for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the CITY prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence that adequate replacement coverage is provided to the CITY. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, the Contract shall automatically terminate.

INSTRUCTIONS TO BIDDERS (Continued):

BID BOND INFORMATION – *CONSTRUCTION PROJECTS ONLY*

If the contract amount is over twenty-five-thousand dollars ($25,000) for construction of the project, the successful bidder shall provide a bid guarantee, give a good and sufficient bond in the full amount of the contract price for the faithful performance of such contract, executed by a surety company authorized to do business in the State of Texas, in accordance with Article 5160, Vernon's Texas Civil Statutes, and amendments thereto. A payment bond in the full amount of the contract price to assure payment shall be required by law of all persons supplying labor and material in the execution of the project provided for in the contract documents.

A bid guarantee equivalent to five percent (5%) of the bid price will be required from each bidder. The "bid guarantee" shall consist of a firm commitment, such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his/her bid, execute such contractual documents as may be required within the time specified.

A performance bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

A payment bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in execution of the work provided for in the contract documents.

CITY OF EDINBURG
REQUEST FOR BIDS FOR
CONSTRUCTION MATERIALS

BID NO. 2016-80

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

It is the intent of this Request for Bids to describe and ultimately make it possible for the City of Edinburg to purchase the below mentioned **CONSTRUCTION MATERIALS.**

GENERAL REQUIREMENTS AND AGREEMENT FOR CONSTRUCTION MATERIALS:
You are invited to submit a sealed bid for the purchase of CONSTRUCTION MATERIALS (type "D" hot mix, cold mix, and crushed caliche) as requested by the City of Edinburg Streets Department. This is a six (6) Month service contract from **April 2016 through September 30, 2016.** This bid will be awarded on unit price. Estimated quantities are approximate and may increase or decrease dependent on availability of funds.

The specifications listed below are minimum requirements and are intended to govern, in general, the size and material desired. The City of Edinburg reserves the right to evaluate variations from these specifications.

TYPE "D" HOT MIX

- Shall meet the Texas Department of Transportation (TxDot) specifications for Type "D" Hot Mix Asphalt.
- Hot Mix will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.
- Hot Mix must be available within a 25 mile radius of the City of Edinburg.
- Hot Mix must be available with at least a 24 hour notice.

COLD MIX

- Shall meet the Texas Department of Transportation (TxDot) specifications for Cold Mix Asphalt.
- Cold Mix will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.
- Cold Mix must be available within a 25 mile radius of the City of Edinburg.
- Cold Mix must be available with at least a 24 hour notice.

REQUEST FOR BIDS FOR CONSTRUCTION MATERIALS (Continued):

CRUSHED CALICHE

- Shall meet the Texas Department of Transportation (TxDot) specifications for Crushed Caliche.
- Crushed Caliche will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.
- Crushed Caliche must be available within a 25 mile radius of the City of Edinburg.
- Crushed Caliche must be available with at least a 24 hour notice.

CITY OF EDINBURG
BID FORM FOR
CONSTRUCTION MATERIALS

BID NO. 2016-80

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in **ORIGINAL FORM** for **CONSTRUCTION MATERIALS** according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☐ **BUYBOARD** ☐ **H-GAC** ☐ **TXMAS** ☐ **DEALER/LOCAL**
☐ **TX DIR** ☐ **TFC** ☐ **OTHER** _____
Specify

CONTRACT NUMBER: _____ (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	EST. QTY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	3,000 TONS	**6 MONTHS OF SERVICES (04-30-16 TO 09-30-16)** TYPE "D" HOT MIX	$47.50 FORTY-SEVEN DOLLARS AND FIFTY CENTS	$ 142,500.00
2	400 TONS	COLD MIX No Bid	$_____ No Quote	$_____ No Quote
3	1,000 TONS	CRUSHED CALICHE No Bid **NOTE: Quantities are estimates only.** **BID TO BE AWARDED ON A UNIT PRICE ONLY** **MUST PROVIDE ORIGINAL AND A COPY**	$_____ No Quote	$_____ No Quote

BID FORM FOR CONSTRUCTION MATERIALS (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes _____ No X

Has the Company ever conducted business with the City of Edinburg? Yes X No _____

Respectfully submitted this 6TH day of APRIL, 2016.

SIGNATURE: Mark Motheral

TYPE/PRINT NAME: MARK MOTHERAL

TITLE: VICE PRESIDENT

COMPANY: VALLEY CALICHE PRODUCTS, INC.

ADDRESS: P.O. BOX 1086
MISSION, TX 78573

TELEPHONE NO.: (956) 581-2751

FAX NO.: (956) 585-6844

EMAIL: valleycaliche@aol.com

THE STATE OF TEXAS	**§**	**AGREEMENT BETWEEN THE CITY OF EDINBURG AND FRONTERA MATERIALS, INC. FOR CONSTRUCTION MATERIALS**
COUNTY OF HIDALGO	**§**	
SERVICE CONTRACT	**§**	

The **City of Edinburg** (hereinafter called "City"), and **Frontera Materials, Inc.** (hereinafter called "Vendor"), entered into an agreement for construction materials (hereinafter called "materials"), as required for various road improvement projects scheduled for completion.

RECITALS

WHEREAS, the City desires to engage the Vendor for certain services in connection therewith; and,

WHEREAS, Vendor represents that it has the materials needed by the City;

NOW, THEREFORE, the City and Vendor do mutually agree as follows:

SECTION I
EMPLOYMENT OF VENDOR

City agrees to employ Vendor to provide the following materials as stated in the following sections and upon receipt of such satisfactory materials; City agrees to pay Vendor as stated in the sections to follow.

SECTION II
BASIC SERVICES OF VENDOR

The Vendor agrees to provide materials in connection therewith, under the terms as stated in Exhibit A; and its own proper cost and expense to furnish all materials, insurance and other accessories and services necessary to complete the said tasks in accordance with the conditions and prices stated in Exhibits "A & C" Scope of Work and Notice to Bidders and Bid Form pertaining to Bid #2016-80 Construction Materials.

SECTION III
TIME OF PERFORMANCE

The Vendor shall provide materials as identified in Request for Bid No. 2016-80 and bid proposal submitted by Vendor attached as stated in Exhibit "A & C'. Work shall be completed upon request of the City and during the course of the City's fiscal year 2015-2016, with the contract terminating on September 30, 2016. Vendor shall not be liable for any delay due to circumstance beyond its control.

SECTION IV
TERMS OF PAYMENT

City agrees to pay Vendor for materials herein contracted for as follows:

A. Payment for materials shall be upon receipt of invoice by City. Invoice shall be submitted to City upon delivery and inspection of materials. The total compensation to Vendor during the contract performance for the unit price of **$80.00 per ton** for Cold Mix and **$4.00 per ton** for Crushed Caliche.

B. Invoice shall be completed and processed in accordance with City regulations.

C. City shall authorize all payments made for materials purchased. Payment terms shall be net thirty (30) days from receipt of invoice.

SECTION V
NON-APPROPRIATIONS

Notwithstanding anything in the contract documents to the contrary, any and all payments which the City is required to make under this contract shall be subject to annual appropriation or other availability of funds, as certified by the Director of Finance.

If the City cannot appropriate sufficient funding, then either party has the right to terminate the contract by providing (10) ten days' written notice to the other party.

Furthermore, execution of this contract does not automatically guarantee a renewal of contract upon expiration.

SECTION VI
MINIMUM INSURANCE REQUIREMENTS

In accordance with City ordinances, Vendor shall be required to hold the following minimum insurance coverage throughout the duration of this Agreement:

A. Workers Compensation-
In accordance with the State statute

B. Comprehensive General Liability

Bodily Injury	$250,000 each person
	$500,000 each occurrence
Property Damage	$100,000 each occurrence
	$100,000 aggregate
-or-	$500,000 combined single limits

C. Comprehensive Auto Liability

Bodily Injury	$100,000 each person
	$500,000 each occurrence

	Property Damage	$100,000 each occurrence
		$100,000 each aggregate
	-or-	$500,000 combined single limits

D. City's Protective Liability

Bodily Injury	$250,000 each person
	$500,000 each occurrence
Property Damage	$100,000 each occurrence
	$100,000 each aggregate
-or-	$500,000 combined single limits

Evidence of the above insurance coverage shall be required prior to final execution of the agreement. The City shall be listed as an additional insured.

Vendor warrants that it is adequately insured and carries liability, workers compensation, and automobile insurance for injury to its employees and others incurring loss or injury as a result of the acts of Vendor or its employees.

SECTION VII
TERMINATION OF CONTRACT

In addition to any other termination clause in this agreement, either party to this agreement shall have the right to terminate this contract at any time, and for any reason, after 30 days' written notice and any payment requested shall be made on work completed and/or goods delivered and as provided for in the contract.

SECTION VIII
SEVERABILITY

If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION IX
ALTERNATE DISPUTE RESOLUTION/NEUTRAL PARTY

A. Any controversy, claim or dispute between the parties arising out of or relating to the provisions of this Agreement or the breach, termination or validity thereof shall, upon written request of either party, immediately be referred jointly for resolution of the controversy by non-binding mediation.

B. The mediation must be concluded within any period mutually agreed upon by the parties but in no event no later than within forty-five (45) days after written notice is given by either party of its intent to proceed to mediation. Unless the parties expressly agree otherwise, each party shall bear its own costs, legal and expert

fees incurred in the mediation, and evenly share the costs of the mediator. If, after proceeding in good faith the parties, with the assistance of a neutral mediator, do not resolve the dispute within the forty-five (45) day period, the parties may proceed in accordance with paragraph (C) below.

C. After exhausting the procedures set forth above, either party may initiate litigation to resolve the dispute. The Law of the State of Texas shall control the matter in controversy. Venue is mandatory in Hidalgo County, Texas.

SECTION X
NOTICE

All notices or other communications required under this Agreement may be affected either by personal delivery in writing or by Certified Mail, Return Receipt Requested. Notice shall be deemed to have been given when delivered or mailed to the parties at their respective addresses as set forth below or when mailed to the last address provided in writing to the other party by the addressee.

SECTION XI
HOLD HARMLESS CLAUSE

Vendor hereby agrees to indemnify and hold harmless and defend the City, its agents, employees, and officers from and against any claim, loss, damage, liability, and expense, including reasonable attorney's fees, incurred or suffered by it, by reason of any and all claims, demands, or causes of action asserted or that may be asserted, against any or all of the above named parties, whether alleging intentional or negligent acts or omissions, and whether seeking compensatory or punitive damages, and involving, arising out of, or in any manner relating to this Contract.

SECTION XII
MISCELLANEOUS

Any changes to this document must be approved by the City and signed by both parties to the agreement.

EXECUTED by the parties in triplicate originals on this _____ day of _____, 2016.

CITY OF EDINBURG:

BY:_____

Richard M. Hinojosa, Jr., City Manager
City of Edinburg
415 W. University Dr. / P.O. Box 1079
Edinburg, Texas 78540
Phone: (956)383-5661
Fax: (956)383-7111

ATTEST:

BY:_____
Myra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:

PALACIOS, GARZA & THOMPSON P.C.

BY:_____
City Attorney

FRONTERA MATERIALS, INC

BY:_____
Barry M. Ehlinger
P.O. Box 1449
Elsa, Texas 78543
Phone: (956) 316-8954
Fax: (956) 316-8905
Email: bmefrontera@aol.com

ATTACHMENTS: Exhibit A: Scope of Work (Construction Materials)
Exhibit B: Certificate of Insurance
Exhibit C: Bid 2016-80 Notice to Bidders and Bid Form

EXHIBIT "A" FOR AGREEMENT BETWEEN THE CITY OF EDINBURG AND FRONTERA MATERIALS, INC.. FOR CONSTRUCTION MATERIALS

Scope of Work (Construction Materials)

TYPE "D" COLD MIX

1. Shall meet the Texas Department of Transportation (TXDOT) specifications for Cold Mix Asphalt.

2. Cold Mix will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.

3. Cold Mix must be available within a 25 mile radius of the City of Edinburg.

4. Cold Mix must be available with at least a 24 hour notice.

CRUSHED CALICHE

1. Shall meet the Texas Department of Transportation (TXDOT) specifications for Crushed Caliche.

2. Crushed Caliche will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.

3. Crushed Caliche must be available within a 25 mile radius of the City of Edinburg.

4. Crushed Caliche must be available with at least a 24 hour notice.

CONTRACT PRICES

Item	EST. QTY	Description	Unit Price	Extended Price
1	400 TONS	TYPE "D" COLD MIX	$80.00	$32,000.00
2	1,000 TONS	CRUSHED CALICHE	$4.00	$4,000.00

The contract is being awarded based on the UNIT PRICE, and quantities are only an estimate, subject to increase or decrease to accommodate changes in project scope, schedules, locations, and funding.

EXHIBIT "B" FOR AGREEMENT BETWEEN THE CITY OF EDINBURG AND FRONTERA MATERIALS, INC. FOR CONSTRUCTION MATERIALS

Exhibit "B"

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/16/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
McAfee Insurance Agency
P. O. Box 625
321 Second Street
Mercedes TX 78570

CONTACT NAME: Consuelo Cavazos, CISR
PHONE (A/C, No, Ext): (956) 565-2481 FAX (A/C, No): (956) 565-2733
E-MAIL ADDRESS: consuelo@mcafeeagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Phoenix Insurance Co.	
INSURER B: The Chapter Oak Fire Ins Co	
INSURER C: The Travelers Indemnity Company of	
INSURER D: The Travelers Indemnity Company	
INSURER E:	
INSURER F:	

INSURED
Frontera Materials, Inc.
P O Box 1449
Elsa TX 78543-1449

COVERAGES **CERTIFICATE NUMBER:** 15-16 RENEWAL **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC OTHER:			Y-660-1C405755-PHX-15	9/1/2015	9/1/2016	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Employee Benefits	$ $ $ $ $ $ $	1,000,000 100,000 5,000 1,000,000 2,000,000 2,000,000 1,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS X HIRED AUTOS / X NON-OWNED AUTOS			BA-5D227668-15-CAG	9/1/2015	9/1/2016	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $ $	1,000,000
C	X UMBRELLA LIAB / X OCCUR EXCESS LIAB / CLAIMS-MADE DED / X RETENTION $ 10,000			YSM-CUP-1C405687-TCT-15	9/1/2015	9/1/2016	EACH OCCURRENCE AGGREGATE	$ $ $	2,000,000 2,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		YCUB-1C40567-5-15	9/1/2015	9/1/2016	PER STATUTE / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $	1,000,000 1,000,000 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

TReyna@cityofedinburg.com

City of Edinburg
P O Box1079
Edinburg, TX 78540

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Robert R Garza/MIN Robt R Garza

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ACORD 25 (2014/01)
INS025 (201401)

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ADDITIONAL COVERAGES

Ref #	Description	Coverage Code	Form No.	Edition Date
	Experience Mod Factor 1	EXP01		

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

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Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

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EXHIBIT "C" FOR AGREEMENT BETWEEN THE CITY OF EDINBURG AND FRONTERA MATERIALS, INC. FOR CONSTRUCTION MATERIALS

"Exhibit C"

THE CITY OF

EDINBURG

NOTICE TO BIDDERS

The City of Edinburg is soliciting sealed bids to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Bids will be received until **3:00 p.m. Central Time**, on **Monday, April 18, 2016**, shortly thereafter all submitted bids will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any bid received after the closing time will not be accepted and will be returned to the bidder unopened. It is the responsibility of the bidder to see that any bid submitted shall have sufficient time to be received by the City Secretary's Office prior to the bid opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the bids. Bids will not be accepted by telephone or facsimile machine. All bids must bear original signatures and figures. The Bid shall be for:

BID NO. 2016-80
CONSTRUCTION MATERIALS

Bidders receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of:

LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-1895 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this bid, please contact Mr. Alfonso Quinones, Assistant Streets Superintendent at (956) 292-2122.

If Hand-delivering Bids: 415 West University Drive,
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
C/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Bids: City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all bids and to waive any or all formalities or technicalities and to accept the bid deemed most advantageous to the City, and hold the bids for a period of **60** days without taking action.

Bids must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the bid envelope with corresponding bid number and title.

CITY OF EDINBURG
INSTRUCTIONS TO BIDDERS

DEVIATION FROM SPECIFICATION

Please read your specifications/requirements thoroughly and be sure that the SERVICES offered comply with all specifications/requirements. Any variation from the specifications/requirements must be clearly indicated by letter attached to your bid referencing variations on a point-by-point basis. If no exceptions are noted, and you are the successful bidder, it will be required that the SERVICES be provided as specified.

PURPOSE

1. The purpose of these specifications/requirements and bidding documents is for the purchase of **CONSTRUCTION MATERIALS** for the City of Edinburg for a six (6) month period at firm unit prices, commencing from the date of award and expiring September 30, 2016.

2. The SERVICES to be furnished under this bid shall be as specified in these bid documents. All specifications/requirements shown are minimum. There is no intention to disqualify any bidder who can meet these specifications/requirements.

SUBMITTAL OF BID

Bids will be submitted in sealed envelopes upon the blank bid form attached hereto. Submit two (2) complete sets of the bid, one (1) original marked "**ORIGINAL,**" and one (1) copy marked "**COPY**". Each bid must be completely filled out and **SUBMITTED IN ORIGINAL FORM**, complete with all supporting documentation. Bids submitted by facsimile (fax) or electronically will **NOT** be accepted. Submittal of a bid in response to this solicitation for Bids constitutes an offer by the Bidder. Bids which do not comply with these specifications/requirements may be rejected at the option of the City. Bids must be filed with the City of Edinburg, before opening day and hour. No late Bids will be accepted. They will be returned to Bidder unopened (if properly identified).

If Hand-delivering Bids:	415 West University Drive, c/o City Secretary Department (1st Floor)
If using Land Courier (i.e., FedEx, UPS):	415 West University Drive, c/o City Secretary Department (1st Floor), Edinburg, Texas 78541
If Mailing Bids:	P.O. Box 1079, Edinburg, TX 78540-1079

PREPARATION OF BID

Bids MUST give full firm name and address of bidder, and be manually signed. Failure to do so will disqualify your bid. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT.

Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent/Bidder whether corporation, partnership, or individual, shall also be stated in the bid. A corporation shall execute the bid by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent/Bidder shall give full names and addresses of all partners. All partners shall execute the bid. Partnership and Individual Respondent/Bidder shall state in the bid the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent/Bidder, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

ALTERATIONS/AMENDMENTS TO BID

Bids **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after opening time without acceptable reason in writing and

INSTRUCTIONS TO BIDDERS (Continued):

SALES TAX
State sales tax must not be included in the bid.

SUBSTITUTIONS
No substitutions or cancellations will be permitted without written approval of City of Edinburg.

NO BID RESPONSE
If unable to submit a bid, bidder should return inquiry giving reasons.

EXCEPTIONS
Any additions, deletions, or variations from the following specifications/requirements must be noted. The bidder shall attach to his/her bid sheet a list of any exceptions to the specifications/requirements if unable to do so, on specification sheet.

BRAND OR MANUFACTURER REFERENCE
Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Bids on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

DELIVERY
Number of days required to deliver SERVICES after receiving order must be stated in the bid. Failure to so state will obligate bidder to complete service delivery within ONE day.

DELAY IN SERVICE DELIVERY
When delay can be foreseen, Bidder shall give prior notice to City of Edinburg. Bidder must keep City of Edinburg advised at all times of status of order. Default in promised service delivery (without acceptable reasons) or failure to meet specifications/requirements, authorizes the City of Edinburg to purchase such SERVICES elsewhere and charge increase in cost to defaulting vendor. Acceptable reasons for delayed delivery are as follows: Acts of God (floods, tornadoes, hurricanes, etc.), acts of government, fire, strikes, war; Actions beyond the control of the successful bidder.

SERVICE DELIVERED PRICING
Bids in units of quantity specified - extend and show total. In the event of discrepancies in extension, unit prices will govern. Bids subject to unlimited price increase will not be considered.

VALID BID TIME FRAME
The City may hold bids 60 days after bid opening without taking action. BIDDERS shall be required to hold their Bids firm for the same period of time.

RIGHT TO REJECT/AWARD
The City of Edinburg reserves the right to refuse and reject any or all Bids, and to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

INSTRUCTIONS TO BIDDERS (Continued):

MULTIPLE VENDOR CONTRACTS

Bidders are advised that the City of Edinburg may award Service Contracts to multiple vendors based on low bid per item basis. All items specified on the "Bid Form" **must** reflect the individual unit prices. The City of Edinburg reserves the right to award all items individually or in any combination thereof.

INDEMNIFICATION CLAUSE

The Bidder agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

ADDENDA

Bidder shall carefully examine the bid forms, specifications/requirements, and instructions to Bidders. Should the bidder find discrepancies in, or omissions from bid forms, specifications/requirements, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Agent (Edinburg City Hall, 956-388-8972) and obtain clarification by addendum prior to submitting any bid. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda which shall become a part of the Contract documents. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective Bidders. All Addenda issued in respect to this project shall be considered official changes to the original bid documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative nor binding. It shall be the Bidder(s) responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, Bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the bidder's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any bidder to receive any such addendum or interpretation shall not relieve such Bidder from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at www.cityofedinburg.com.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been provided and invoiced. No other method of payment will be considered.

SYNONYM

Where in this bid package ITEMS OR SERVICES is used, its meaning shall refer to the purchase of CONSTRUCTION MATERIALS as specified.

ASSIGNMENT

Neither the Bidder's contract nor payment due to an awarded vendor may be assigned to a third party without the written approval of the Purchasing Department for the City of Edinburg.

BIDDER'S EMPLOYEES

Neither the Bidder nor his/her employees engaged in fulfilling the terms and conditions of this Purchase Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INSTRUCTIONS TO BIDDERS (Continued):

INTERPRETATIONS

Any questions concerning the conditions and/or specifications/requirements with regards to this solicitation for Bids shall be directed to the designated individuals as outlined in the Request for Bids. Such interpretations, which may affect the eventual outcome of this request for Bids, shall be furnished in writing to all prospective Bidders via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "Addenda".

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Bidder to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

RIGHT TO WAIVE

City of Edinburg reserves the right to waive or take exception to any part of these specifications/requirements when in the best interest of the City of Edinburg.

COOPERATIVE PRICING

Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold bids **60** days after the opening of Bids without taking action. Bidders are required to hold their Bids firm for same period of time.

PREPARATION OF BID

The City of Edinburg shall not be held liable for any costs incurred by any bidder for work performed in the preparation of and production of a bid or for any work performed prior to execution of contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the bidder should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the bidder may not be considered confidential under Texas Law, or pursuant to a Court order.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Vendor on contract.

INSTRUCTIONS TO BIDDERS (Continued):

MATHEMATICAL ERRORS
In the event that mathematical errors exist in any bid, unit prices/rates -v- totals, unit prices/rates will govern.

AUDIT
The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

PAST PERFORMANCE
Vendor's past performance shall be taken into consideration in the evaluation and award of Service Contract for the Purchase of SERVICES.

JURISDICTION
Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

VENUE
The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST
CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE
Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)
In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a

INSTRUCTIONS TO BIDDERS (Continued):

contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

AWARD

For purposes of this project, award will be contingent on approval of budget.

SPECIAL CIRCUMSTANCES

In the event that the City of Edinburg has an immediate need for a particular service(s) that is/are on contract and the successful vendor on contract is not able to meet the special service delivery needs of the City of Edinburg, the City of Edinburg reserves the right to purchase such services elsewhere to fulfill its' immediate need.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, if the City is being repeatedly over charged, improperly charged, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice. The bidder shall be afforded the same right to terminate this contract in the same manner.

INSURANCE REQUIREMENTS

Staff may waive insurance requirements for contracts $0 - $4,999.99, including but not limited to contracts for food, materials, supplies, and construction. Workers' Compensation in amounts which satisfy statutory coverage shall be required for construction projects.

The following insurance requirements will be included in all City contracts of $5,000 - $14,999.99. In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim.

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Comprehensive General Liability (City named as additional insured) Bodily Injury	$250,000 each person/$500,000 each occurrence
Property Damage	$100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

The following insurance requirements will be included in all City contracts of $15,000 or more.

(1) The successful bidder will be required to carry the following insurance coverage and limits of coverage, as well as list the City as an additional insured to liability coverage as requested by the City. In addition, the successful bidder shall provide the City with evidence of coverage and furnish acceptable proof of payment of insurance premiums.

INSTRUCTIONS TO BIDDERS (Continued):

(2) The successful bidder will be required to secure and/or have insurance coverage in force with an admitted property and casualty insurance company licensed by the State of Texas to conduct business in the State of Texas.

(3) In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Employer's Liability	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $100,000 each employee/$500,000 policy limit
Comprehensive General Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
Comprehensive Auto Liability Bodily Injury Property Damage	 $100,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
City's Protective Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

Policies must name the City of Edinburg as an Additional Insured.
Certificates of insurance naming the CITY as an additional insured shall be submitted to the CITY for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the CITY prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence that adequate replacement coverage is provided to the CITY. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, the Contract shall automatically terminate.

NSTRUCTIONS TO BIDDERS (Continued):

BID BOND INFORMATION – *CONSTRUCTION PROJECTS ONLY*

If the contract amount is over twenty-five-thousand dollars ($25,000) for construction of the project, the successful bidder shall provide a bid guarantee, give a good and sufficient bond in the full amount of the contract price for the faithful performance of such contract, executed by a surety company authorized to do business in the State of Texas, in accordance with Article 5160, Vernon's Texas Civil Statutes, and amendments thereto. A payment bond in the full amount of the contract price to assure payment shall be required by law of all persons supplying labor and material in the execution of the project provided for in the contract documents.

A bid guarantee equivalent to five percent (5%) of the bid price will be required from each bidder. The "bid guarantee" shall consist of a firm commitment, such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his/her bid, execute such contractual documents as may be required within the time specified.

A performance bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

A payment bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in execution of the work provided for in the contract documents.

CITY OF EDINBURG
BID FORM FOR
CONSTRUCTION MATERIALS

BID NO. 2016-80

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in **ORIGINAL FORM** for **CONSTRUCTION MATERIALS** according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative **which has complied with the bidding requirements for the State of Texas** (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☐ BUYBOARD ☐ H-GAC ☐ TXMAS ☐ DEALER/LOCAL
☐ TX DIR ☐ TFC ☐ OTHER _____
Specify

CONTRACT NUMBER: _____ (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	EST. QTY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
		6 MONTHS OF SERVICES (04-30-16 TO 09-30-16)		
1	3,000 TONS	TYPE "D" HOT MIX FOB LaJoya or Progresso	$ 50.00	$ 150,000.00
2	400 TONS	COLD MIX FOB LaJoya	$ 80.00	$ 32,000.00
3	1,000 TONS	CRUSHED CALICHE FOB 490 Pit or Reavis	$ 4.00	$ 4,000.00
		NOTE: Quantities are estimates only. **BID TO BE AWARDED ON A UNIT PRICE ONLY** **MUST PROVIDE ORIGINAL AND A COPY**		

BID FORM FOR CONSTRUCTION MATERIALS (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes ✓ No_____ Field office

Has the Company ever conducted business with the City of Edinburg? Yes ✓ No_____

Respectfully submitted this 18th day of APRIL, 2016.

SIGNATURE: Barry M Ehlinger

TYPE/PRINT NAME: Barry M Ehlinger

TITLE: Materials Mgr.

COMPANY: Frontera Materials, Inc.

ADDRESS: PO Box 1449
Elsa TX 78543

TELEPHONE NO.: 956-316-8952

FAX NO.: 956-316-8905

EMAIL: barry@fmitex.com

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 9/16/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
McAfee Insurance Agency
P. O. Box 625
321 Second Street
Mercedes TX 78570

CONTACT NAME: Consuelo Cavazos, CISR
PHONE (A/C, No, Ext): (956) 565-2481 FAX (A/C, No): (956) 565-2733
E-MAIL ADDRESS: consuelo@mcafeeagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Phoenix Insurance Co.	
INSURER B: The Chapter Oak Fire Ins Co	
INSURER C: The Travelers Indemnity Company of	
INSURER D: The Travelers Indemnity Company	
INSURER E:	
INSURER F:	

INSURED
Frontera Materials, Inc.
P O Box 1449
Elsa TX 78543-1449

COVERAGES CERTIFICATE NUMBER: 15-16 RENEWAL REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR			Y-660-1C405755-PHX-15	9/1/2015	9/1/2016	EACH OCCURRENCE	$	1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$	100,000
							MED EXP (Any one person)	$	5,000
							PERSONAL & ADV INJURY	$	1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER						GENERAL AGGREGATE	$	2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$	2,000,000
	OTHER						Employee Benefits	$	1,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO			BA-5D227668-15-CAG	9/1/2015	9/1/2016	COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per person)	$	
	X HIRED AUTOS / X NON-OWNED AUTOS						BODILY INJURY (Per accident)	$	
							PROPERTY DAMAGE (Per accident)	$	
								$	
C	X UMBRELLA LIAB X OCCUR			YSM-CUP-1C405687-TCT-15	9/1/2015	9/1/2016	EACH OCCURRENCE	$	2,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$	2,000,000
	DED X RETENTION $ 10,000							$	
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A		YCUB-1C40567-5-15	9/1/2015	9/1/2016	PER STATUTE / OTH-ER		
							E.L. EACH ACCIDENT	$	1,000,000
							E.L. DISEASE - EA EMPLOYEE	$	1,000,000
							E.L. DISEASE - POLICY LIMIT	$	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

TReyna@cityofedinburg.com

City of Edinburg
P O Box1079
Edinburg, TX 78540

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Robert R Garza/MIN

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ACORD 25 (2014/01)
INS025 (2014/01)

The ACORD name and logo are registered marks of ACORD

GREAT AMERICAN INSURANCE COMPANY

OHIO

Bond No.

BID BOND

Approved by The American Institute of Architects, A.I.A. Document No. A310 February, 1970 Edition

KNOW ALL MEN BY THESE PRESENTS: that we Frontera Materials, Inc.

as Principal, hereinafter called Principal, and GREAT AMERICAN INSURANCE COMPANY, a corporation duly organized under the laws of the State of Ohio, with Administrative Offices at 580 Walnut Street, Cincinnati, Ohio 45202, as Surety, hereinafter called the Surety, are held firmly bound unto City of Edinburg

as Obligee, hereinafter called Obligee, in the sum of Five Percent of Amount Bid---------- Dollars ($ --------5%--------)

For the payment of which sum well and truly to be made, and the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Bid #2016-80 Construction Materials

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another Party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 18th day of April, 2016

In the presence of:

Frontera Materials, Inc.
(Principal) (Seal)

By: Gary McElhaney (Title)

GREAT AMERICAN INSURANCE COMPANY (Seal)
(Surety)

By: David C. Hughston (Attorney-in-Fact)

Mary Edwards

Bid Bond F9630a

GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by
this power of attorney is not more than FIVE

No. 0 15621

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name		Address	Limit of Power
RAY HUGHSTON	PEGGY GONZALEZ	ALL OF	ALL
DAVID C. HUGHSTON	MARY EDWARDS	BROWNSVILLE,	$100,000,000.00
CHRISTOPHER J. HUGHSTON		TEXAS	

This Power of Attorney revokes all previous powers issued on behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 30TH day of OCTOBER, 2015.

Attest

GREAT AMERICAN INSURANCE COMPANY

Assistant Secretary

Divisional Senior Vice President

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (877-377-2405)

On this 30TH day of OCTOBER, 2015, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.

Susan A. Kohorst
Notary Public, State of Ohio
My Commission Expires 05-18-2020

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisonal Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 18th day of April 2016.

Assistant Secretary

S1029AF (06/15)

"COPY"

CITY OF EDINBURG
BID FORM FOR
CONSTRUCTION MATERIALS

BID NO. 2016-80

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in **ORIGINAL FORM** for **CONSTRUCTION MATERIALS** according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative **which has complied with the bidding requirements for the State of Texas** (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☐ BUYBOARD ☐ H-GAC ☐ TXMAS ☐ DEALER/LOCAL
☐ TX DIR ☐ TFC ☐ OTHER _____
Specify

CONTRACT NUMBER: _____ (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	EST. QTY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
		6 MONTHS OF SERVICES (04-30-16 TO 09-30-16)		
1	3,000 TONS	TYPE "D" HOT MIX FOB LaJoya or Progresso	$ 50.00	$ 150,000.00
2	400 TONS	COLD MIX FOB LaJoya	$ 80.00	$ 32,000.00
3	1,000 TONS	CRUSHED CALICHE FOB 490 Pit or Reavis	$ 4.00	$ 4,000.00
		NOTE: Quantities are estimates only. BID TO BE AWARDED ON A UNIT PRICE ONLY MUST PROVIDE ORIGINAL AND A COPY		

BID FORM FOR CONSTRUCTION MATERIALS (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes ✓ No_____ Field office

Has the Company ever conducted business with the City of Edinburg? Yes ✓ No_____

Respectfully submitted this 18th day of APRIL, 2016.

SIGNATURE: Barry M Ehlinger

TYPE/PRINT NAME: Barry M Ehlinger

TITLE: Materials Mgr.

COMPANY: Frontera Materials, Inc.

ADDRESS: PO Box 1449
Elsa TX 78543

TELEPHONE NO.: 956-316-8952

FAX NO.: 956-316-8905

EMAIL: barry@fmitex.com

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 9/16/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
McAfee Insurance Agency
P. O. Box 625
321 Second Street
Mercedes TX 78570

CONTACT NAME: Consuelo Cavazos, CISR
PHONE (A/C, No, Ext): (956) 565-2481 FAX (A/C, No): (956) 565-2733
E-MAIL ADDRESS: consuelo@mcafeeagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Phoenix Insurance Co.	
INSURER B: The Chapter Oak Fire Ins Co	
INSURER C: The Travelers Indemnity Company of	
INSURER D: The Travelers Indemnity Company	
INSURER E:	
INSURER F:	

INSURED
Frontera Materials, Inc.
P O Box 1449
Elsa TX 78543-1449

COVERAGES CERTIFICATE NUMBER: 15-16 RENEWAL REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR			Y-660-1C405755-PHX-15	9/1/2015	9/1/2016	EACH OCCURRENCE	$	1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$	100,000
							MED EXP (Any one person)	$	5,000
							PERSONAL & ADV INJURY	$	1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER						GENERAL AGGREGATE	$	2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$	2,000,000
	OTHER						Employee Benefits	$	1,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO			BA-5D227668-15-CAG	9/1/2015	9/1/2016	COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per person)	$	
	X HIRED AUTOS / X NON-OWNED AUTOS						BODILY INJURY (Per accident)	$	
							PROPERTY DAMAGE (Per accident)	$	
								$	
C	X UMBRELLA LIAB X OCCUR			YSM-CUP-1C405687-TCT-15	9/1/2015	9/1/2016	EACH OCCURRENCE	$	2,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$	2,000,000
	DED X RETENTION $ 10,000							$	
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			YCUB-1C40567-5-15	9/1/2015	9/1/2016	PER STATUTE / OTH-ER		
							E.L. EACH ACCIDENT	$	1,000,000
							E.L. DISEASE - EA EMPLOYEE	$	1,000,000
							E.L. DISEASE - POLICY LIMIT	$	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

TReyna@cityofedinburg.com

City of Edinburg
P O Box1079
Edinburg, TX 78540

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Robert R Garza/MIN

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ACORD 25 (2014/01)
INS025 (2014/01)

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GREAT AMERICAN INSURANCE COMPANY

OHIO

Bond No.

BID BOND

Approved by The American Institute of Architects, A.I.A. Document No. A310 February, 1970 Edition

KNOW ALL MEN BY THESE PRESENTS: that we Frontera Materials, Inc.

as Principal, hereinafter called Principal, and GREAT AMERICAN INSURANCE COMPANY, a corporation duly organized under the laws of the State of Ohio, with Administrative Offices at 580 Walnut Street, Cincinnati, Ohio 45202, as Surety, hereinafter called the Surety, are held firmly bound unto City of Edinburg

as Obligee, hereinafter called Obligee, in the sum of Five Percent of Amount Bid---------- Dollars ($ --------5%--------)

For the payment of which sum well and truly to be made, and the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Bid #2016-80 Construction Materials

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another Party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 18th day of April, 2016

In the presence of:

Frontera Materials, Inc.
(Principal) (Seal)

By: Gary McElhaney (Title)

GREAT AMERICAN INSURANCE COMPANY (Seal)
(Surety)

By: David C. Hughston (Attorney-in-Fact)

Mary Edwards

Bid Bond F9630a

GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by
this power of attorney is not more than FIVE

No. 0 15621

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name		Address	Limit of Power
RAY HUGHSTON	PEGGY GONZALEZ	ALL OF	ALL
DAVID C. HUGHSTON	MARY EDWARDS	BROWNSVILLE,	$100,000,000.00
CHRISTOPHER J. HUGHSTON		TEXAS	

This Power of Attorney revokes all previous powers issued on behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 30TH day of OCTOBER, 2015.

Attest

GREAT AMERICAN INSURANCE COMPANY

Assistant Secretary

Divisional Senior Vice President

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (877-377-2405)

On this 30TH day of OCTOBER, 2015, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.

Susan A. Kohorst
Notary Public, State of Ohio
My Commission Expires 05-18-2020

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisonal Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 18th day of April 2016.

Assistant Secretary

S1029AF (06/15)

COPY

THE CITY OF

EDINBURG

NOTICE TO BIDDERS

The City of Edinburg is soliciting sealed bids to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Bids will be received until **3:00 p.m. Central Time**, on **Monday, April 18, 2016**, shortly thereafter all submitted bids will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any bid received after the closing time will not be accepted and will be returned to the bidder unopened. It is the responsibility of the bidder to see that any bid submitted shall have sufficient time to be received by the City Secretary's Office prior to the bid opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the bids. Bids will not be accepted by telephone or facsimile machine. All bids must bear original signatures and figures. The Bid shall be for:

BID NO. 2016-80
CONSTRUCTION MATERIALS

Bidders receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of:

LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-1895 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this bid, please contact Mr. Alfonso Quinones, Assistant Streets Superintendent at (956) 292-2122.

If Hand-delivering Bids: 415 West University Drive,
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
C/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Bids: City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all bids and to waive any or all formalities or technicalities and to accept the bid deemed most advantageous to the City, and hold the bids for a period of **60** days without taking action.

Bids must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the bid envelope with corresponding bid number and title.

CITY OF EDINBURG
INSTRUCTIONS TO BIDDERS

DEVIATION FROM SPECIFICATION

Please read your specifications/requirements thoroughly and be sure that the SERVICES offered comply with all specifications/requirements. Any variation from the specifications/requirements must be clearly indicated by letter attached to your bid referencing variations on a point-by-point basis. If no exceptions are noted, and you are the successful bidder, it will be required that the SERVICES be provided as specified.

PURPOSE

1. The purpose of these specifications/requirements and bidding documents is for the purchase of **CONSTRUCTION MATERIALS** for the City of Edinburg for a six (6) month period at firm unit prices, commencing from the date of award and expiring September 30, 2016.

2. The SERVICES to be furnished under this bid shall be as specified in these bid documents. All specifications/requirements shown are minimum. There is no intention to disqualify any bidder who can meet these specifications/requirements.

SUBMITTAL OF BID

Bids will be submitted in sealed envelopes upon the blank bid form attached hereto. Submit two (2) complete sets of the bid, one (1) original marked "**ORIGINAL,**" and one (1) copy marked "**COPY**". Each bid must be completely filled out and **SUBMITTED IN ORIGINAL FORM**, complete with all supporting documentation. Bids submitted by facsimile (fax) or electronically will **NOT** be accepted. Submittal of a bid in response to this solicitation for Bids constitutes an offer by the Bidder. Bids which do not comply with these specifications/requirements may be rejected at the option of the City. Bids must be filed with the City of Edinburg, before opening day and hour. No late Bids will be accepted. They will be returned to Bidder unopened (if properly identified).

If Hand-delivering Bids:	415 West University Drive, c/o City Secretary Department (1st Floor)
If using Land Courier (i.e., FedEx, UPS):	415 West University Drive, c/o City Secretary Department (1st Floor), Edinburg, Texas 78541
If Mailing Bids:	P.O. Box 1079, Edinburg, TX 78540-1079

PREPARATION OF BID

Bids MUST give full firm name and address of bidder, and be manually signed. Failure to do so will disqualify your bid. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT.

Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent/Bidder whether corporation, partnership, or individual, shall also be stated in the bid. A corporation shall execute the bid by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent/Bidder shall give full names and addresses of all partners. All partners shall execute the bid. Partnership and Individual Respondent/Bidder shall state in the bid the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent/Bidder, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

ALTERATIONS/AMENDMENTS TO BID

Bids **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after opening time without acceptable reason in writing and

INSTRUCTIONS TO BIDDERS (Continued):

SALES TAX
State sales tax must not be included in the bid.

SUBSTITUTIONS
No substitutions or cancellations will be permitted without written approval of City of Edinburg.

NO BID RESPONSE
If unable to submit a bid, bidder should return inquiry giving reasons.

EXCEPTIONS
Any additions, deletions, or variations from the following specifications/requirements must be noted. The bidder shall attach to his/her bid sheet a list of any exceptions to the specifications/requirements if unable to do so, on specification sheet.

BRAND OR MANUFACTURER REFERENCE
Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Bids on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

DELIVERY
Number of days required to deliver SERVICES after receiving order must be stated in the bid. Failure to so state will obligate bidder to complete service delivery within ONE day.

DELAY IN SERVICE DELIVERY
When delay can be foreseen, Bidder shall give prior notice to City of Edinburg. Bidder must keep City of Edinburg advised at all times of status of order. Default in promised service delivery (without acceptable reasons) or failure to meet specifications/requirements, authorizes the City of Edinburg to purchase such SERVICES elsewhere and charge increase in cost to defaulting vendor. Acceptable reasons for delayed delivery are as follows: Acts of God (floods, tornadoes, hurricanes, etc.), acts of government, fire, strikes, war; Actions beyond the control of the successful bidder.

SERVICE DELIVERED PRICING
Bids in units of quantity specified - extend and show total. In the event of discrepancies in extension, unit prices will govern. Bids subject to unlimited price increase will not be considered.

VALID BID TIME FRAME
The City may hold bids 60 days after bid opening without taking action. BIDDERS shall be required to hold their Bids firm for the same period of time.

RIGHT TO REJECT/AWARD
The City of Edinburg reserves the right to refuse and reject any or all Bids, and to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

INSTRUCTIONS TO BIDDERS (Continued):

MULTIPLE VENDOR CONTRACTS

Bidders are advised that the City of Edinburg may award Service Contracts to multiple vendors based on low bid per item basis. All items specified on the "Bid Form" **must** reflect the individual unit prices. The City of Edinburg reserves the right to award all items individually or in any combination thereof.

INDEMNIFICATION CLAUSE

The Bidder agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

ADDENDA

Bidder shall carefully examine the bid forms, specifications/requirements, and instructions to Bidders. Should the bidder find discrepancies in, or omissions from bid forms, specifications/requirements, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Agent (Edinburg City Hall, 956-388-8972) and obtain clarification by addendum prior to submitting any bid. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda which shall become a part of the Contract documents. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective Bidders. All Addenda issued in respect to this project shall be considered official changes to the original bid documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative nor binding. It shall be the Bidder(s) responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, Bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the bidder's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any bidder to receive any such addendum or interpretation shall not relieve such Bidder from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at www.cityofedinburg.com.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been provided and invoiced. No other method of payment will be considered.

SYNONYM

Where in this bid package ITEMS OR SERVICES is used, its meaning shall refer to the purchase of CONSTRUCTION MATERIALS as specified.

ASSIGNMENT

Neither the Bidder's contract nor payment due to an awarded vendor may be assigned to a third party without the written approval of the Purchasing Department for the City of Edinburg.

BIDDER'S EMPLOYEES

Neither the Bidder nor his/her employees engaged in fulfilling the terms and conditions of this Purchase Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INSTRUCTIONS TO BIDDERS (Continued):

INTERPRETATIONS

Any questions concerning the conditions and/or specifications/requirements with regards to this solicitation for Bids shall be directed to the designated individuals as outlined in the Request for Bids. Such interpretations, which may affect the eventual outcome of this request for Bids, shall be furnished in writing to all prospective Bidders via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "Addenda".

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Bidder to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

RIGHT TO WAIVE

City of Edinburg reserves the right to waive or take exception to any part of these specifications/requirements when in the best interest of the City of Edinburg.

COOPERATIVE PRICING

Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold bids **60** days after the opening of Bids without taking action. Bidders are required to hold their Bids firm for same period of time.

PREPARATION OF BID

The City of Edinburg shall not be held liable for any costs incurred by any bidder for work performed in the preparation of and production of a bid or for any work performed prior to execution of contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the bidder should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the bidder may not be considered confidential under Texas Law, or pursuant to a Court order.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Vendor on contract.

INSTRUCTIONS TO BIDDERS (Continued):

MATHEMATICAL ERRORS
In the event that mathematical errors exist in any bid, unit prices/rates -v- totals, unit prices/rates will govern.

AUDIT
The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

PAST PERFORMANCE
Vendor's past performance shall be taken into consideration in the evaluation and award of Service Contract for the Purchase of SERVICES.

JURISDICTION
Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

VENUE
The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST
CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE
Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)
In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a

INSTRUCTIONS TO BIDDERS (Continued):

contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

AWARD

For purposes of this project, award will be contingent on approval of budget.

SPECIAL CIRCUMSTANCES

In the event that the City of Edinburg has an immediate need for a particular service(s) that is/are on contract and the successful vendor on contract is not able to meet the special service delivery needs of the City of Edinburg, the City of Edinburg reserves the right to purchase such services elsewhere to fulfill its' immediate need.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, if the City is being repeatedly over charged, improperly charged, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice. The bidder shall be afforded the same right to terminate this contract in the same manner.

INSURANCE REQUIREMENTS

Staff may waive insurance requirements for contracts $0 - $4,999.99, including but not limited to contracts for food, materials, supplies, and construction. Workers' Compensation in amounts which satisfy statutory coverage shall be required for construction projects.

The following insurance requirements will be included in all City contracts of $5,000 - $14,999.99. In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim.

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Comprehensive General Liability (City named as additional insured) Bodily Injury	$250,000 each person/$500,000 each occurrence
Property Damage	$100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

The following insurance requirements will be included in all City contracts of $15,000 or more.

(1) The successful bidder will be required to carry the following insurance coverage and limits of coverage, as well as list the City as an additional insured to liability coverage as requested by the City. In addition, the successful bidder shall provide the City with evidence of coverage and furnish acceptable proof of payment of insurance premiums.

INSTRUCTIONS TO BIDDERS (Continued):

(2) The successful bidder will be required to secure and/or have insurance coverage in force with an admitted property and casualty insurance company licensed by the State of Texas to conduct business in the State of Texas.

(3) In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Employer's Liability	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $100,000 each employee/$500,000 policy limit
Comprehensive General Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
Comprehensive Auto Liability Bodily Injury Property Damage	 $100,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
City's Protective Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

Policies must name the City of Edinburg as an Additional Insured.
Certificates of insurance naming the CITY as an additional insured shall be submitted to the CITY for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the CITY prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence that adequate replacement coverage is provided to the CITY. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, the Contract shall automatically terminate.

INSTRUCTIONS TO BIDDERS (Continued):

BID BOND INFORMATION – *CONSTRUCTION PROJECTS ONLY*

If the contract amount is over twenty-five-thousand dollars ($25,000) for construction of the project, the successful bidder shall provide a bid guarantee, give a good and sufficient bond in the full amount of the contract price for the faithful performance of such contract, executed by a surety company authorized to do business in the State of Texas, in accordance with Article 5160, Vernon's Texas Civil Statutes, and amendments thereto. A payment bond in the full amount of the contract price to assure payment shall be required by law of all persons supplying labor and material in the execution of the project provided for in the contract documents.

A bid guarantee equivalent to five percent (5%) of the bid price will be required from each bidder. The "bid guarantee" shall consist of a firm commitment, such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his/her bid, execute such contractual documents as may be required within the time specified.

A performance bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

A payment bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in execution of the work provided for in the contract documents.

CITY OF EDINBURG
REQUEST FOR BIDS FOR
CONSTRUCTION MATERIALS

BID NO. 2016-80

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

It is the intent of this Request for Bids to describe and ultimately make it possible for the City of Edinburg to purchase the below mentioned **CONSTRUCTION MATERIALS.**

GENERAL REQUIREMENTS AND AGREEMENT FOR CONSTRUCTION MATERIALS:
You are invited to submit a sealed bid for the purchase of CONSTRUCTION MATERIALS (type "D" hot mix, cold mix, and crushed caliche) as requested by the City of Edinburg Streets Department. This is a six (6) Month service contract from **April 2016 through September 30, 2016.** This bid will be awarded on unit price. Estimated quantities are approximate and may increase or decrease dependent on availability of funds.

The specifications listed below are minimum requirements and are intended to govern, in general, the size and material desired. The City of Edinburg reserves the right to evaluate variations from these specifications.

TYPE "D" HOT MIX

- Shall meet the Texas Department of Transportation (TxDot) specifications for Type "D" Hot Mix Asphalt.
- Hot Mix will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.
- Hot Mix must be available within a 25 mile radius of the City of Edinburg.
- Hot Mix must be available with at least a 24 hour notice.

COLD MIX

- Shall meet the Texas Department of Transportation (TxDot) specifications for Cold Mix Asphalt.
- Cold Mix will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.
- Cold Mix must be available within a 25 mile radius of the City of Edinburg.
- Cold Mix must be available with at least a 24 hour notice.

REQUEST FOR BIDS FOR CONSTRUCTION MATERIALS (Continued):

CRUSHED CALICHE

- Shall meet the Texas Department of Transportation (TxDot) specifications for Crushed Caliche.
- Crushed Caliche will be picked up at the plant, as needed, by the City of Edinburg trucks or a private trucking company.
- Crushed Caliche must be available within a 25 mile radius of the City of Edinburg.
- Crushed Caliche must be available with at least a 24 hour notice.

CITY OF EDINBURG
BID FORM FOR
CONSTRUCTION MATERIALS

BID NO. 2016-80

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in **ORIGINAL FORM** for **CONSTRUCTION MATERIALS** according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☐ **BUYBOARD** ☐ **H-GAC** ☐ **TXMAS** ☐ **DEALER/LOCAL**
☐ **TX DIR** ☐ **TFC** ☐ **OTHER** _____
Specify

CONTRACT NUMBER: _____ (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	EST. QTY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	3,000 TONS	**6 MONTHS OF SERVICES (04-30-16 TO 09-30-16)** TYPE "D" HOT MIX	$47.50 FORTY-SEVEN DOLLARS AND FIFTY CENTS	$ 142,500.00
2	400 TONS	COLD MIX No Bid	$_____ No Quote	$_____ No Quote
3	1,000 TONS	CRUSHED CALICHE No Bid **NOTE: Quantities are estimates only.** **BID TO BE AWARDED ON A UNIT PRICE ONLY** **MUST PROVIDE ORIGINAL AND A COPY**	$_____ No Quote	$_____ No Quote

BID FORM FOR CONSTRUCTION MATERIALS (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes _____ No X

Has the Company ever conducted business with the City of Edinburg? Yes X No _____

Respectfully submitted this 6TH day of APRIL, 2016.

SIGNATURE: Mark Motheral

TYPE/PRINT NAME: MARK MOTHERAL

TITLE: VICE PRESIDENT

COMPANY: VALLEY CALICHE PRODUCTS, INC.

ADDRESS: P.O. BOX 1086
MISSION, TX 78573

TELEPHONE NO.: (956) 581-2751

FAX NO.: (956) 585-6844

EMAIL: valleycaliche@aol.com

BIDDER'S LIST
CONSTRUCTION MATERIAL

Roy's Hauling Services
P.O. Box 1896
Edinburg, Texas 78540

Terra Firma Materials
9312 E. Curve Rd.
Edinburg, Texas 78540

Upper Valley Materials
7301 W. Expressway 83
Mission ,Texas 78572-9667

El Mini Mix
1403 E. Alberta Rd.
Edinburg, Texas 78542

Valley Caliche Products
P.O. Box 1086
Mission, Texas 78572

M & R Aggregates
7414 E. Highway 83
Rio Grande City, Texas 78582

Frontera Materials
P.O. Box 1449
Elsa, Texas 78543

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Awarding Bid No. 2016-81, Purchase of City Vehicles - Public Works to Caldwell Country Chevrolet, in the Amount of $40,640. [Ponciano N. Longoria, P.E. C.F.M., Director of Public Works]

****

STAFF COMMENTS AND RECOMMENDATION:
The City solicited bids from qualified vendors for the purchase of one (1) or two (2) pickup trucks for the Department of Public Works that will be utilized for transportation of employees.

On Monday, April 18, 2016 three (3) bids were received and opened for Bid No. 2016-81, Purchase of City Vehicles – Public Works. Tipton Ford, Inc. did not meet specifications. A review and tabulation of bids revealed Caldwell Country Chevrolet is the lowest bidder meeting specifications in the amount of $20,320 for a 2016 ½ Ton Regular Cab Pick Up Truck. Staff is recommending the purchase of two (2) trucks for a total of $40,640.

Staff has verified that Caldwell Country Chevrolet has no outstanding debts with the City and that they are not on the Federal Excluded Parties List System. Funding in amount of $32,000 is available through the FY 2015-2016 Department of Public Works - Streets Division General Fund Operating Budget. The remaining $8,640 is available through cost savings from within the FY 2015-2016 Department of Public Works - Streets Division General Fund Operating Budget.

RECOMMENDATION:
Approve Awarding Bid No. 2016-81, Purchase of City Vehicles – Public Works to Caldwell Country Chevrolet, in the Amount of $40,640.

	REVIEWED BY:	**PREPARED BY:**
/s/Richard M. Hinojosa	/s/Ascencion Alonzo	/s/ Ponciano N. Longoria, P.E., CFM
Richard M. Hinojosa City Manager	Ascencion Alonzo Director of Finance	Ponciano N. Longoria PE, CFM

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

BID RECOMMENDATION FORM

Title: Purchase of City Vehicles - Public Works
Bid No.: 2016-81
Date Opened: 04/18/16 @ 3:00 PM

			CALDWELL COUNTRY CHEVROLET		MORRIS MOORE CHEVROLET DBA COWBOY CHEVROLET			
ITEMS	**QUANTITY**	**DESCRIPTION OF GOODS OR SERVICES DEPARTMENT OF PUBLIC WORKS**	**UNIT PRICE**	**EXTENDED PRICE**	**UNIT PRICE**	**EXTENDED PRICE**	**UNIT PRICE**	**EXTENDED PRICE**
		Gwin Rd. - Monte Cristo Rd. to North City Limits						
1	1 EA	2015 ½ Ton Regular Cab Pick-UP	$20,320.00	$20,320.00	NO BID	$0.00		
2	1 EA	2015 ½ Ton Extended Cab Pick-Up	$21,995.00	$21,995.00	NO BID	$0.00		
3	1 EA	2015 ½ Ton Quad Cab Pick-UP	$21,995.00	$21,995.00	NO BID	$0.00		
4	1 EA	2015 ½ Ton Quad Cab 4X4 Pick-UP	$25,840.00	$25,840.00	NO BID	$0.00		
5	1 EA	2016 ½ Ton Regular Cab Pick-UP	$20,320.00	$20,320.00	$20,338.00	$20,338.00		
6	1 EA	2016 ½ Ton Extended Cab Pick-Up	$21,995.00	$21,995.00	$21,756.00	$21,756.00		
7	1 EA	2016 ½ Ton Quad Cab Pick-UP	$21,995.00	$21,995.00	$24,821.00	$24,821.00		
8	1 EA	2016 ½ Ton Quad Cab 4X4 Pick-UP	$25,840.00	$25,840.00	$27,869.00	$27,869.00		
		TOTAL		$180,300.00		$94,784.00		
		SUBTOTAL.						
		NET TOTAL						
		TERMS.						
		DELIVERY	**7-10 DAYS**					

RECOMMENDATION:

Award: Bid #2016-81 Purchase of City Vehicles - Public Work to Caldwell Country Chevrolet for two (2) 2016 ½ Ton Regular Cab Pick-Ups in the amounty of $40,640.

Department: Public Works / Streets
Budgeted Amount Available: $32,000.00
Additional Funds Required: $8,640.00
Prepared By: Tom Reyna

DISCLAIMER:

The above bid recommendation is made by Department Directors and the final award is subject to City Council approval.

COPY

THE CITY OF

EDINBURG

NOTICE TO BIDDERS

The City of Edinburg is soliciting sealed bids to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Bids will be received until **3:00 p.m. Central Time**, on **Monday, April 18, 2016**, shortly thereafter all submitted bids will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any bid received after the closing time will not be accepted and will be returned to the bidder unopened. It is the responsibility of the bidder to see that any bid submitted shall have sufficient time to be received by the City Secretary's Office prior to the bid opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the bids. Bids will not be accepted by telephone or facsimile machine. All bids must bear original signatures and figures. The Bid shall be for:

BID NO. 2016-81
PURCHASE OF CITY VEHICLES - PUBLIC WORKS

Bidders receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of:

LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-1895 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this bid, please contact Mr. Tomas Reyna, Assistant Director of Public Works at (956) 388-8210.

If Hand-delivering Bids: 415 West University Drive,
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
C/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Bids: City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all bids and to waive any or all formalities or technicalities and to accept the bid deemed most advantageous to the City, and hold the bids for a period of 60 days without taking action.

Bids must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the bid envelope with corresponding bid number and title.

CITY OF EDINBURG
INSTRUCTIONS TO BIDDERS

DEVIATION FROM SPECIFICATION

Please read your specifications/requirements thoroughly and be sure that the SERVICES offered comply with all specifications/requirements. Any variation from the specifications/requirements must be clearly indicated by letter attached to your bid referencing variations on a point-by-point basis. If no exceptions are noted, and you are the successful bidder, it will be required that the SERVICES be provided as specified.

PURPOSE

1. The purpose of these specifications/requirements and bidding documents is for the **PURCHASE OF CITY VEHICLES - PUBLIC WORKS** for the City of Edinburg.

2. The SERVICES to be furnished under this bid shall be as specified in these bid documents. All specifications/requirements shown are minimum. There is no intention to disqualify any bidder who can meet these specifications/requirements.

SUBMITTAL OF BID

Bids will be submitted in sealed envelopes upon the blank bid form attached hereto. Submit two (2) complete sets of the bid, one (1) original marked "**ORIGINAL,**" and one (1) copy marked "**COPY**". Each bid must be completely filled out and **SUBMITTED IN ORIGINAL FORM**, complete with all supporting documentation. Bids submitted by facsimile (fax) or electronically will **NOT** be accepted. Submittal of a bid in response to this solicitation for Bids constitutes an offer by the Bidder. Bids which do not comply with these specifications/requirements may be rejected at the option of the City. Bids must be filed with the City of Edinburg, before opening day and hour. No late Bids will be accepted. They will be returned to Bidder unopened (if properly identified).

If Hand-delivering Bids:	415 West University Drive, c/o City Secretary Department (1st Floor)
If using Land Courier (i.e., FedEx, UPS):	415 West University Drive, c/o City Secretary Department (1st Floor), Edinburg, Texas 78541
If Mailing Bids:	P.O. Box 1079, Edinburg, TX 78540-1079

PREPARATION OF BID

Bids MUST give full firm name and address of bidder, and be manually signed. Failure to do so will disqualify your bid. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT.

Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent/Bidder whether corporation, partnership, or individual, shall also be stated in the bid. A corporation shall execute the bid by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent/Bidder shall give full names and addresses of all partners. All partners shall execute the bid. Partnership and Individual Respondent/Bidder shall state in the bid the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent/Bidder, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

ALTERATIONS/AMENDMENTS TO BID

Bids **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after opening time without acceptable reason in writing and

INSTRUCTIONS TO BIDDERS (Continued):

SALES TAX
State sales tax must not be included in the bid.

SUBSTITUTIONS
No substitutions or cancellations will be permitted without written approval of City of Edinburg.

NO BID RESPONSE
If unable to submit a bid, bidder should return inquiry giving reasons.

EXCEPTIONS
Any additions, deletions, or variations from the following specifications/requirements must be noted. The bidder shall attach to his/her bid sheet a list of any exceptions to the specifications/requirements if unable to do so, on specification sheet.

BRAND OR MANUFACTURER REFERENCE
Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Bids on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

DELIVERY
Number of days required to deliver SERVICES after receiving order must be stated in the bid. Failure to so state will obligate bidder to complete service delivery within ONE day.

DELAY IN SERVICE DELIVERY
When delay can be foreseen, Bidder shall give prior notice to City of Edinburg. Bidder must keep City of Edinburg advised at all times of status of order. Default in promised service delivery (without acceptable reasons) or failure to meet specifications/requirements, authorizes the City of Edinburg to purchase such SERVICES elsewhere and charge increase in cost to defaulting vendor. Acceptable reasons for delayed delivery are as follows: Acts of God (floods, tornadoes, hurricanes, etc.), acts of government, fire, strikes, war; Actions beyond the control of the successful bidder.

SERVICE DELIVERED PRICING
Bids in units of quantity specified - extend and show total. In the event of discrepancies in extension, unit prices will govern. Bids subject to unlimited price increase will not be considered.

VALID BID TIME FRAME
The City may hold bids 60 days after bid opening without taking action. BIDDERS shall be required to hold their Bids firm for the same period of time.

RIGHT TO REJECT/AWARD
The City of Edinburg reserves the right to refuse and reject any or all Bids, and to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

INSTRUCTIONS TO BIDDERS (Continued):

MULTIPLE VENDOR CONTRACTS

Bidders are advised that the City of Edinburg may award Service Contracts to multiple vendors based on low bid per item basis. All items specified on the "Bid Form" **must** reflect the individual unit prices. The City of Edinburg reserves the right to award all items individually or in any combination thereof.

INDEMNIFICATION CLAUSE

The Bidder agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

ADDENDA

Bidder shall carefully examine the bid forms, specifications/requirements, and instructions to Bidders. Should the bidder find discrepancies in, or omissions from bid forms, specifications/requirements, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Agent (Edinburg City Hall, 956-388-8972) and obtain clarification by addendum prior to submitting any bid. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda which shall become a part of the Contract documents. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective Bidders. All Addenda issued in respect to this project shall be considered official changes to the original bid documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative nor binding. It shall be the Bidder(s) responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, Bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the bidder's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any bidder to receive any such addendum or interpretation shall not relieve such Bidder from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at www.cityofedinburg.com.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been provided and invoiced. No other method of payment will be considered.

SYNONYM

Where in this bid package ITEMS OR SERVICES is used, its meaning shall refer to the PURCHASE OF CITY VEHICLES - PUBLIC WORKS as specified.

ASSIGNMENT

Neither the Bidder's contract nor payment due to an awarded vendor may be assigned to a third party without the written approval of the Purchasing Department for the City of Edinburg.

BIDDER'S EMPLOYEES

Neither the Bidder nor his/her employees engaged in fulfilling the terms and conditions of this Purchase Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INSTRUCTIONS TO BIDDERS (Continued):

INTERPRETATIONS

Any questions concerning the conditions and/or specifications/requirements with regards to this solicitation for Bids shall be directed to the designated individuals as outlined in the Request for Bids. Such interpretations, which may affect the eventual outcome of this request for Bids, shall be furnished in writing to all prospective Bidders via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "Addenda".

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Bidder to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

RIGHT TO WAIVE

City of Edinburg reserves the right to waive or take exception to any part of these specifications/requirements when in the best interest of the City of Edinburg.

COOPERATIVE PRICING

Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold bids **60** days after the opening of Bids without taking action. Bidders are required to hold their Bids firm for same period of time.

PREPARATION OF BID

The City of Edinburg shall not be held liable for any costs incurred by any bidder for work performed in the preparation of and production of a bid or for any work performed prior to execution of contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the bidder should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the bidder may not be considered confidential under Texas Law, or pursuant to a Court order.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Vendor on contract.

INSTRUCTIONS TO BIDDERS (Continued):

MATHEMATICAL ERRORS
In the event that mathematical errors exist in any bid, unit prices/rates -v- totals, unit prices/rates will govern.

AUDIT
The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

PAST PERFORMANCE
Vendor's past performance shall be taken into consideration in the evaluation and award of Service Contract for the Purchase of SERVICES.

JURISDICTION
Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

VENUE
The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST
CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE
Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)
In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a

INSTRUCTIONS TO BIDDERS (Continued):

contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

AWARD

For purposes of this project, award will be contingent on approval of budget.

SPECIAL CIRCUMSTANCES

In the event that the City of Edinburg has an immediate need for a particular service(s) that is/are on contract and the successful vendor on contract is not able to meet the special service delivery needs of the City of Edinburg, the City of Edinburg reserves the right to purchase such services elsewhere to fulfill its' immediate need.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, if the City is being repeatedly over charged, improperly charged, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice. The bidder shall be afforded the same right to terminate this contract in the same manner.

INSURANCE REQUIREMENTS

Staff may waive insurance requirements for contracts $0 - $4,999.99, including but not limited to contracts for food, materials, supplies, and construction. Workers' Compensation in amounts which satisfy statutory coverage shall be required for construction projects.

The following insurance requirements will be included in all City contracts of $5,000 - $14,999.99. In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim.

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Comprehensive General Liability (City named as additional insured) Bodily Injury	$250,000 each person/$500,000 each occurrence
Property Damage	$100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

The following insurance requirements will be included in all City contracts of $15,000 or more.

(1) The successful bidder will be required to carry the following insurance coverage and limits of coverage, as well as list the City as an additional insured to liability coverage as requested by the City. In addition, the successful bidder shall provide the City with evidence of coverage and furnish acceptable proof of payment of insurance premiums.

INSTRUCTIONS TO BIDDERS (Continued):

(2) The successful bidder will be required to secure and/or have insurance coverage in force with an admitted property and casualty insurance company licensed by the State of Texas to conduct business in the State of Texas.

(3) In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Employer's Liability	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $100,000 each employee/$500,000 policy limit
Comprehensive General Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
Comprehensive Auto Liability Bodily Injury Property Damage	 $100,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
City's Protective Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

Policies must name the City of Edinburg as an Additional Insured.
Certificates of insurance naming the CITY as an additional insured shall be submitted to the CITY for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the CITY prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence that adequate replacement coverage is provided to the CITY. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, the Contract shall automatically terminate.

INSTRUCTIONS TO BIDDERS (Continued):

BID BOND INFORMATION – *CONSTRUCTION PROJECTS ONLY*

If the contract amount is over twenty-five-thousand dollars ($25,000) for construction of the project, the successful bidder shall provide a bid guarantee, give a good and sufficient bond in the full amount of the contract price for the faithful performance of such contract, executed by a surety company authorized to do business in the State of Texas, in accordance with Article 5160, Vernon's Texas Civil Statutes, and amendments thereto. A payment bond in the full amount of the contract price to assure payment shall be required by law of all persons supplying labor and material in the execution of the project provided for in the contract documents.

A bid guarantee equivalent to five percent (5%) of the bid price will be required from each bidder. The "bid guarantee" shall consist of a firm commitment, such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his/her bid, execute such contractual documents as may be required within the time specified.

A performance bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

A payment bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in execution of the work provided for in the contract documents.

CITY OF EDINBURG
REQUEST FOR BIDS FOR
PURCHASE OF CITY VEHICLES - PUBLIC WORKS

BID NO. 2016-81

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

It is the intent of this Request for Bids to describe and ultimately make it possible for the City of Edinburg to purchase the below mentioned **PURCHASE OF CITY VEHICLES - PUBLIC WORKS.**

The specifications listed below are minimum requirements and are intended to govern, in general, the size and material desired. The City of Edinburg reserves the right to evaluate variations from these specifications.

The City of Edinburg is seeking bids for the purchase of up to two (2) 2015 **or** 2016 Year Model Pick-Up Trucks; purchase may not exceed the budgeted amount; The Truck shall consist of the following:

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton Regular Cab Pick-Up Truck
Streets Division

SPECIFICATIONS

2016 Chevrolet
1500 Silverado 4x2
Reg Cab SWB
EC15703

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows:

1. **Body and Chassis**
   a.Wheelbase/CA: Manufacturer Standard, list size
   b.Gross Vehicle Weight Rating: 6025 lbs.
   c.Bed: Short Wide Bed

2. **Engine**
   a.Engine Size: 315 hp, List HP, Liter & Cylinders 5.3L-V8, 355 hp
   b.Fuel Type: Gasoline

3. **Transmission**
   a.Transmission: Automatic, List Type, Speeds etc. 6-spd auto

4. **Drive Axle**
   a.Differential Type/Ratio: Manufacturer Standard, List Ratio & Type 3.42

5. **Electrical**
   a.Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b.Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a.Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons 26

7. **Exterior**
   a.Paint: One color – White
   b.Bumpers: standard front, heavy-duty step type rear.
   c.License Plate Brackets: front and rear.
   d.Windshield washer: with multi-speed wipers
   e.Tow hooks, front

8. **Doors and Windows**
   a.Doors: 4 Doors <Double Cab> 4 dr. <Regular Cab 2 dr.>
   b.Mirrors: Two Outside, Right & Left, One Interior

9. **Interior**
   a.Air Conditioning: factory installed
   b.Radio: factory installed in dash AM/FM or greater
   c.Tilt Steering wheel
   d.Tinted Glass: manufacturer standard tinted glass in all windows.
   e.Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**
   a.Seats: manufacturer's standard materials and colors to blend with exterior color.
   b.Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**
   a.Brakes: 4 wheel anti-lock, List Disc/Drums
   b.Restraint System All Pass: Required
   c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**
   a.Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size P255/70R17 (5)

13. **Warranty**
   a.Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first
   b.Drive Train Warranty: List Warranty 5yr/100,000 miles

14. **Other**
   a.Operator's Manual.
   b.Keys: two (2) per vehicle
   c.Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower
   d.Standard Daytime running lights

Price - Regular Cab $20,320.

Price - Double Cab 4dr. $21,995 each

<90 day delivery>

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton Extended Cab Pick-Up Truck
Streets Division

2016 Chevrolet 1500
Silverado 4WD Double Cab
SWB CC15713

SPECIFICATIONS

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows:

1. **Body and Chassis**
   a. Wheelbase/CA: Manufacturer Standard, list size
   b. Gross Vehicle Weight Rating: 6025 lbs.
   c. Bed: Short Wide Bed

2. **Engine**
   a. Engine Size: 315 hp, List HP, Liter & Cylinders 5.3L V8, 355 hp.
   b. Fuel Type: Gasoline

3. **Transmission**
   a. Transmission: Automatic, List Type, Speeds etc. 6-spd auto

4. **Drive Axle**
   a. Differential Type/Ratio: Manufacturer Standard, List Ratio & Type 3.42

5. **Electrical**
   a. Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b. Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a. Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons 26

7. **Exterior**
   a. Paint: One color – White
   b. Bumpers: standard front, heavy-duty step type rear.
   c. License Plate Brackets: front and rear.
   d. Windshield washer: with multi-speed wipers
   e. Tow hooks, front

8. **Doors and Windows**
   a. Doors: 4 Doors
   b. Mirrors: Two Outside, Right & Left, One Interior

9. **Interior**
   a. Air Conditioning: factory installed

   b. Radio: factory installed in dash AM/FM or greater
   c. Tilt Steering wheel
   d. Tinted Glass: manufacturer standard tinted glass in all windows.
   e. Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**

a. Seats: manufacturer's standard materials and colors to blend with exterior color.

b. Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**

a. Brakes: 4 wheel anti-lock, List Disc/Drums

b. Restraint System All Pass: Required

c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**

a. Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size

13. **Warranty**

a. Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first

b. Drive Train Warranty: List Warranty 5yr/100,000 miles

14. **Other**

a. Operator's Manual.

b. Keys: two (2) per vehicle

c. Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower

d. Standard Daytime running lights

$21,995

(90 day delivery)

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton Quad Cab Pick-Up Truck
Streets Division

SPECIFICATIONS

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows:

1. **Body and Chassis**
   a. Wheelbase/CA: Manufacturer Standard, list size
   b. Gross Vehicle Weight Rating: 6025 lbs.
   c. Bed: Short Wide Bed

   '2016 Chevrolet 1500 Silverado 4x2 Double Cab 4 dr. SWB CCFT53

2. **Engine**
   a. Engine Size: 315 hp, List HP, Liter & Cylinders 5.3L V8, 355 hp.
   b. Fuel Type: Gasoline

3. **Transmission**
   a. Transmission: Automatic, List Type, Speeds etc. 6-spd auto

4. **Drive Axle**
   a. Differential Type/Ratio: Manufacturer Standard, List Ratio & Type 3.42

5. **Electrical**
   a. Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b. Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a. Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons

7. **Exterior**
   a. Paint: One color – White
   b. Bumpers: standard front, heavy-duty step type rear.
   c. License Plate Brackets: front and rear.
   d. Windshield washer: with multi-speed wipers
   e. Tow hooks, front

8. **~~Doors and Windows~~**
   a. Doors: 4 Doors
   ~~b. Mirrors: Two~~ Outside, Right & Left, One Interior

9. **Interior**
   a. Air Conditioning: factory installed
   b. Radio: factory installed in dash AM/FM or greater
   c. Tilt Steering wheel
   d. Tinted Glass: manufacturer standard tinted glass in all windows.
   e. Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**
   a.Seats: manufacturer's standard materials and colors to blend with exterior color.
   b.Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**
   a.Brakes: 4 wheel anti-lock, List Disc/Drums
   b.Restraint System All Pass: Required
   c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**
   a.Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size

13. **Warranty**
   a.Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first
   b.Drive Train Warranty: List Warranty 5 x 4/100,000 miles

14. **Other**
   a.Operator's Manual.
   b.Keys: two (2) per vehicle
   c.Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower
   d.Standard Daytime running lights

$21,995

(90 days)

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton 4X4 Quad Cab Pick-Up Truck
Streets Division

SPECIFICATIONS '2016 Chevrolet 1500 Silverado

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows: 4x4 Double Cab 4 door CK15753

1. **Body and Chassis**
   a. Wheelbase/CA: Manufacturer Standard, list size
   b. Gross Vehicle Weight Rating: 6025 lbs.
   c. Bed: Short Wide Bed

2. **Engine**
   a. Engine Size: 315 hp, List HP, Liter & Cylinders 5.3L V8, 355 hp
   b. Fuel Type: Gasoline

3. **Transmission**
   a. Transmission: Automatic, List Type, Speeds etc. 6-spd automatic

4. **Drive Axle**
   a. Differential Type/Ratio: Manufacturer Standard, List Ratio & Type 3.42
   b. 4x4: 4x4 with auto locking hubs

5. **Electrical**
   a. Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b. Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a. Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons 26

7. **Exterior**
   a. Paint: One color – White
   b. Bumpers: standard front, heavy-duty step type rear.
   c. License Plate Brackets: front and rear.
   d. Windshield washer: with multi-speed wipers
   e. Tow hooks, front
   f. Towing Package W/2" receiver (min.)
   g. Line-X sprayed in bed liner or approved equal applied over top rail (optional)

8. **Doors and Windows**
   a. Doors: 4 Doors
   b. Mirrors: Two Outside, Right & Left, One Interior

9. **Interior**
   a. Air Conditioning: factory installed
   b. Radio: factory installed in dash AM/FM or greater
   c. Tilt Steering wheel

d. Steering: Power Steering.
e. Tinted Glass: manufacturer standard tinted glass in all windows.
f. Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**
a. Seats: manufacturer's standard materials and colors to blend with exterior color.
b. Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**
a. Brakes: 4 wheel anti-lock, List Disc/Drums
b. Restraint System All Pass: Required
c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**
a. Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size

13. **Warranty**
a. Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first
b. Drive Train Warranty: List Warranty 5 yr/100,000 mi/CD

14. **Other**
a. Operator's Manual.
b. Keys: two (2) per vehicle
c. Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower
d. Standard Daytime running lights

#

(90 days)

CITY OF EDINBURG
BID FORM FOR
PURCHASE OF CITY VEHICLES - PUBLIC WORKS

BID NO. 2016-81

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in ORIGINAL FORM for PURCHASE OF CITY VEHICLES - PUBLIC WORKS according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☐ **BUYBOARD** ☐ **H-GAC** ☐ **TXMAS** ☑ **DEALER/LOCAL**
☐ **TX DIR** ☐ **TFC** ☐ **OTHER** _____
Specify

CONTRACT NUMBER: _____ (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	EST. QTY	DESCRIPTION	UNIT PRICE
1	1 EA.	2015 ½ TON REGULAR CAB PICK-UP Chevrolet CC15703	$20,320
2	1 EA.	2015 ½ TON EXTENDED CAB PICK-UP Chevrolet CC15753	$21,995
3	1 EA.	2015 ½ TON QUAD CAB PICK-UP Chevrolet CC15753	$21,995
4	1 EA.	2015 ½ TON QUAD CAB 4 X 4 PICK-UP Chevrolet CK15753	$25,840
5	1 EA.	2016 ½ TON REGULAR CAB PICK-UP Chevrolet CC15703	$20,320
6	1 EA.	2016 ½ TON EXTENDED CAB PICK-UP Chevrolet CC15753	$21,995
7	1 EA.	2016 ½ TON QUAD CAB PICK-UP Chevrolet CC15753	$21,995
8	1 EA.	2016 ½ TON QUAD CAB 4 X 4 PICK-UP Chevrolet CK15753	$25,840
		THE CITY RESERVES THE RIGHT TO PURCHASE ITEMS INDIVIDUALLY OR IN ANY COMBINATION THEREOF. THE CITY RESERVES THE RIGHT TO INCREASE OR DECREASE QUANTITIES DEPENDING ON AVAILABILITY OF FUNDS.	

BID FORM FOR PURCHASE OF CITY VEHICLES - PUBLIC WORKS (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes _____ No ✓

Has the Company ever conducted business with the City of Edinburg? Yes ✓ No _____

Respectfully submitted this 13th day of April, 2016.

SIGNATURE: [signature]

TYPE/PRINT NAME: Averyt Knapp

TITLE: Fleet Mgr.

COMPANY: Caldwell Country Chevrolet

ADDRESS: PO Box 27
Caldwell, TX 77836

TELEPHONE NO.: 979-567-6116

FAX NO.: 979-567-0853

EMAIL: aknapp@caldwellcountry.com

THE CITY OF

EDINBURG

NOTICE TO BIDDERS

The City of Edinburg is soliciting sealed bids to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Bids will be received until **3:00 p.m. Central Time**, on **Monday, April 18, 2016**, shortly thereafter all submitted bids will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any bid received after the closing time will not be accepted and will be returned to the bidder unopened. It is the responsibility of the bidder to see that any bid submitted shall have sufficient time to be received by the City Secretary's Office prior to the bid opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the bids. Bids will not be accepted by telephone or facsimile machine. All bids must bear original signatures and figures. The Bid shall be for:

BID NO. 2016-81
PURCHASE OF CITY VEHICLES - PUBLIC WORKS

Bidders receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of:

LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-1895 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this bid, please contact Mr. Tomas Reyna, Assistant Director of Public Works at (956) 388-8210.

If Hand-delivering Bids: 415 West University Drive,
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
C/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Bids: City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all bids and to waive any or all formalities or technicalities and to accept the bid deemed most advantageous to the City, and hold the bids for a period of 60 days without taking action.

Bids must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the bid envelope with corresponding bid number and title.

CITY OF EDINBURG
INSTRUCTIONS TO BIDDERS

DEVIATION FROM SPECIFICATION

Please read your specifications/requirements thoroughly and be sure that the SERVICES offered comply with all specifications/requirements. Any variation from the specifications/requirements must be clearly indicated by letter attached to your bid referencing variations on a point-by-point basis. If no exceptions are noted, and you are the successful bidder, it will be required that the SERVICES be provided as specified.

PURPOSE

1. The purpose of these specifications/requirements and bidding documents is for the **PURCHASE OF CITY VEHICLES - PUBLIC WORKS** for the City of Edinburg.

2. The SERVICES to be furnished under this bid shall be as specified in these bid documents. All specifications/requirements shown are minimum. There is no intention to disqualify any bidder who can meet these specifications/requirements.

SUBMITTAL OF BID

Bids will be submitted in sealed envelopes upon the blank bid form attached hereto. Submit two (2) complete sets of the bid, one (1) original marked "**ORIGINAL,**" and one (1) copy marked "**COPY**". Each bid must be completely filled out and **SUBMITTED IN ORIGINAL FORM**, complete with all supporting documentation. Bids submitted by facsimile (fax) or electronically will **NOT** be accepted. Submittal of a bid in response to this solicitation for Bids constitutes an offer by the Bidder. Bids which do not comply with these specifications/requirements may be rejected at the option of the City. Bids must be filed with the City of Edinburg, before opening day and hour. No late Bids will be accepted. They will be returned to Bidder unopened (if properly identified).

If Hand-delivering Bids:	415 West University Drive, c/o City Secretary Department (1st Floor)
If using Land Courier (i.e., FedEx, UPS):	415 West University Drive, c/o City Secretary Department (1st Floor), Edinburg, Texas 78541
If Mailing Bids:	P.O. Box 1079, Edinburg, TX 78540-1079

PREPARATION OF BID

Bids MUST give full firm name and address of bidder, and be manually signed. Failure to do so will disqualify your bid. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT.

Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent/Bidder whether corporation, partnership, or individual, shall also be stated in the bid. A corporation shall execute the bid by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent/Bidder shall give full names and addresses of all partners. All partners shall execute the bid. Partnership and Individual Respondent/Bidder shall state in the bid the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent/Bidder, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

ALTERATIONS/AMENDMENTS TO BID

Bids **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after opening time without acceptable reason in writing and

INSTRUCTIONS TO BIDDERS (Continued):

SALES TAX
State sales tax must not be included in the bid.

SUBSTITUTIONS
No substitutions or cancellations will be permitted without written approval of City of Edinburg.

NO BID RESPONSE
If unable to submit a bid, bidder should return inquiry giving reasons.

EXCEPTIONS
Any additions, deletions, or variations from the following specifications/requirements must be noted. The bidder shall attach to his/her bid sheet a list of any exceptions to the specifications/requirements if unable to do so, on specification sheet.

BRAND OR MANUFACTURER REFERENCE
Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Bids on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

DELIVERY
Number of days required to deliver SERVICES after receiving order must be stated in the bid. Failure to so state will obligate bidder to complete service delivery within ONE day.

DELAY IN SERVICE DELIVERY
When delay can be foreseen, Bidder shall give prior notice to City of Edinburg. Bidder must keep City of Edinburg advised at all times of status of order. Default in promised service delivery (without acceptable reasons) or failure to meet specifications/requirements, authorizes the City of Edinburg to purchase such SERVICES elsewhere and charge increase in cost to defaulting vendor. Acceptable reasons for delayed delivery are as follows: Acts of God (floods, tornadoes, hurricanes, etc.), acts of government, fire, strikes, war; Actions beyond the control of the successful bidder.

SERVICE DELIVERED PRICING
Bids in units of quantity specified - extend and show total. In the event of discrepancies in extension, unit prices will govern. Bids subject to unlimited price increase will not be considered.

VALID BID TIME FRAME
The City may hold bids 60 days after bid opening without taking action. BIDDERS shall be required to hold their Bids firm for the same period of time.

RIGHT TO REJECT/AWARD
The City of Edinburg reserves the right to refuse and reject any or all Bids, and to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

INSTRUCTIONS TO BIDDERS (Continued):

MULTIPLE VENDOR CONTRACTS

Bidders are advised that the City of Edinburg may award Service Contracts to multiple vendors based on low bid per item basis. All items specified on the "Bid Form" **must** reflect the individual unit prices. The City of Edinburg reserves the right to award all items individually or in any combination thereof.

INDEMNIFICATION CLAUSE

The Bidder agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

ADDENDA

Bidder shall carefully examine the bid forms, specifications/requirements, and instructions to Bidders. Should the bidder find discrepancies in, or omissions from bid forms, specifications/requirements, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Agent (Edinburg City Hall, 956-388-8972) and obtain clarification by addendum prior to submitting any bid. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda which shall become a part of the Contract documents. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective Bidders. All Addenda issued in respect to this project shall be considered official changes to the original bid documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative nor binding. It shall be the Bidder(s) responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, Bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the bidder's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any bidder to receive any such addendum or interpretation shall not relieve such Bidder from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at www.cityofedinburg.com.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been provided and invoiced. No other method of payment will be considered.

SYNONYM

Where in this bid package ITEMS OR SERVICES is used, its meaning shall refer to the PURCHASE OF CITY VEHICLES - PUBLIC WORKS as specified.

ASSIGNMENT

Neither the Bidder's contract nor payment due to an awarded vendor may be assigned to a third party without the written approval of the Purchasing Department for the City of Edinburg.

BIDDER'S EMPLOYEES

Neither the Bidder nor his/her employees engaged in fulfilling the terms and conditions of this Purchase Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INSTRUCTIONS TO BIDDERS (Continued):

INTERPRETATIONS

Any questions concerning the conditions and/or specifications/requirements with regards to this solicitation for Bids shall be directed to the designated individuals as outlined in the Request for Bids. Such interpretations, which may affect the eventual outcome of this request for Bids, shall be furnished in writing to all prospective Bidders via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "Addenda".

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Bidder to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

RIGHT TO WAIVE

City of Edinburg reserves the right to waive or take exception to any part of these specifications/requirements when in the best interest of the City of Edinburg.

COOPERATIVE PRICING

Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold bids 60 days after the opening of Bids without taking action. Bidders are required to hold their Bids firm for same period of time.

PREPARATION OF BID

The City of Edinburg shall not be held liable for any costs incurred by any bidder for work performed in the preparation of and production of a bid or for any work performed prior to execution of contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the bidder should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the bidder may not be considered confidential under Texas Law, or pursuant to a Court order.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Vendor on contract.

INSTRUCTIONS TO BIDDERS (Continued):

MATHEMATICAL ERRORS
In the event that mathematical errors exist in any bid, unit prices/rates -v- totals, unit prices/rates will govern.

AUDIT
The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

PAST PERFORMANCE
Vendor's past performance shall be taken into consideration in the evaluation and award of Service Contract for the Purchase of SERVICES.

JURISDICTION
Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

VENUE
The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST
CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE
Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)
In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a

INSTRUCTIONS TO BIDDERS (Continued):

contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

AWARD
For purposes of this project, award will be contingent on approval of budget.

SPECIAL CIRCUMSTANCES
In the event that the City of Edinburg has an immediate need for a particular service(s) that is/are on contract and the successful vendor on contract is not able to meet the special service delivery needs of the City of Edinburg, the City of Edinburg reserves the right to purchase such services elsewhere to fulfill its' immediate need.

TERMINATION OF CONTRACT
The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, if the City is being repeatedly over charged, improperly charged, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice. The bidder shall be afforded the same right to terminate this contract in the same manner.

INSURANCE REQUIREMENTS
Staff may waive insurance requirements for contracts $0 - $4,999.99, including but not limited to contracts for food, materials, supplies, and construction. Workers' Compensation in amounts which satisfy statutory coverage shall be required for construction projects.

The following insurance requirements will be included in all City contracts of $5,000 - $14,999.99. In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim.

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Comprehensive General Liability (City named as additional insured) Bodily Injury	$250,000 each person/$500,000 each occurrence
Property Damage	$100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

The following insurance requirements will be included in all City contracts of $15,000 or more.

(1) The successful bidder will be required to carry the following insurance coverage and limits of coverage, as well as list the City as an additional insured to liability coverage as requested by the City. In addition, the successful bidder shall provide the City with evidence of coverage and furnish acceptable proof of payment of insurance premiums.

INSTRUCTIONS TO BIDDERS (Continued):

(2) The successful bidder will be required to secure and/or have insurance coverage in force with an admitted property and casualty insurance company licensed by the State of Texas to conduct business in the State of Texas.

(3) In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of $100,000 per claim

Minimum Insurance Requirements	
Type of Coverage	**Limits of Liability**
Worker's Compensation	Statutory Coverage
Employer's Liability	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $100,000 each employee/$500,000 policy limit
Comprehensive General Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
Comprehensive Auto Liability Bodily Injury Property Damage	 $100,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits
City's Protective Liability Bodily Injury Property Damage	 $250,000 each person/$500,000 each occurrence $100,000 each occurrence/$100,000 aggregate or $500,000 combined single limits

Policies must name the City of Edinburg as an Additional Insured.
Certificates of insurance naming the CITY as an additional insured shall be submitted to the CITY for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the CITY prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence that adequate replacement coverage is provided to the CITY. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, the Contract shall automatically terminate.

INSTRUCTIONS TO BIDDERS (Continued):

BID BOND INFORMATION – *CONSTRUCTION PROJECTS ONLY*

If the contract amount is over twenty-five-thousand dollars ($25,000) for construction of the project, the successful bidder shall provide a bid guarantee, give a good and sufficient bond in the full amount of the contract price for the faithful performance of such contract, executed by a surety company authorized to do business in the State of Texas, in accordance with Article 5160, Vernon's Texas Civil Statutes, and amendments thereto. A payment bond in the full amount of the contract price to assure payment shall be required by law of all persons supplying labor and material in the execution of the project provided for in the contract documents.

A bid guarantee equivalent to five percent (5%) of the bid price will be required from each bidder. The "bid guarantee" shall consist of a firm commitment, such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his/her bid, execute such contractual documents as may be required within the time specified.

A performance bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

A payment bond on the part of the contractor for one-hundred percent (100%) of the contract price will be required. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in execution of the work provided for in the contract documents.

CITY OF EDINBURG
REQUEST FOR BIDS FOR
PURCHASE OF CITY VEHICLES - PUBLIC WORKS

BID NO. 2016-81

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

It is the intent of this Request for Bids to describe and ultimately make it possible for the City of Edinburg to purchase the below mentioned **PURCHASE OF CITY VEHICLES - PUBLIC WORKS.**

The specifications listed below are minimum requirements and are intended to govern, in general, the size and material desired. The City of Edinburg reserves the right to evaluate variations from these specifications.

The City of Edinburg is seeking bids for the purchase of up to two (2) 2015 **or** 2016 Year Model Pick-Up Trucks; purchase may not exceed the budgeted amount; The Truck shall consist of the following:

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton Regular Cab Pick-Up Truck
Streets Division

SPECIFICATIONS

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows:

1. **Body and Chassis**
   a. Wheelbase/CA: Manufacturer Standard, list size
   b. Gross Vehicle Weight Rating: 6025 lbs.
   c. Bed: Short Wide Bed

2. **Engine**
   a. Engine Size: 315 hp, List HP, Liter & Cylinders
   b. Fuel Type: Gasoline

3. **Transmission**
   a. Transmission: Automatic, List Type, Speeds etc.

4. **Drive Axle**
   a. Differential Type/Ratio: Manufacturer Standard, List Ratio & Type

5. **Electrical**
   a. Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b. Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a. Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons

7. **Exterior**
   a. Paint: One color – White
   b. Bumpers: standard front, heavy-duty step type rear.
   c. License Plate Brackets: front and rear.
   d. Windshield washer: with multi-speed wipers
   e. Tow hooks, front

8. **Doors and Windows**
   a. Doors: 4 Doors
   b. Mirrors: Two Outside, Right & Left, One Interior

9. **Interior**
   a. Air Conditioning: factory installed
   b. Radio: factory installed in dash AM/FM or greater
   c. Tilt Steering wheel
   d. Tinted Glass: manufacturer standard tinted glass in all windows.
   e. Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**
    a. Seats: manufacturer's standard materials and colors to blend with exterior color.
    b. Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**
    a. Brakes: 4 wheel anti-lock, List Disc/Drums
    b. Restraint System All Pass: Required
    c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**
    a. Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size

13. **Warranty**
    a. Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first
    b. Drive Train Warranty: List Warranty

14. **Other**
    a. Operator's Manual.
    b. Keys: two (2) per vehicle
    c. Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower
    d. Standard Daytime running lights

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton Extended Cab Pick-Up Truck
Streets Division

SPECIFICATIONS

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows:

1. **Body and Chassis**
   a. Wheelbase/CA: Manufacturer Standard, list size
   b. Gross Vehicle Weight Rating: 6025 lbs.
   c. Bed: Short Wide Bed

2. **Engine**
   a. Engine Size: 315 hp, List HP, Liter & Cylinders
   b. Fuel Type: Gasoline

3. **Transmission**
   a. Transmission: Automatic, List Type, Speeds etc.

4. **Drive Axle**
   a. Differential Type/Ratio: Manufacturer Standard, List Ratio & Type

5. **Electrical**
   a. Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b. Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a. Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons

7. **Exterior**
   a. Paint: One color – White
   b. Bumpers: standard front, heavy-duty step type rear.
   c. License Plate Brackets: front and rear.
   d. Windshield washer: with multi-speed wipers
   e. Tow hooks, front

8. **Doors and Windows**
   a. Doors: 4 Doors
   b. Mirrors: Two Outside, Right & Left, One Interior

9. **Interior**
   a. Air Conditioning: factory installed

   b. Radio: factory installed in dash AM/FM or greater
   c. Tilt Steering wheel
   d. Tinted Glass: manufacturer standard tinted glass in all windows.
   e. Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**

a.Seats: manufacturer's standard materials and colors to blend with exterior color.

b.Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**

a.Brakes: 4 wheel anti-lock, List Disc/Drums

b.Restraint System All Pass: Required

c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**

a.Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size

13. **Warranty**

a.Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first

b.Drive Train Warranty: List Warranty

14. **Other**

a.Operator's Manual.

b.Keys: two (2) per vehicle

c.Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower

d.Standard Daytime running lights

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton Quad Cab Pick-Up Truck
Streets Division

SPECIFICATIONS

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows:

1. **Body and Chassis**
   a.Wheelbase/CA: Manufacturer Standard, list size
   b.Gross Vehicle Weight Rating: 6025 lbs.
   c.Bed: Short Wide Bed

2. **Engine**
   a.Engine Size: 315 hp, List HP, Liter & Cylinders
   b.Fuel Type: Gasoline

3. **Transmission**
   a.Transmission: Automatic, List Type, Speeds etc.

4. **Drive Axle**
   a.Differential Type/Ratio: Manufacturer Standard, List Ratio & Type

5. **Electrical**
   a.Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b.Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a.Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons

7. **Exterior**
   a.Paint: One color – White
   b.Bumpers: standard front, heavy-duty step type rear.
   c.License Plate Brackets: front and rear.
   d.Windshield washer: with multi-speed wipers
   e.Tow hooks, front

8. **Doors and Windows**
   a.Doors: 4 Doors
   b.Mirrors: Two Outside, Right & Left, One Interior

9. **Interior**
   a.Air Conditioning: factory installed
   b.Radio: factory installed in dash AM/FM or greater
   c.Tilt Steering wheel
   d.Tinted Glass: manufacturer standard tinted glass in all windows.
   e.Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**
a.Seats: manufacturer's standard materials and colors to blend with exterior color.
b.Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**
a.Brakes: 4 wheel anti-lock, List Disc/Drums
b.Restraint System All Pass: Required
c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**
a.Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size

13. **Warranty**
a.Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first
b.Drive Train Warranty: List Warranty

14. **Other**
a.Operator's Manual.
b.Keys: two (2) per vehicle
c.Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower
d.Standard Daytime running lights

CITY OF EDINBURG
Department of Public Works
2015 or 2016 ½ Ton 4X4 Quad Cab Pick-Up Truck
Streets Division

SPECIFICATIONS

STANDARD EQUIPMENT: Pickup truck shall be equipped as follows:

1. **Body and Chassis**
   a. Wheelbase/CA: Manufacturer Standard, list size
   b. Gross Vehicle Weight Rating: 6025 lbs.
   c. Bed: Short Wide Bed

2. **Engine**
   a. Engine Size: 315 hp, List HP, Liter & Cylinders
   b. Fuel Type: Gasoline

3. **Transmission**
   a. Transmission: Automatic, List Type, Speeds etc.

4. **Drive Axle**
   a. Differential Type/Ratio: Manufacturer Standard, List Ratio & Type
   b. 4x4: 4x4 with auto locking hubs

5. **Electrical**
   a. Alternator: type and capacity as recommended by manufacturer for vehicle as equipped
   b. Battery: Maintenance free, type recommended by manufacturer for vehicle as equipped.

6. **Fuel Tank**
   a. Fuel Capacity (Gallons): Manufacturer Standard, List Amount in Gallons

7. **Exterior**
   a. Paint: One color – White
   b. Bumpers: standard front, heavy-duty step type rear.
   c. License Plate Brackets: front and rear.
   d. Windshield washer: with multi-speed wipers
   e. Tow hooks, front
   f. Towing Package W/2" receiver (min.)
   g. Line-X sprayed in bed liner or approved equal applied over top rail (optional)

8. **Doors and Windows**
   a. Doors: 4 Doors
   b. Mirrors: Two Outside, Right & Left, One Interior

9. **Interior**
   a. Air Conditioning: factory installed
   b. Radio: factory installed in dash AM/FM or greater
   c. Tilt Steering wheel

d.Steering: Power Steering.
e.Tinted Glass: manufacturer standard tinted glass in all windows.
f.Oil Pressure Gauge: Oil Pressure Gauge/Indicator, etc.

10. **Seats**
a.Seats: manufacturer's standard materials and colors to blend with exterior color.
b.Rear Seat: manufacturer's standard materials and colors to blend with exterior color.

11. **Safety**
a.Brakes: 4 wheel anti-lock, List Disc/Drums
b.Restraint System All Pass: Required
c. Air Bag, Front, Both Sides: Required

12. **Tires and Wheels**
a.Tires: five (5) radial, size and load range recommended by manufacturer for vehicle as equipped, list size

13. **Warranty**
a.Bumper to Bumper Warranty: minimum 3 years or 36,000 miles, whichever comes first
b.Drive Train Warranty: List Warranty

14. **Other**
a.Operator's Manual.
b.Keys: two (2) per vehicle
c.Cooling System: heavy-duty, including heavy-duty radiator, heavy-duty fan, and factory installed coolant recovery system. Antifreeze: serviced to -29°C (-20°F) or lower
d.Standard Daytime running lights

CITY OF EDINBURG
BID FORM FOR
PURCHASE OF CITY VEHICLES - PUBLIC WORKS

BID NO. 2016-81

BID OPENING DATE: April 18, 2016 at 3:00 p.m.

I/We submit the following bid in ORIGINAL FORM for PURCHASE OF CITY VEHICLES - PUBLIC WORKS according to City of Edinburg requirements, less tax:

NOTE: In addition to responding to our "local" solicitation for bids/proposals vendors/contractors are encouraged to provide pricing on the above referenced items/products/services based on Buyboard, H-GAC, TXMAS and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas (any and all applicable fees must be included). All cooperative pricing must be submitted on or before bid/proposal opening date and hour.

CHECK ONE

☐ BUYBOARD ☐ H-GAC ☑ TXMAS ☐ DEALER/LOCAL
☐ TX DIR ☐ TFC ☐ OTHER _____
Specify

CONTRACT NUMBER: RFP 071-072 (if applicable) COMMODITY NUMBER: _____ (if applicable)

ITEM	EST. QTY	DESCRIPTION	UNIT PRICE
1	1 EA.	2015 ½ TON REGULAR CAB PICK-UP	$ —
2	1 EA.	2015 ½ TON EXTENDED CAB PICK-UP	$ —
3	1 EA.	2015 ½ TON QUAD CAB PICK-UP	$ —
4	1 EA.	2015 ½ TON QUAD CAB 4 X 4 PICK-UP	$ —
5	1 EA.	2016 ½ TON REGULAR CAB PICK-UP	$ 20,338
6	1 EA.	2016 ½ TON EXTENDED CAB PICK-UP	$ 21,756
7	1 EA.	2016 ½ TON QUAD CAB PICK-UP	$ 24,821
8	1 EA.	2016 ½ TON QUAD CAB 4 X 4 PICK-UP	$ 27869
		THE CITY RESERVES THE RIGHT TO PURCHASE ITEMS INDIVIDUALLY OR IN ANY COMBINATION THEREOF. THE CITY RESERVES THE RIGHT TO INCREASE OR DECREASE QUANTITIES DEPENDING ON AVAILABILITY OF FUNDS.	

BID FORM FOR PURCHASE OF CITY VEHICLES - PUBLIC WORKS (Continued):

All Addenda issued in respect to this project shall be considered official changes to the original bidding documents. It shall be the Bidder(s) responsibility to ensure that all Addenda have been received. Furthermore, bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal. Bidder(s) signature on Addenda shall be interpreted as the vendor's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original bidding documents.

Does the Company have an office located in Edinburg, Texas? Yes _____ No ✓

Has the Company ever conducted business with the City of Edinburg? Yes _____ No ✓

Respectfully submitted this 15 day of April 2016.

SIGNATURE: [signature]

TYPE/PRINT NAME: Rick Brown

TITLE: Fleet Sales

COMPANY: Morris Moore Chevrolet DBA Cowboy Chevrolet

ADDRESS: 1415 Hwy 96 Bypass
Silsbee TX 77656

TELEPHONE NO.: 409.895.3860

FAX NO.: 409.895.3884

EMAIL: Rbrown.SilsbeeFleet@gmail.com

THE CITY OF EDINBURG

BID REQUEST
ADDENDUM NUMBER ONE (1)

DATE: APRIL 14, 2016

RE: BID NO. 2016-81 – PURCHASE OF CITY VEHICLES – PUBLIC WORKS

OWNER: CITY OF EDINBURG

TO: ALL BIDDERS, HOLDERS OF SPECIFICATIONS, AND ALL INTERESTED PARTIES TO THE CITY OF EDINBURG

All Addenda issued in respect to this bid shall be considered official changes to the original bid documents and shall become a part of the Contract documents.

SPECIFICATIONS ADDENDUM ITEM AS SPECIFIED BELOW:

CLARIFICATIONS:

1. On Page 11 of the bid packet, Section 8a (Windows & Doors), the number of doors shall be two (2).
2. Quad Cab shall mean four (4) full doors.

PLEASE ACKNOWLEDGE RECEIPT OF THIS ADDENDUM IN THE SPACE PROVIDED BELOW AND FAX BACK TO MS. LORENA FUENTES, PURCHASING AGENT AT (956) 383-7111 OR VIA EMAIL TO lfuentes@cityofedinburg.com. PLEASE INCLUDE THIS FORM IN YOUR BID PROPOSAL.

NAME: [illegible] TITLE: Fleet Sales

COMPANY: Morris Moore Chevrolet

If you have any questions or require additional information, do not hesitate to contact Ms. Lorena Fuentes, Purchasing Agent at (956) 388-1895.

Pedro Gonzalez

Lorena Fuentes, Purchasing Agent

Configure a New Vehicle:View Summary

#1

Choose Model | Choose Options | Customer/Other Info | View Summary

RELATED LINKS

→ Return to Orde
→ Configure a Ne
→ View My Allocat Constraints
→ View Stored Co
→ View My Reque List
→ US On-Line Or Guide

Review the vehicle configuration information in order to ensure that it is correct. If you need to make a change click "Back" to return to the Configure and Submit Request for Order: Customer/Other Info screen. Click "Submit Request for Order" to submit this configuration as a request for order. Click "Save as Stored Configurations" in order to store this configuration. Click "Submit Order Changes" to apply order changes, if page accessed from Change Single order path. Click "Cancel" to cancel the entire configuration.
Note: A submitted request for order is at Event Code 1000 (Order Request Added).

GM Business Associate Information

Charge-to BAC: 114851 | Charge-to BFC: 1
Ship-to BAC: 114851 | Ship-to BFC: 1
Contact Name: | DAN:
Phone #: | Stock No:

Model Information

Model Year: 2016 | Distrib.Entity: FLT Fleet | Order Type:FBC-Fleet Political Subdivision
Division: CHEVROLET TRUCK | Allocation Group: CREGLD
Model: CC15703 - 1500 Silverado: 2WD Standard Box Reg Cab

Fleet Information

Primary FAN: 812700 | End-User FAN:
Bid Number: | Bid Item #:
PO Number:

Configuration Information

PEG: 1WT
Primary Color: GAZ - Summit White
Engine: L83 - Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing
Transmission: MYC - Transmission, 6-speed automatic, electronically controlled
Trim: H2Q - Dark Ash with Jet Black Interior Accents, Vinyl Seat Trim
Emissions: FE9 - Emissions, Federal requirements
Requested TPW:

Options: A60, AE7, AU3, AY0, BG9, C5S, C67, E63, FE9, GU4, IO3, K34, KC4, KG4, KNP, L83, MYC, R9Y, RBZ, RD6, SAF, T4F, U2J, UE0, UQ5, V22, V76, VH6, VJG, VK3, ZY1

Hide Descriptions

A60 : Tailgate, locking

AE7 : Seats, front 40/20/40 split-bench, 3-passenger, driver and front passenger manual recline

AU3 : Door locks, power

AY0 : Air bags, dual-stage frontal and side-impact, driver and front passenger and head-curtain and seat-mounted side-impact, front and rear outboard seating positions with Passenger Sensing System

BG9 : Floor covering, Graphite-colored rubberized-vinyl, no floor mats included

C5S : GVWR, 6600 lbs. (2994 kg)

C67 : Air conditioning, single-zone

E63 : Pickup box

FE9 : Emissions, Federal requirements

GU4 : Rear axle, 3.08 ratio

IO3 : Audio system, 4.2" diagonal color display, AM/FM stereo

K34 : Cruise control, electronic

KC4 : Cooling, external engine oil cooler

KG4 : Alternator, 150 amps

KNP : Cooling, auxiliary external transmission oil cooler

L83 : Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing

MYC : Transmission, 6-speed automatic, electronically controlled

R9Y : Fleet Free Maintenance Credit

RBZ : Tires, P255/70R17 all-season, blackwall

RD6 : Wheels, 17" x 8" (43.2 cm x 20.3 cm) painted steel

SAF : Tire carrier lock, keyed cylinder lock

T4F : Headlamps, high intensity discharge (HID) projector-beam with LED signature DRL

U2J : SiriusXM Satellite Radio, delete

UE0 : OnStar, delete

UQ5 : Audio system feature, 4-speaker system

V22 : Grille surround, chrome

V76 : Recovery hooks, front, frame-mounted, black

VH6 : Bumpers, front, Black

VJG : Bumpers, rear, Black

VK3 : License plate kit, front

ZY1 : Paint, solid

▶ **Save in Stored Configurations**

CANCEL

† North American Order Workbench is intended solely for business use by GM Dealers. Pricing shown is for illustration purposes only. Refer to GMPricing.co Price schedules. GM pricing is subject to change by GM at anytime, without notice. The GSA Price Level is for GM use only.

Order Workbench: **FAQs** **Site Map**

Configure a New Vehicle:View Summary

#2 | ?

Choose Model | Choose Options | Customer/Other Info | View Summary

RELATED LINKS

- → Return to Orde
- → Configure a Ne
- → View My Allocat Constraints
- → View Stored Co
- → View My Reque List
- → US On-Line Or Guide

Review the vehicle configuration information in order to ensure that it is correct. If you need to make a change click "Back" to return to the Configure and Submit Request for Order: Customer/Other Info screen. Click "Submit Request for Order" to submit this configuration as a request for order. Click "Save as Stored Configurations" in order to store this configuration. Click "Submit Order Changes" to apply order changes, if page accessed from Change Single order path. Click "Cancel" to cancel the entire configuration.
Note: A submitted request for order is at Event Code 1000 (Order Request Added).

GM Business Associate Information

Charge-to BAC: 114851 | Charge-to BFC: 1
Ship-to BAC: 114851 | Ship-to BFC: 1
Contact Name: | DAN:
Phone #: | Stock No:

Model Information

Model Year: 2016 | Distrib.Entity: FLT Fleet | Order Type:FBC-Fleet Political Subdivision
Division: CHEVROLET TRUCK | Allocation Group: CDBLLD
Model: CC15753 - 1500 Silverado: SWB, 2WD, Double Cab Pickup

Fleet Information

Primary FAN: 812700 | End-User FAN:
Bid Number: | Bid Item #:
PO Number:

Configuration Information

PEG: 1WT
Primary Color: GAZ - Summit White
Engine: L83 - Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing
Transmission: MYC - Transmission, 6-speed automatic, electronically controlled
Trim: H2Q - Dark Ash with Jet Black Interior Accents, Vinyl Seat Trim
Emissions: FE9 - Emissions, Federal requirements
Requested TPW:

Options: A31, A60, AE7, AU3, AY0, BG9, C5W, C67, E63, FE9, GU4, IO3, K34, KC4, KG4, KNP, L83, MYC, R9Y, RBZ, RD6, SAF, T4F, U2J, UE0, UQ3, V22, V76, VH6, VJG, VK3, ZY1

Hide Descriptions

A31 : Windows, power front and rear

A60 : Tailgate, locking

AE7 : Seats, front 40/20/40 split-bench, 3-passenger, driver and front passenger manual recline

AU3 : Door locks, power

AY0 : Air bags, dual-stage frontal and side-impact, driver and front passenger and head-curtain and seat-mounted side-impact, front and rear outboard seating positions with Passenger Sensing System

BG9 : Floor covering, Graphite-colored rubberized-vinyl, no floor mats included

C5W : GVWR, 7000 lbs. (3175 kg)

C67 : Air conditioning, single-zone

E63 : Pickup box

FE9 : Emissions, Federal requirements

GU4 : Rear axle, 3.08 ratio

IO3 : Audio system, 4.2" diagonal color display, AM/FM stereo

K34 : Cruise control, electronic

KC4 : Cooling, external engine oil cooler

KG4 : Alternator, 150 amps

KNP : Cooling, auxiliary external transmission oil cooler

L83 : Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing

MYC : Transmission, 6-speed automatic, electronically controlled

R9Y : Fleet Free Maintenance Credit

RBZ : Tires, P255/70R17 all-season, blackwall

RD6 : Wheels, 17" x 8" (43.2 cm x 20.3 cm) painted steel

SAF : Tire carrier lock, keyed cylinder lock

T4F : Headlamps, high intensity discharge (HID) projector-beam with LED signature DRL

U2J : SiriusXM Satellite Radio, delete

UE0 : OnStar, delete

UQ3 : 6-speaker audio system

V22 : Grille surround, chrome

V76 : Recovery hooks, front, frame-mounted, black

VH6 : Bumpers, front, Black

VJG : Bumpers, rear, Black

VK3 : License plate kit, front

ZY1 : Paint, solid

▶ **Save in Stored Configurations**

CANCEL

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Order Workbench: **FAQs** **Site Map**

Configure a New Vehicle:View Summary

#3

Choose Model | Choose Options | Customer/Other Info | View Summary

RELATED LINKS

- → Return to Orde
- → Configure a Ne
- → View My Allocat Constraints
- → View Stored Co
- → View My Reque List
- → US On-Line Or Guide

Review the vehicle configuration information in order to ensure that it is correct. If you need to make a change click "Back" to return to the Configure and Submit Request for Order: Customer/Other Info screen. Click "Submit Request for Order" to submit this configuration as a request for order. Click "Save as Stored Configurations" in order to store this configuration. Click "Submit Order Changes" to apply order changes, if page accessed from Change Single order path. Click "Cancel" to cancel the entire configuration.
Note: A submitted request for order is at Event Code 1000 (Order Request Added).

GM Business Associate Information

Charge-to BAC: 114851 | Charge-to BFC: 1
Ship-to BAC: 114851 | Ship-to BFC: 1
Contact Name: | DAN:
Phone #: | Stock No:

Model Information

Model Year: 2016 | Distrib.Entity: FLT Fleet | Order Type:FBC-Fleet Political Subdivision
Division: CHEVROLET TRUCK | Allocation Group: CCRULD
Model: CC15543 - 1500 Silverado: Short Box, 2WD, Crew Cab

Fleet Information

Primary FAN: 812700 | End-User FAN:
Bid Number: | Bid Item #:
PO Number:

Configuration Information

PEG: 1WT
Primary Color: GAZ - Summit White
Engine: L83 - Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing
Transmission: MYC - Transmission, 6-speed automatic, electronically controlled
Trim: H2Q - Dark Ash with Jet Black Interior Accents, Vinyl Seat Trim
Emissions: FE9 - Emissions, Federal requirements
Requested TPW:

Options: A31, A60, AE7, AU3, AY0, BG9, C5W, C67, E63, FE9, GU4, IO3, K34, KC4, KG4, KNP, L83, MYC, R9Y, RBZ, RD6, SAF, T4F, U2J, UE0, UQ3, V22, V76, VH6, VJG, VK3, VQ2, ZY1

Hide Descriptions

A31 : Windows, power front and rear

A60 : Tailgate, locking

AE7 : Seats, front 40/20/40 split-bench, 3-passenger, driver and front passenger manual recline

AU3 : Door locks, power

AY0 : Air bags, dual-stage frontal and side-impact, driver and front passenger and head-curtain and seat-mounted side-impact, front and rear outboard seating positions with Passenger Sensing System

BG9 : Floor covering, Graphite-colored rubberized-vinyl, no floor mats included

C5W : GVWR, 7000 lbs. (3175 kg)

C67 : Air conditioning, single-zone

E63 : Pickup box

FE9 : Emissions, Federal requirements

GU4 : Rear axle, 3.08 ratio

IO3 : Audio system, 4.2" diagonal color display, AM/FM stereo

K34 : Cruise control, electronic

KC4 : Cooling, external engine oil cooler

KG4 : Alternator, 150 amps

KNP : Cooling, auxiliary external transmission oil cooler

L83 : Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing

MYC : Transmission, 6-speed automatic, electronically controlled

R9Y : Fleet Free Maintenance Credit

RBZ : Tires, P255/70R17 all-season, blackwall

RD6 : Wheels, 17" x 8" (43.2 cm x 20.3 cm) painted steel

SAF : Tire carrier lock, keyed cylinder lock

T4F : Headlamps, high intensity discharge (HID) projector-beam with LED signature DRL

U2J : SiriusXM Satellite Radio, delete

UE0 : OnStar, delete

UQ3 : 6-speaker audio system

V22 : Grille surround, chrome

V76 : Recovery hooks, front, frame-mounted, black

VH6 : Bumpers, front, Black

VJG : Bumpers, rear, Black

VK3 : License plate kit, front

VQ2 : Fleet Processing Option

ZY1 : Paint, solid

▶ **Save in Stored Configurations**

CANCEL

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Order Workbench: **FAQs** **Site Map**

Configure a New Vehicle:View Summary

#4

Choose Model | Choose Options | Customer/Other Info | View Summary

RELATED LINKS

- → Return to Orde
- → Configure a Ne
- → View My Allocat Constraints
- → View Stored Co
- → View My Reque List
- → US On-Line Or Guide

Review the vehicle configuration information in order to ensure that it is correct. If you need to make a change click "Back" to return to the Configure and Submit Request for Order: Customer/Other Info screen. Click "Submit Request for Order" to submit this configuration as a request for order. Click "Save as Stored Configurations" in order to store this configuration. Click "Submit Order Changes" to apply order changes, if page accessed from Change Single order path. Click "Cancel" to cancel the entire configuration.
Note: A submitted request for order is at Event Code 1000 (Order Request Added).

GM Business Associate Information

Charge-to BAC: 114851 | Charge-to BFC: 1
Ship-to BAC: 114851 | Ship-to BFC: 1
Contact Name: | DAN:
Phone #: | Stock No:

Model Information

Model Year: 2016 | Distrib.Entity: FLT Fleet | Order Type:FBC-Fleet Political Subdivision
Division: CHEVROLET TRUCK | Allocation Group: CCRULD
Model: CK15543 - 1500 Silverado: 4WD, Short Crew

Fleet Information

Primary FAN: 812700 | End-User FAN:
Bid Number: | Bid Item #:
PO Number:

Configuration Information

PEG: 1WT
Primary Color: GAZ - Summit White
Engine: L83 - Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing
Transmission: MYC - Transmission, 6-speed automatic, electronically controlled
Trim: H2Q - Dark Ash with Jet Black Interior Accents, Vinyl Seat Trim
Emissions: FE9 - Emissions, Federal requirements
Requested TPW:

Options: A31, A60, AE7, AU3, AY0, BG9, C5Z, C67, E63, FE9, GU4, IO3, K34, KC4, KG4, KNP, L83, MYC, NQH, NZZ, R9Y, RBZ, RD6, SAF, T4F, U2J, UE0, UQ3, V22, V76, VH6, VJG, VK3, Z82, ZY1

Hide Descriptions

A31 : Windows, power front and rear

A60 : Tailgate, locking

AE7 : Seats, front 40/20/40 split-bench, 3-passenger, driver and front passenger manual recline

AU3 : Door locks, power

AY0 : Air bags, dual-stage frontal and side-impact, driver and front passenger and head-curtain and seat-mounted side-impact, front and rear outboard seating positions with Passenger Sensing System

BG9 : Floor covering, Graphite-colored rubberized-vinyl, no floor mats included

C5Z : GVWR, 7200 lbs. (3266 kg)

C67 : Air conditioning, single-zone

E63 : Pickup box

FE9 : Emissions, Federal requirements

GU4 : Rear axle, 3.08 ratio

IO3 : Audio system, 4.2" diagonal color display, AM/FM stereo

K34 : Cruise control, electronic

KC4 : Cooling, external engine oil cooler

KG4 : Alternator, 150 amps

KNP : Cooling, auxiliary external transmission oil cooler

L83 : Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing

MYC : Transmission, 6-speed automatic, electronically controlled

NQH : Transfer case, electronic Autotrac with rotary dial control

NZZ : Underbody shield, transfer case protection

R9Y : Fleet Free Maintenance Credit

RBZ : Tires, P255/70R17 all-season, blackwall

RD6 : Wheels, 17" x 8" (43.2 cm x 20.3 cm) painted steel

SAF : Tire carrier lock, keyed cylinder lock

T4F : Headlamps, high intensity discharge (HID) projector-beam with LED signature DRL

U2J : SiriusXM Satellite Radio, delete

UE0 : OnStar, delete

UQ3 : 6-speaker audio system

V22 : Grille surround, chrome

V76 : Recovery hooks, front, frame-mounted, black

VH6 : Bumpers, front, Black

VJG : Bumpers, rear, Black

VK3 : License plate kit, front

Z82 : Trailering Package

ZY1 : Paint, solid

▶ **Save in Stored Configurations**

CANCEL

† North American Order Workbench is intended solely for business use by GM Dealers. Pricing shown is for illustration purposes only. Refer to GMPricing.co Price schedules. GM pricing is subject to change by GM at anytime, without notice. The GSA Price Level is for GM use only.

Order Workbench: **FAQs** **Site Map**

BIDDER'S LIST
PURCHASE OF CITY VEHICLES

Briggs
1213 W. Expressway 83
Pharr, Texas 78577

Burns Motors
1300 E. Highway 83
McAllen, Texas 78501

Charles Clark Chevrolet Co.
P.O. Box 938
McAllen, Texas 78501

Ed Payne Motors, Inc.
2101 E. Expressway 83
Weslaco, Texas 78596-6397

Hacienda Ford
3010 W. University
Edinburg, Texas 78539

Tipotex Chevrolet
1600 N. Expressway
Brownsville, Texas 78521-1440

Charles Clark Chevrolet Co.
801 W. Hwy 83
McAllen, Texas 78501

Caldwell Country Chevrolet
P.O. Box 27
Caldwell, Texas 77836

Boggus Ford
1400 E. US Highway 83
McAllen, Texas 78501

Fiesta Chevrolet
4002 S. Expressway 281
Edinburg, Texas 78539

Payne Motors
2401 E. Expressway 83
Weslaco, Texas 78596

Boggus Ford
P.O. Box 2318
McAllen, Texas 78502-2318

Spikes Ford
805 E. Expressway 83
Mission, Texas 78573

Tipton Ford
3840 N. Expressway 83
Brownsville, Texas 78521

Phillpott Motors Fleet
Attn: Glen Angelle
1400 Hwy 69
Nederland, Texas 77627

Weslaco Motors
2401 Expressway 83
Weslaco, Texas 78596

Luke Fruia Motors, Inc.
2645 Barnard Road
Brownsville, Texas 78520

Silsbee Ford
1211 US Highway 69N
Silsbee, Texas 77656

Hacienda Ford
3010 W. University
Edinburg, Texas 78539

Cardenas Motors
1500 N. Expressway
Brownsville, Texas 78521

Boggus Motor Sales, Inc.
1400 East Highway 83
McAllen, Texas 78501-8854

Bert Ogden Motors, Inc.
Attn: Fernando De La Garza
4221 South Highway 281
Edinburg, Texas 78539

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Authorizing the Expenditure for the Repair of Unit 464, Commercial Side Load Retriever, by Rush Truck Center of Pharr, Texas, in the Amount of $27,455.57. [Ramiro L. Gomez, Director Solid Waste Management]

****

STAFF COMMENTS AND RECOMMENDATION:
On April 5, 2016 a preliminary analysis was conducted on Unit# 464's engine, which had been reported to have suddenly stopped working, the analysis yielded a locked up engine that would not turn over. Therefore, the unit was transported to Rush Truck Center's for a more in-depth analysis to be conducted. A complete teardown and analysis of the engine and its components was conducted, the analysis and teardown concluded that the engine had suffered a major catastrophic mechanical failure and the extent of the damages rendered the overhaul or repair of this engine core impractical and not cost effective. In order to diagnose and troubleshoot, the Commercial Side Load Retriever had to be disassembled; therefore, we are requesting authorization to proceed with a complete engine exchange and reassembly on this unit which is most advantageous to the City. Rush Truck Center submitted their cost estimate to perform the work in the amount of $27,455.57. This will be a dealer item repair and will include warranty on the engine and the work performed.

Staff has verified that no monies are owed to the City by Rush Truck Center. The Department has previously done business with Rush Truck Center.

Funding is available within the 2015-2016 Fiscal Year Solid Waste Fund Operating Budget.

RECOMMENDATION:
Approve Authorizing the Expenditure for the Repair of Unit 464, Commercial Side Load Retriever, by Rush Truck Center of Pharr, Texas, in the Amount of $27,455.57.

REVIEWED BY:		PREPARED BY:
/s/Richard M. Hinojosa	/s/Ascencion Alonzo	\s\Ramiro L. Gomez, Jr.
Richard M. Hinojosa City Manager	Ascencion Alonzo Director of Finance	Ramiro Gomez Director of Solid Waste Management

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

RUSH TRUCK CENTER - PHARR
4700 NORTH CAGE BLVD.
PHARR TEXAS 78577

PHONE (956) 782-4511
EXT. 37910
FAX (956) 782-8869
VARGASJ@RUSHENTERPRISES.COM
J VARGAS

REPAIR ESTIMATE

ATTN: Tijerina	Phone Number:
Customer: city of edinburg	Fax #:
Vehicle VIN:110414	Unit #: 464
Date:04/12/16	Mileage: 1
	RO: 9283061

REPAIR DESCRIPTION	LABOR	PARTS
chceck and advice on engine locked up	320.00	
remove valve cover and inspect and found the cylinder #6 and connecting rod		
of the same cylinder was damaged and scratch and the linner on it was damaged		
so we recomeng a repair w/shorth block		
to perform a the over haul we need to pull the engine out of frame and remove	6,400.00	
the reusable parts and then put all the new parts together and install back all to the		
truck also we need to remove the radiator and all accessories and the scr system		
water pump,oil coller,pump lubrication,gaskets oil ,coolantfiltersshorth block,		20,016.57
injectors,turbo,fittings hose,		
machine charges	40.00	
ESIMATES MAY CHANGE UPON FURTHER INSPECTION & TEAR DOWN		

NOTES		
	LABOR TOTAL	6,760.00
	PARTS TOTAL	20,016.57
	SUBLET TOTAL	
	MISC TOTAL	
	SHOP SUPPLIES	676.00
	EPA	3.00
	TAX	0.00
	TOTAL	27,455.57

Signature: _____
Date: _____
Title: _____

RUSH HEAVY DUTY TRUCK CENTER - PHARR is hereby authorized to complete the above repairs, including parts and labor for items and condition coming to our attention during completion of the above repairs. The above signature represents that the above signer has the authority to authorize the above repairs. It is understood that this is an estimate only and additional parts and/or labor may be required to complete the necessary repairs. All estimates are valid for 30 days only. This estimate is not a guaranty of parts availability.

CONTRACTUALS

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Approval of First Amendment to the Community Development Block Grant Subrecipient Agreement Between the City of Edinburg and CASA of Hidalgo County, Inc. to Increase Contract Amount by $3,000. [Marissa Garza, Director of Community Development/Grants Management]

****

STAFF COMMENTS AND RECOMMENDATION:
On November 3, 2015, the City Council authorized the City Manager to enter into a Community Development Block Grant Subrecipient Agreement with CASA of Hidalgo County, Inc. in the amount of $3,000.

On March 17, 2016, CASA of Hidalgo County, Inc. submitted an official request for additional funds in the amount of $3,000 for their organization. According to CASA of Hidalgo County, Inc. they have seen an increase in case assignments. Currently, they have exhausted all their funds for Fiscal Year 2015-2016 Community Development Block Grant Program.

On Mach 21, 2016, a meeting was held with the Community Development Council to discuss and recommend the additional funds requested by CASA of Hidalgo County, Inc. The Community Development Council voted unanimously to recommend an increased amount of $3,000.

Funding is available through the current FY 2015 CDBG budget, due to a cost savings from another project.

RECOMMENDATION:
Approve First Amendment to the Community Development Block Grant Subrecipient Agreement Between the City of Edinburg and CASA of Hidalgo County, Inc. to Increase Contract Amount by $3,000 Pending Approval of Final Form by the City Manager and City Attorney.

REVIEWED BY: **PREPARED BY:**

/s/Ricardo Palacios by CP
Ricardo Palacios
CityAttorney

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Ascencion Alonzo
Ascencion Alonzo
Director of Finance

/s/ Marissa Garza
Marissa Garza
Director of Community Development/Grants Management

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

STATE OF TEXAS	**§**	**FIRST AMENDMENT SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF EDINBURG AND CASA OF HIDALGO COUNTY, INC.**
	§	
	§	
	§	
COUNTY OF HIDALGO	**§**	

THIS FIRST AMENDMENT TO THE SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF EDINBURG AND CASA OF HIDALGO COUNTY, INC., is made and entered into on this ___ day of May, 2016, by and between **CITY OF EDINBURG**, hereinafter referred to as "**City**"), and **CASA OF HIDALGO COUNTY, INC.** (hereinafter referred to as "**Subrecipient**"), as follows:

RECITALS

WHEREAS, this First Amendment is in reference to the Subrecipient Agreement between the City of Edinburg and CASA of Hidalgo County, Inc., effective October 1, 2015, (hereinafter "the Agreement") attached hereto as Exhibit "A," and made a part hereof; and

WHEREAS, Subrecipient and City entered into the Agreement wherein Subrecipient was awarded $3,000 to perform services as outlined in the Agreement; and

WHEREAS, Subrecipient and City desire to amend the Agreement by changing the amount in Section II Statement of Work from $3,000 to $6,000 and to change Exhibit B-1 and B-2 from $3,000 to $6,000 and where ever said amount appears.

NOW THEREFORE, Subrecipient and City, for and in consideration of the mutual covenants and benefits to the parties herein contained, mutually agree as follows:

SECTION I.

The Agreement is amended as set out in the above recitals which are incorporated herein.

SECTION II.

Except as set forth in this First Amendment, the provisions of the Contract shall remain unaffected and shall continue in full force and effect in accordance with the terms as provided.

IN WITNESS WHEREOF, this Agreement is executed this the day first above written, to be effective as herein stated.

CITY OF EDINBURG

BY:_____
Richard M. Hinojosa, City Manager
P.O. Box 1079
Edinburg, Texas 78540
Phone: (956)388-8207
Fax: (956)383-7111

ATTEST:

BY: _____
Myra L. Ayala Garza, City Secretary

APPROVE AS TO FORM:

PALACIOS GARZA & THOMPSON P.C.

By:_____
Ricardo Palacios, City Attorney

ATTACHMENTS:
Exhibit "A" (Agreement)

EXHIBIT "A" TO FIRST AMENDMENT SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF EDINBURG AND CASA OF HIDALGO COUNTY, INC.

STATE OF TEXAS {
{
COUNTY OF HIDALGO {

CITY OF EDINBURG
COMMUNITY DEVELOPMENT/GRANTS MANAGMENT
SUBRECIPIENT AGREEMENT

This Agreement made and entered into on this the 1st day of October, 2015 by and between the **City of Edinburg**, a political subdivision of the State of Texas, hereinafter referred to as **"CITY"**, and **CASA of Hidalgo County, Inc.**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the attached Exhibit A "Statement of Work", of this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **CITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** can be carried out for the benefit of residents in the **CITY'S** jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the **CITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **CITY** in respect to the implementation of Community Development Block Grant (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds. (Refer to Exhibit G for website address to CFR Part 570)

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in Exhibit A "Statement of Work" for and in consideration of payment in the amount of **Three-Thousand Dollars ($3,000.00)**, and as delineated in Exhibit B-1: "Grant Budget" and B-2: "Payment Schedule".

SUBRECIPIENT agrees to notify **CITY** in writing of any changes in its Statement of Work, C.D.B.G. Funded Activity Budget and Payment Schedule. **SUBRECIPIENT** shall obtain approval in writing from **CITY** prior to commencing work on any changes made to the Statement of Work, CDBG Funded Activity Budget and Payment Schedule

CITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this agreement or after termination of this agreement.

SUBRECIPIENT agrees to follow the schedule outlined in Exhibit C: Project Time Table, of this Agreement, and shall notify CITY, in writing, of any changes, delays or departures from the schedule. If **SUBRECIPIENT** demonstrates that delays or departure from the schedule is due to circumstances beyond its control, **CITY** and **SUBRECIPIENT** may amend such Project Time Table.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in Exhibit D: Records and Reports and agrees to make those records and reports available to the **CITY**, HUD, and any other local, state or federal CITY or authority that may exercise jurisdiction over CDBG funds.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **CITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved as per 24 CFR Part 85.40 (a). After each monitoring visit, **CITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings within thirty (30) days of the monitoring visit. If the monitoring reports note deficiencies in **SUBRECIPIENT'S** performance under the terms of this agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United

States, **CITY**, and any of their duly authorized representatives, unobstructed and full access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests & Program Income

SUBRECIPIENT agrees to follow administrative directions from the **CITY** regarding documenting and processing payment requests as defined in Exhibit E: Requests for Payments of this Agreement.

SUBRECIPIENT shall attend an orientation after the award of funds and prior to first draw.

SUBRECIPIENT shall submit final reimbursement request to **CITY** within the twelve month period of this agreement ending September 30, 2016. Reimbursement requests submitted after this date will not be processed and any unexpended funds will be recaptured.

SUBRECIPIENT and **CITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to prorate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **CITY** by the fifteenth (15th) day of each month an accounting of program income through financial records outlined in Exhibit D. The **CITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **CITY** to require all program income to be recovered by the **CITY**.

SUBRECIPIENT and **CITY** agree that all unused CDBG funds will be returned to **CITY** at the end or termination of this agreement for either reallocation or to be reprogrammed by **CITY.**

SECTION VI
Religious Activities

SUBRECIPIENT and **CITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization. Any building or structure funded under this Agreement shall also not be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §§570.600 - 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR, Part 52. (Refer to Exhibit G for website address to "Other Program Requirements" 24 CFR §§570.600-611)

SECTION VIII
Uniform Administrative Requirements

Subrecipients, **except** subrecipients that are **governmental entities**, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provision, as specified in Exhibit H and any subsequent amendments thereto.

Recipients and subrecipients that are **governmental entities** (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–128, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or the related CDBG provision, as specified in Exhibit I and any subsequent amendments thereto. (Refer to Exhibit G for website address to OMB Circulars Nos. A-122 & A-110)

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations when applicable.

If **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds during its fiscal year, **SUBRECIPIENT** must, within nine (9) months after the end of their fiscal year, supply **CITY** with an audit of revenues and expenditures conducted by a certified public accountant. **SUBRECIPIENT** also agrees to furnish **CITY**

an Independent Auditor's Report with the audit report. If the **SUBRECIPIENT** expends less than $500,000.00 a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office. Further, **SUBRECIPIENT** agrees to cooperate with **CITY** relating to any inquiries regarding the audit. **SUBRECIPIENT** acknowledges that a Financial Audit shall be provided to **CITY** at the expense of the **SUBRECIPIENT.** Audit shall be available to **CITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42. (Refer to Exhibit G for website address to OMB Circular A-133)

For the exempt **SUBRECIPIENT**, a 990 Tax Return (Return of Organization Exempt from Income Tax), and Financial Statements are required for the most recent completed fiscal year ended. These items must be furnished to the **CITY** within nine (9) months after the completion of the **SUBRECIPIENT's** fiscal year.

SECTION X
Suspension & Termination

SUBRECIPIENT understands that this agreement may be suspended or terminated, in accordance with 24 CFR §85.43, (refer to Exhibit G for website) if the **SUBRECIPIENT** materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E.

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this contract, or **SUBRECIPIENT** violates any of the agreements or stipulations of this contract, then the **CITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance may be the basis for immediate contract termination. Should any breach of contract relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **CITY OR SUBRECIPIENT** or its successor, the **CITY** will terminate Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **CITY** for damages sustained by the **CITY** by virtue of any breach of this contract by **SUBRECIPIENT** and **CITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations. Should the **CITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **CITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **CITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction as aforesaid. The failure of the **CITY** to exercise any right shall in no way constitute a waiver by the **CITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **CITY** and the **SUBRECIPIENT.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless so permitted by the **CITY** and such procurement shall be done in the form and manner so prescribed by the **CITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **CITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **CITY** and the **CITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **CITY** may, at its option, request that such asset be transferred to **CITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on Exhibit A.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **CITY** harmless from, and indemnify **CITY** from and defend **CITY** against any and all claims brought against **CITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **CITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability. with limits of not less than $300,000 per occurrence, $300,000 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SUBRECIPIENT shall be require all employees to carry insurance as required by Texas Automobile Liability Act to cover all operations and services under the contract agreement with limits of not less than required by law, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement. This requirement shall be to meet **SUBRECIPIENT'S** duty of indemnification under this paragraph.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the rules of the **CITY** on the procurement of services, supplies or non-real property in relation to **CITY**-funded projects. The legal standards that will apply include the Procurement Standards of the **City of Edinburg,** which includes 24 CFR Part 85.36. (Refer to Exhibit G for website address). In such case as **SUBRECIPIENT** has developed procurement standards governing its operation, such standards shall be reviewed by **CITY** to ensure compliance with the Standards implemented by **CITY.** (Refer to Exhibit F for Procurement Policies).

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that neither members of its organization or staff members who exercise 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, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36. (Refer to Exhibit G for website)

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **CITY's** organization 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.

SUBRECIPIENT is responsible for repayment of funds associates with any conflict of interest that may occur either knowingly or unknowingly.

No **CITY** 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.

SECTION XV
Legal Action and Venue

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

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in Hidalgo County.

SECTION XVI
Alternate Dispute Resolution/Neutral Party

A. Any controversy, claim or dispute between the parties arising out of or relating to the provisions of this Agreement or the breach, termination or validity thereof shall, upon written request of either party, immediately be referred jointly for resolution of the controversy by non-binding mediation.

B. The mediation must be concluded within any period mutually agreed upon by the parties but in no event no later than within forty-five (45) days after written notice is given by either party of its intent to proceed to mediation. Unless the parties expressly agree otherwise, each party shall bear its own costs, legal and expert fees incurred in the mediation, and evenly share the costs of the mediator. If, after proceeding in good faith the parties, with the assistance of a neutral mediator, do not resolve the dispute within the forty-five (45) day period, the parties may proceed in accordance with paragraph (C) below.

C. After exhausting the procedures set forth above, either party may initiate litigation to resolve the dispute. The Law of the State of Texas shall control the matter in controversy. Venue is mandatory in Hidalgo County, Texas.

SECTION XVII
Personnel & Participant Conditions

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Order 11375 and 12086.

2. Nondiscrimination

The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, nation origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free

from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1974, which prohibits discrimination against the handicapped in any federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this contract.

B. Affirmative Action

1. Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965.

2. W/MBE

The Subrecipient will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representation by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. EEO/AA Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

SECTION XVIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or

administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **CITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Funding Contingent upon Final H.U.D. Approval. Community Development Block Grant (CDBG) funding awarded in this agreement is contingent upon the final approval of U.S. Department of Housing and Urban Development.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **CITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **CITY**:

City of Edinburg
Community Development/GM Dept.
415 W. University Drive
Edinburg, Texas 78541
Email: mgarza@ci.edinburg.tx.us
Phone: (956) 388-8206
Fax: (956) 292-2140

If to **SUBRECIPIENT**:

CASA of Hidalgo County, Inc.
1001 South 10th Avenue
Edinburg, Texas 78539
Phone: (956) 381-0346
Fax: (956) 381-9232

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such

time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **CITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate

Authority to Execute. The execution and performance of this Agreement by **CITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **CITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XIX
Effective Date

The effective date of this agreement shall be the **1st day of October, 2015,** such date being the date the City Council approved entering into this Agreement with **SUBRECIPIENT**, and shall terminate on the **September 30, 2016**.

Approved and signed this 16 day of November **2015**.

Diana Almaguer, Executive Director

Subrecipient Firm Name: CASA of Hidalgo County, Inc
Address: 1001 South 10th Avenue
City/State/Zip: Edinburg, Texas 78539
Federal I.D. Number: 74-2722553
DUNS Number: 105721265

STATE OF TEXAS §

COUNTY OF HIDALGO §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Diana Almaguer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 16th day of November 2015.

Dalia L. Villarreal
Notary Public in and for the State of Texas

DALIA L. VILLARREAL
Notary Public
STATE OF TEXAS
My Comm. Exp. 12-13-2015

~~~~~~

ATTEST: **CITY OF EDINBURG**

BY: ______________________________ BY: ______________________________
Myra L. Ayala Garza, City Secretary Ramiro Garza Jr., City Manager

APPROVED AS TO FORM:
Palacios, Garza & Thompson, P.C.

BY: ______________________________
City Attorney

~~~~~~

EXHIBIT A
Statement of Work

1. **SUBRECIPIENT** shall utilize the funding amount of $3,000.00 to pay for a percentage of the costs of a **Case Supervisor, Case Manager 1 and Case Manager 2 salary and fringe benefits, and program transportation.** The position of the Case Worker's will provide casework services to children and/or families, maintain children's records, participates in case staffing placement options, attends court hearings and coordinates child and child advocate contacts, home visits, provides information regarding community resources, and maintain statistical case information. Approximately **fourteen (14) unduplicated eligible** City of Edinburg residents will be assisted under this program.

2. **SUBRECIPIENT** shall provide these services to City of Edinburg children at the CPS offices, onsite, foster homes, children's schools, or as ordered by the court. Children must be living within the incorporated city limits of Edinburg.

3. **SUBRECIPIENT** shall provide direct benefit assistance in the form of comprehensive case management and advocacy for abused and neglected children.

4. **SUBRECIPIENT** may provide such services in coordination with other social service agencies.

5. **SUBRECIPIENT** shall seek to endeavor to provide a safe and secure living environment for children who are victims of abuse and neglect.

6. **SUBRECIPIENT** shall maintain a clear and concise client file on each child served. Such file shall clearly delineate the type of services that child received, as well the final disposition of the child's welfare where applicable.

7. **SUBRECIPIENT** shall utilize the appropriated CDBG funds to leverage existing resources to augment present service capacity.

8. **SUBRECIPIENT** shall ensure that all assisted individuals shall meet applicable HUD eligibility criteria including but not limited to residency requirements and income limits.

9. **SUBRECIPIENT** shall determine income eligibility as defined in **CDBG Regulations 24 CFR Part 5**.

EXHIBIT B-1
Grant Budget

TYPE OF EXPENDITURES	BUDGETED AMOUNT
Percent of salary for a Case Worker plus fringe benefits and program transportation.	$3,000.00
Note: Only the portion of the Case Worker's salary that provides direct benefit to City of Edinburg clients will be applied to reimbursement requests.	
Total Grant Budget:	$3,000.00

EXHIBIT B-2
Payment Schedule

2015 - 2016 For the Months of:	Estimated Amount of Expenditures	Type of Budgeted Expenditures
October	$0.00	Staff Salary/Transportation
November	$300.00	Staff Salary/Transportation
December	$300.00	Staff Salary/Transportation
January	$300.00	Staff Salary/Transportation
February	$300.00	Staff Salary/Transportation
March	$300.00	Staff Salary/Transportation
April	$300.00	Staff Salary/Transportation
May	$300.00	Staff Salary/Transportation
June	$300.00	Staff Salary/Transportation
July	$300.00	Staff Salary/Transportation
August	$300.00	Staff Salary/Transportation
September	$0.00	Staff Salary/Transportation
Total:	$3,000.00	Total

EXHIBIT C
Project Time Table

1. Subrecipient hereby agrees to perform services as outlined in Exhibit A.

2. A proposed monthly schedule of activity should be provided in this space. Schedule should not exceed Subrecipient contract time frame of twelve months from contract date.

2015 - 2016 For the months of:	Number of Beneficiaries	Services
October	0	Case Management/ Transportation Costs
November	1	Case Management/ Transportation Costs
December	2	Case Management/ Transportation Costs
January	1	Case Management/ Transportation Costs
February	2	Case Management/ Transportation Costs
March	1	Case Management/ Transportation Costs
April	2	Case Management/ Transportation Costs
May	1	Case Management/ Transportation Costs
June	2	Case Management/ Transportation Costs
July	1	Case Management/ Transportation Costs
August	1	Case Management/ Transportation Costs
September	0	Case Management/ Transportation Costs
Total:	14	Total Clients to be assisted

EXHIBIT D
Records & Reports

1. Payment Requests should be submitted to City of Edinburg as delineated in Exhibit B-2, Payment Schedule.

2. When requesting payment, attach the CDBG Request for Reimbursement Form (signed by the Authorized Individual in original ink) with the following documents:

   - Copies of program applications, timesheets, verbal quotations, invoices, and other supporting documentation (such as sales receipts and 941 IRS quarterly reports)
   - Copies of cancelled checks or bank statements

3. A Monthly Activity Report must be submitted to the Community Development/Grants Management Department accompanying each request for payment form. Each activity report must have the following items:

   - **What CDBG funds were used for, the type of services provided, and how the service meets one of CDBG's national objectives:**
     - Benefits Low and Moderate Income Persons
     - Provides Decent Affordable Housing
     - Creates Economic Opportunities

   - **Number of Persons Assisted with New Access to Service/Benefit**

   - **Number of Persons Assisted with Improved Access to Service/Benefit & Racial Data (Active/Carryover)**

   - **Number of Low-Mod Beneficiaries**

   - **Racial Data**

     1. White
     2. Black/African American
     3. Asian
     4. American Indian/Alaskan Native
     5. Native Hawaiian/Other Pacific
     6. Asian White
     7. Black & White
     8. Am. Indian/Alaskan Native & White
     9. Black/African American & White
     10. Other Multi Racial

   - **Number of Hispanics Served**

   - **Number of Persons Served Living with a Disability**

   - **Number of Female Head of Households**

   - **Specific Income Levels of persons or households by 30%, 50%, 60%, 80%, and >80% of Area Median Income.**

EXHIBIT D
(Continued)

Performance Measurements

- **Type of Outcome:**

a. **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.
b. **Affordability**. How funds used made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
c. **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income people or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, awards, etc.)

4. All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the **CITY's** Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

   - Written agreements must be retained for five (5) years after the agreement terminates.
   - If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
   - In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

5. **SUBRECIPIENT** shall complete a **Program Application** form for each assisted clients that is listed on any reimbursement request. A copy of this form must be submitted with each reimbursement request.

6. **SUBRECIPIENT** must maintain proper financial records.

EXHIBIT E
Request for Payment

1. **SUBRECIPIENT** shall submit reimbursement requests for payment as per Exhibit B-2 "Payment Schedule".

2. **SUBRECIPIENT** shall submit requests on Reimbursement Request Form demonstrated page 30 of this agreement. In addition to the Reimbursement Request Form, the typical request will also include the Ethnicity Data Worksheet, the Income Limits Documentation Worksheet, a Monthly Report and a Program Application.

3. **CITY** will mail out reimbursement checks the within seven working days if all supporting documentation and all requirements of the agreement are current. This includes liability insurances, monthly reports, ethnicity data reports, program applications, etc.

4. **SUBRECIPIENT** shall submit copies of cancelled checks, payroll stubs, bank statements and other supporting documentation necessary along with each monthly reimbursement request.

5. **CITY** will only reimburse for those costs and areas eligible as identified in Exhibits A, B and C of this agreement.

6. **SUBRECIPIENT** must submit their final Reimbursement Request to the **CITY** by September 30, 2016.

EXHIBIT F
Procurement Policies

1. For purchases ranging from $0.01-$749.99, the subrecipient must use a purchase order.

2. For purchases ranging from $750.00-$2,999.99, the subrecipient must provide verbal price quotations on a "Verbal Price Quotation" (VPQ) form. This form should include the vendor name, the person contacted, the amount quoted, their phone number and time and date of call. A description of material and/or services should be included. This form must accompany each separate transaction unless the form includes the same items that are on the VPQ Form and are purchased on the same date;

3. For purchases over $2,999.99, but not exceeding $4,999.99, subrecipient must provide three *written quotes on vendor letterhead*, invoice, receipt and cancelled check;

4. For purchases ranging from $5,000.00 to $14,999.99, three (3) sealed informal vendor written price quotes are required;

5. For purchases exceeding $14,999.99, subrecipient must hold a competitive bid. Please contact the Community Development/Grants Management Department at (956) 388-8206, before commencing on such projects. (Bid, Payment and Performance bonding is required for projects over $25,000.00)

6. **In the event that the Subrecipient's procurement policies are stricter than the City's policies, the subrecipient must adhere to its own procurement procedures. The subrecipient must notify the City when its procurement policies are more stringent and will adhere to their policies.**

EXHIBIT G
CFR, OMB, & Other Program Requirements
Website Addresses

24 CFR Part 570

Can be found at:
http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr570_04.html

Other Program Requirements (See Subpart K)

Can be found at:
http://edocket.access.gpo.gov/cfr_2004/aprqtr/pdf/24cfr570.601.pdf

Part 52-Intergovernmental Review of Department of Housing & Urban Development Programs and Activities

Can be found at:
http://edocket.access.gpo.gov/cfr_2003/aprqtr/pdf/24cfr52.1.pdf

OMB Circular A-122, "Cost Principles for Nonprofit Organizations", and OMB Circular, A-110

Can be found at:
http://www.gecac.org/docs/OMB%20Circular%20A122.pdf

OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations

Can be found at:
http://georgewbush-whitehouse.archives.gov/omb/circulars/a133/a133.html

24 CFR 85.43 Enforcement and 85.36 Procurement

Can be found at:
http://edocket.access.gpo.gov/cfr_2007/aprqtr/pdf/24cfr85.43.pdf

24 CFR Part 84.40-48

Can be found at:
http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr84_04.html

24 CFR Part 5 can be found at:

http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title24/24cfr5_main_02.tpl

EXHIBIT H

Applicable provisions as stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements With
Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";
(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

EXHIBIT I
Applicable provisions as stated in Section VIII
24 CFR part 85

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(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 §570.513;

(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, "Subawards 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) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(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."

EXHIBIT J

DUNS Number & System for Awards Management (SAM) Registration Requirements

All grantees, subrecipients, and contractors desiring to participate in federally funded programs must obtain a DUNS number (Data Universal Numbering System) to be in compliance with the Federal Funding Accountability and Transparency Act of 2006. This includes executing contracts or agreements with units of general local government involving federal funds. The DUNS number is a unique nine-digit identification number provided by the company Dun & Bradstreet (D&B). Call D&B at 866-705-5711, or via e-mail to govt@dnb.com, if you do not have a DUNS number.

D&B assigns DUNS numbers for each physical location of a business. The process to request a DUNS number takes about 10 minutes. All entities doing business with the U.S. government can receive a DUNS number FREE of charge and, under normal circumstances, within 1-2 business days when using the D&B web form process.

In addition, as required by the Funding Accountability and Transparency Act of 2006, all grantees, subrecipients, and contractors must register with the System for Awards Management (SAM) database. SAM is the primary registrant database for the U.S. Federal government. SAM collects, validates, stores, and disseminates data in support of agency acquisition missions. Registration information on the SAM website can be found at http://www.sam.gov or by calling 866-606-8220.

EXHIBIT K

24 CFR 570.200(j)

(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.

EXHIBIT L
(Required forms)

- Reimbursement Request form
- Program Application
- Monthly Report

Note: The updated Program Application will be provided in November 2015.

City of Edinburg Community Development Department

Reimbursement Request Form

Fiscal Year October 1, 2015 thru September 30, 2016

Public Service Agency:	
Address:	
City/State/Zip Code:	
Contact Person:	
Contact Number:	

Reimbursement Request for the month(s) of:	**October 1, 2016**

Budget Categories	CDBG Budget	**Current Request**	YTD "**PRIOR** " Reimbursements	**Available Balance**
TOTALS	$ -	**$ -**	$ -	$ -

I certify that, to the best of my knowledge, the data reported herein is correct and that all expenditures have been made in accordance with the grant conditions and that payment is due and has not previously been made.

John Doe, Executive Director	Date	0001 Request No.

ETHNIC CATEGORIES	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD
Hispanic													0
Non-Hispanic													0
Total Hispanic/Non-Hispanic	0	0	0	0	0	0	0	0	0	0	0	0	0
RACE													
Amer-Indian/Alaskan Native													0
Asian													0
Black/African American													0
Native Hawaiian/Pac. Islander													0
White													0
Other	0												0
Total Racial Categories	0	0	0	0	0	0	0	0	0	0	0	0	0

INCOME LIMITS FY 2015	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD
Extremely Low (30%) Limits													0
Very Low (50%) Limits													0
Low (80%) Limits													0
Total Beneficiaries	0	0	0	0	0	0	0	0	0	0	0	0	0

Year-To-Date PRIOR Reimbursements (Oct 201X-Aug 201X)	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
	$ -	$ -	$ -	$ -	$ -	
	Apr	**May**	**Jun**	**Jul**	**Aug**	**YTD Total**
	$ -	$ -	$ -	$ -	$ -	$ -

CDBG MONTHLY REPORT

ENTER NAME OF AGENCY HERE

Month Ending: October 31, 2015

- **What CDBG funds were used for, the type of services provided, and how the service meets one of CDBG's national objectives:**
- **Number of Persons Assisted with New Access to Service/Benefit:**
- **Number of Persons Assisted with Improved Access to Service/Benefit:**
- **Number of Low-Mod Beneficiaries:**
- **Racial Data:**
- **Number of Persons Served Living with a Disability:**
- **Number of Female Head of Households:**
- **Specific Income Levels of persons or households by 30%, 50%, 60%, 80%, and >80% of Area Median Income:**

PERFORMANCE MEASURMENTS

Type of Outcome:

- **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

- **Affordability**. How funds used made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

- **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income people or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, awards, etc.) Reviewed and approved by:

_____ _____

XXXXXX, Executive Director **Date**

CASA
Court Appointed Special Advocates
FOR CHILDREN

CASA of Hidalgo County Inc.

Ph: (956) 381-0346 Fax: (956) 381-9232

Executive Committee

John Escamilla
Board Chair

Dave Huffman
Vice-Chair

Laura-Erika Garcia
Treasurer

Dr. Mona Parras
Secretary

Board Members
Emilio Santos Jr.
Sandra Stark
Marissa Sandoval Rodriguez
John Llanas
Dr. Richard Gillette

Advisory Board Members
Letty Garza
Albert Lopez

Honorary Baard Member
Alonzo Cantu

Executive Director
Diana Almaguer

March 17, 2016

RECEIVED
MAR 22 2016
BY: .....

Ms. Marissa Garza
Community Development Director
City of Edinburg
415 West University Drive
Edinburg, TX 78539

Dear Ms. Garza:

We are close to exhausting the CDBG funding received for the current fiscal year. We have seen an increase in case assignments to our organization and have been informed that we are currently assigned to 85% of the child abuse and neglect cases under the Child Protection Court. While this is wonderful news because it means the Judge has received good input from our staff and volunteers, we cannot turn those cases away due to lack of funding. I understand, from several other nonprofit organizations, that they have declined the CDBG funds. I would like to submit an official request for an additional $3,000 for our organization. CASA of Hidalgo County has continued to provide services to abused and neglected children in the city of Edinburg.

Thank you for your continued support and we look forward to hearing back from you. If you should have any questions, please call me at (956) 381-0346.

Sincerely,

Diana Almaguer
Executive Director
CASA of Hidalgo County, Inc.

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Authorizing the City Manager to Enter into a Memorandum of Understanding (MOU) Between the City of Edinburg Police Department and the Edinburg Consolidated Independent School District Police Department, [David White, Chief of Police]

****

STAFF COMMENTS AND RECOMMENDATION:
The mission of this Memorandum of Understanding (MOU) is to provide a system of cooperation and resources between the Edinburg Police Department and the Edinburg Consolidated Independent School District Police Department. This collaboration of department's will enhance relations and increase effectiveness in reducing crime in the City of Edinburg, and create a safer environment for our community.

The purpose of this MOU is to set out common understandings of the policies and procedures that the Edinburg Police Department and the Edinburg Consolidated Independent School District Police Department will follow in providing police service to the citizens of Edinburg, Hidalgo County, Texas. This MOU is not a contract, but an agreement to establish a spirit of cooperation and enhance the services that both agencies provide to the citizens of Edinburg, Texas.

The MOU also allows the Edinburg Consolidated Independent School District Police Department access to the Edinburg Police Department Shooting Range. Use will be coordinated through the Edinburg Police Department.

The Attached Agreement replaces the Agreement dated May 16, 2012.

RECOMMENDATION:
Approve Authorizing the City Manager to Enter into a Memorandum of Understanding (MOU) Between the City of Edinburg Police Department and the Edinburg Consolidated Independent School District Police Department.

REVIEWED BY:		PREPARED BY:
		Lt. Chad Dufner
/s/Richard M. Hinojosa	/s/Ricardo Palacios by CP	/s/David White
Richard M. Hinojosa City Manager	Ricardo Palacios CityAttorney	David White Chief of Police

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF EDINBURG POLICE DEPARTMENT
AND EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
POLICE DEPARTMENT

This memorandum of understanding (MOU) is being executed by the Edinburg Police Department (EPD) in conjunction with the Edinburg Consolidated Independent School District Police Department (ECISD PD). These departments agree to abide by the terms and provisions of this MOU throughout the duration of this agreement in accordance with Section 37.081G of the Texas Education Code.

I. **MISSION STATEMENT:** The mission of this MOU is to provide a system of cooperation and resources between the EPD and the ECISD PD. This collaboration of department's will enhance relations and increase effectiveness in reducing crime in the City of Edinburg, and create a safer environment for our community.

II. **Purpose:** The purpose of this MOU is to set out a common understanding of the policies and procedures that the EPD and the ECISD PD will follow in providing police service to the citizens of Edinburg, Hidalgo County, Texas. This MOU is not a contract, but an agreement to establish a spirit of cooperation and enhance the services that both agencies provide to the citizens of Edinburg, Texas.

III. **RESPONSIBILITIES:**

A. Edinburg Police Officers who witness an offense within their presence or initiate an investigation while on school district property will have the matter investigated by the Edinburg Police Department. This is to include case preparation and submission to the Hidalgo County District Attorney's Office.

B. Edinburg School Police Officers who witness an offense within their presence or initiate an investigation while on school district property or jurisdiction will have the matter investigated by the Edinburg CISD Police Department. This is to include the case preparation and submission to the Hidalgo County District Attorney's Office.

Any cost incurred during the investigation shall be the responsibility of the investigating agency conducting or leading the investigation. The storage of evidence will be the responsibility of the agency conducting the investigation.

C. At the request of the Chief of Police for the Edinburg CISD Police Department, the Edinburg Police Department may assist the Edinburg CISD Police Department in any investigation where assistance may be requested. In addition, the Chief of Police for the Edinburg Police Department may also request assistance from the Edinburg CISD Police Department, to include adopting the case.

D. The Edinburg Police Department and the Edinburg CISD Police Department agree to share resources, information and reports for the furtherance of criminal and internal affairs investigations.

E. The Edinburg Police Department will respond to any emergency that is a result of a call to the 911 Emergency communication Center, and will alert Edinburg CISD Police Department on 911 calls regarding ECISD PD jurisdiction in a timely manner. In the event of a call for a crime in progress within the Edinburg City Limits, The Edinburg Police Department will dispatch an EPD Officer to the scene to assist.

F. In order to establish jurisdiction, the location of where the offense originated will serve as the claim to the jurisdiction, even if the investigation proceeds into the other's jurisdictional territory.

G. The Edinburg Police Department agrees to accept persons arrested/detained by Edinburg CISD Police Department and house them in the Edinburg City Jail under the following conditions:

1. Adults arrested for any crime of a Class "B" Misdemeanor and above.

2. Edinburg CISD PD must adhere to Edinburg Police Department arrest and detention policies.

3. The Edinburg Police Department reserves the right to reject any arrested/detained person:

   a. who's arrest may not meet the Edinburg Police Department's arrest policy,
   b. where elements for an arrest are not present,
   c. when the suspect claims or has visible injuries, unless he/she has received the appropriate medical attention and has been released from the medical facility. Edinburg CISD PD prisoners will require a visual inspection by their Supervisor or Shift Commander.

Any medical request from an Edinburg CISD PD prisoner accepted into the Edinburg Facilities, will be transported by Edinburg EMS, to a Medical Facility. Edinburg CISD Police Department will dispatch an Edinburg CISD Police Officer to the location of their arrestee/detainee and relieve the Edinburg Police Officer. All expenses resulting from the medical treatment will be paid by the arrestee/detainee.

4. The Edinburg CISD Police Department agrees to delivery and pay for all meals for Edinburg CISD Police Department arrestee/detainee.

5. Edinburg Police Department agrees to house juvenile detainees. Booking and releasing of detainees to parents will be the responsibility of Edinburg CISD Police Department.

H. Edinburg CISD Police Department shall arraign all prisoners in accordance to Edinburg Police Department Policies. Any arrestee/detainee who will not be arraigned within the same workday shall require authorization from the Edinburg Police Department Chief of Police. The Edinburg Police Department reserves the right to release any individual who is arrested or detained by Edinburg CISD Police Department for a Class "C" Misdemeanor, when it is in the best interest of justice.

I. Edinburg Police Department and Edinburg CISD Police Department agree to share computerized juvenile and adult information regarding any student who is enrolled in the Edinburg Consolidated Independent School District as allowed by law, for law enforcement purposes only.

J. Edinburg Police Department and Edinburg CISD Police Department agree to provide mutual access to their SWAT and K-9 Services.

K. Edinburg Police Department agrees to allow Edinburg CISD Police Department access and use of the Edinburg Police Department Shooting Range. Prior to use, The Edinburg CISD Police Department will contact the Edinburg Police Department Range Master to reserve the date of requested use and provide a curriculum of the firearms training to be administered. The Edinburg CISD Police Department will sign out the key for the Shooting Range and return it when the scheduled training is completed. The Edinburg CISD Police Department agrees to have a Certified Range Master on site during all live-fire trainings and follow their safety policies, procedures and guidelines pertaining to firearms training. The Edinburg CISD Police Department further accepts all responsibility for any accidents, injuries or incidents that may occur during use of the facility, and agrees to indemnify, hold harmless,

defend and release the City of Edinburg and the City of Edinburg Police Department of all liability during use.

L. Edinburg Police Department agrees to allow the Edinburg CISD Police Department radio communication access, at the sole expense of the Edinburg CISD Police Department, for the purpose of providing emergency communication with the Edinburg Police Department. Request for assistance will also be allowed when radio transmitted information may be needed to complete an "on site" investigation. Proper radio procedures will be followed.

Edinburg Police Department will provide access of the TLETS system to the Edinburg CISD Police Department, with the understanding that such information will be used in a lawful manner. All requests by the Edinburg CISD Police Department will require an officer identifier when making a request. Any vehicle registration request, driver license inquiry or Criminal History Check will be physically picked up by the requesting officer. Any entry into the TCIC and NCIC by the Edinburg CISD Police Department will be submitted with the original report to be held by the Edinburg Police Department for auditing purposes. Once the entry is expunged from the TCIC and NCIC, the original will be returned and a copy made for the Edinburg Police Department.

M. Each individual agency agrees to report all Uniform Crime Report Statistics to the Texas Department of Public Safety.

N. Both agencies agree to maintain a cooperative spirit in conducting all follow-up investigations including the sharing of any information for reported "hate" and "gang related" crimes occurring on the ECISD property.

O. The Edinburg CISD Police Department agrees to provide personnel, if available, in instances where the Edinburg Police Department is establishing specialized task force and/or is responding to an emergency situation or special events.

P. Edinburg CISD Police Department agrees to coordinate warrant services with the appropriate Edinburg Police Department Division.

Q. Edinburg Police Department will be responsible for the investigation of all accidents and criminal investigations which occur on the Cats Stadium Parking Lot. However, if the parties are on the parking lot for a school related activity or function, it shall be the responsibility of the Edinburg CISD Police Department. The intent of this section is to provide efficient service for individuals that are utilizing the city facility.

R. This agreement will commence on May 17 ,2016. This Memorandum of Understanding shall be reviewed by the Edinburg CISD Police Department designee and the Edinburg Police Department's designee to ascertain whether it should continue and if any modification should be made. If there are no changes or modifications, the memorandum of understanding will continue as is.

S. Any disagreements between the signing departments will be brought to the attention of the Chief of Police for Edinburg Consolidated Independent School District Police Department and the Chief of Police for the Edinburg Police Department for resolution.

Ricardo Perez Jr., Chief of Police Edinburg CISD Police Department	David White, Chief of Police Edinburg Police Department
Dr. Rene Gutierrez, Superintendent of Schools Edinburg CISD	Richard M. Hinojosa Edinburg City Manager
Renee Rodriguez Betancourt Edinburg CISD Attorney	Ricardo Palacios Edinburg City Attorney
	Myra L Ayala Garza Edinburg City Secretary

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Approval of a Hold Harmless and Non-Exclusive Agreement Between Alonzo Cantu Construction, Inc. and the City of Edinburg Concerning Certain Pedestrian Improvements to the Edinburg Stub Drainage Ditch and Authorizing the City Manager to Execute Such Agreement. [Ponciano N. Longoria, P.E., C.F.M., Director of Public Works]

****

STAFF COMMENTS AND RECOMMENDATION:
Staff recommends approval of the Agreement for the connectivity to the Edinburg Municipal park by constructing a pedestrian bridge across the Ditch to connect the adjacent to the new Soccer Field complex.

Cantu Construction shall obtain at the their sole cost and expense Engineering design and specification for the beautification to the Ditch, the pedestrian bridge crossing within the right of way (collectively the "ditch improvements) and shall be responsible for supervision of all phases of the design of the crossing, construction, and maintenance of the improvements.

RECOMMENDATION:
Approve Hold Harmless and Non-Exclusive Agreement Between Alonzo Cantu Construction, Inc. and the City of Edinburg Concerning Certain Pedestrian Improvements to the Edinburg Stub Drainage Ditch and Authorizing the City Manager to Execute Such Agreement.

	REVIEWED BY:	**PREPARED BY:**
/s/Richard M. Hinojosa	/s/Ricardo Palacios by CP	/s/ Ponciano N. Longoria, P.E., CFM
Richard M. Hinojosa City Manager	Ricardo Palacios CityAttorney	Ponciano N. Longoria PE, CFM

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

_____	_____	_____	_____	_____
Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

STATE OF TEXAS §

COUNTY OF HIDALGO §

INTER LOCAL COOPERATION AGREEMENT
BETWEEN HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 AND
CITY OF EDINBURG, TEXAS

THIS Agreement is made on this the 22nd day of, March 2016, by and between **HIDALGO COUNTY DRAINAGE DISTRICT** No.1 , hereinafter referred to as "District" and **CITY OF EDINBURG, TEXAS** hereinafter referred to as "City", pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, City is a home municipality located in Hidalgo County Texas;

WHEREAS, City is desirous of improving a certain municipal park within the City;

WHEREAS, a drainage ditch of District known as the Edinburg Stub which is located north of Freddy Gonzalez Street in the City between Raul Longoria and Doolittle Road is adjacent to City's municipal park (the "Ditch");

WHEREAS, City is desirous of constructing a pedestrian bridge across the Ditch and right of way of the Ditch; and

WHEREAS, District, desires to facilitate City's efforts of constructing the pedestrian bridge.

NOW, THEREFORE, District and City, in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. City shall obtain at City's sole cost and expense engineering design and specifications for the pedestrian bridge crossing the ditch (collectively the "Ditch Improvements") and shall be responsible for supervision of all phases of the design of the Crossings and construction of the Improvements.

2. Prior to proceeding with the construction of the pedestrian bridge crossing the ditch, the City shall present to the District the plans and specifications for the pedestrian bridge crossing for its review and possible approval and such approval shall not be unreasonably withheld. District shall have sixty (60) days following presentation by City to District of the plans and specifications to review such plans and specifications. If such plans and specifications are approved by District, District shall issue to City a written approval of such plans and specifications.

3. Prior to public use of the Ditch Improvements, City shall advise District of the completion of the Ditch Improvements in order for District to inspect the Ditch

Improvements. If District detects or observes any deviations in the constructed Ditch Improvements from such plans and specifications District shall notify City and City shall cause such deviations to be modified to comply to such plans and specifications.

4. City shall repair and maintain the Ditch Improvements at City's sole cost and expense including but not limited the District's right of way on both sides of the Ditch.

5. City shall provide a million dollar comprehensive general liability insurance policy for the area containing the Ditch Improvements naming the District as an additional insured party.

6. Upon termination of this Agreement by District, City shall upon written notice by District remove all or a portion of the Ditch Improvements as specified by District in such written notice and restore and return the Ditch including the Ditch right of way to the same or similar condition as the Ditch and Ditch right of way existed prior to construction of the Ditch Improvements at City's sole cost and expense.

7. District makes no representation as to the suitability of the Ditch and the Ditch right of ways for the construction of the Ditch Improvements or use by the public of the Ditch Improvements and City acknowledges same. City further represents and warrants to District that City requested the use of the Ditch and the Ditch right of way for construction of the Ditch Improvements.

8. City acknowledges and agrees the purpose of the Ditch is for drainage purposes and District undertakes no responsibility or obligation whatsoever for restoration of the Ditch Improvements from damage for whatever reason including but not limited to water flowing in or over the Ditch or repairs, maintenance or expansion of the Ditch by District which District may do at anytime in the sole discretion of District.

9. **Term.** The term of this Agreement shall commence upon the date of the last party to execute this Agreement and shall continue until such time as this Agreement is terminated by District. District may terminate this Agreement without cause on thirty (30) days written notice.

10. **Hold Harmless**. City shall, to the extent allowable by law, indemnify and hold harmless District, its elected officials, employees, agents, officers and invitees from and against any and all claims, demands, causes of action, costs, expenses and liability of any nature whatsoever, to include court costs, attorney's fees and any expenses incurred in enforcing this provision that may result from, arise out of, be related to, or in any way connected with the use by City of the Ditch and/or the Ditch right of way. THE CITY ACCEPTS ALL RISKS IN THE USE OF THE DITCH ANDIOR THE DITCH RIGHT OF WAY.

11. **Indemnification.** City shall to the extent allowed by law protect, defend and hold the District and its elected officials, servants, agents, contractors, subcontractors, licensees, invitees and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all costs for investigation or defense thereof (including, but not limited to attorney's fees, court costs and expert fees), of any nature whatsoever arising out of the use by City of the Ditch Right of Ways. The City shall also use counsel reasonably acceptable to the District in carrying out its obligations hereunder. The provisions of this Section II shall survive the expiration or termination of this Agreement and shall not be limited by reason of any insurance coverage.

12. **Insurance Requirement.** City agrees to secure and maintain for the duration of this Agreement a minimum of $500,000.00 comprehensive general liability insurance policy or policies covering the Ditch Improvements and City's use thereof, at no cost to the District, with an insurance company or companies reasonably satisfactory to the District. The policy or policies of insurance shall name the District as an additional insured together with any other parties designated by the District. City shall not be entitled to enter on to the Ditch until such time as evidence of such insurance has been provided to the District. Each insurance policy shall state that the insurance company or companies shall agree to investigate and defend the insured against all claims for damages, even if groundless. The City shall maintain insurance providing a primary and umbrella coverage combined, for all damages arising out of bodily injuries to or death of all persons in all accidents or occurrences and out of injury to or destruction of property during the policy period. In addition, City shall obtain and maintain, if City employs employees, workers' compensation insurance in such amount as may be required by law. In conjunction with the above, City shall provide to the District, a Certificate of Insurance fully executed by an insurance company or companies furnishing such insurance coverage. The insurance policy or policies required hereunder shall provide that the District shall be provided thirty (30) days prior written notice of any cancellation or material change and that any subrogation right of the insurer are waived against the District or any additional insured named by the District. If City shall fail to obtain or to maintain the above-described insurance for the duration of this Agreement, then all rights granted hereunder shall be forfeited and revoked until such time as City provides to the District, a new Certificate of Insurance fully executed by an insurance company or companies evidencing that the required insurance has been obtained.

13. **Not a Public Dedication.** Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Ditch or the Ditch right of way to the general public or for the general public or for any public purpose whatsoever, it being the intention of the parties that this Agreement shall be strictly limited to and for the purposes herein expressed.

14. **Conflict with Applicable Law.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of their Agreement and any present of future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the times such conflict exists.

15. **No Waiver.** No waiver by any party hereto of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

16. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by the City and District and not otherwise.

17. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

18. **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to City:	City of Edinburg Richard H. Garcia, Mayor 415 W. University Drive Edinburg, TX. 78541
If to County:	Hidalgo County Drainage District No.1 Attention: Ramon Garcia, Chair, Board of Directors 902 Doolittle Road Edinburg, TX 78539

19. **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

20. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective elected officials, officers, employees, legal representatives, successors, and assigns where permitted by this Agreement.

21. **Assignment.** This Agreement shall not be assignable.

22. **Headings.** The headings and captions contained in this Agreement are solely for convenience reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

23. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.

24. **Authority to Execute.** The execution and performance of this Agreement by the City and the District have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of City and District in accordance with its term.

25. **Governmental Purpose.** Each party hereto is entering into this Agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

26. **Immunities:** Nothing in this Agreement is intended to and District does not hereby waive, release or relinquish any right to assert any of the defenses District enjoys by virtue of the state or federal constitution, laws, rules or regulations, and any sovereign, official or qualified immunity available to District as to any claim or action of any person, entity, or individual against District.

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

HIDALGO COUNTY DRAINAGE DISTRICT NO.1

Ramon Garcia

Ramon Garcia, Chair Board of Directors

APPROVED BY HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 BOARD OF DIRECTORS ON: 3/22/16

ATTEST:

Arturo Guajardo, Jr., County Clerk

CITY OF EDINBURG, TEXAS

Richard H. Garcia, Mayor

ATTEST:

_____
Myra L. Garza, City Secretary

APPROVED AS TO FORM:

ATLAS, HALL & RODRIGUEZ, LLP

BY: _____
Stephen L. Crain

PALACIOS, GARZA & THOMPSON P.C.

_____
City Attorney

STATE OF TEXAS §

COUNTY OF HIDALGO §

HOLD HARMLESS AND NON-EXCLUSIVE USE AGREEMENT

THIS HOLD HARMLESS AND NON-EXCLUSIVE USE AGREEMENT ("Agreement") is entered on this the _____ day of,_____ 2016, by the **ALONZO CANTU CONSTRUCTION, INC.** (hereinafter referred to as "Contractor"), and **CITY OF EDINBURG**, (hereinafter referred to as "City"), a municipal corporation of the State of Texas relating to the real estate situated in the City of Edinburg, County of Hidalgo, State of Texas, which is depicted on the plat attached hereto marked Exhibit A and by this reference incorporated herein, ("Property").

WITNESSETH:

WHEREAS, in conjunction with modifications to the Edinburg Scoccer Stadium' Pedestrian Crossing Bridge for the adjacent Municipal Park's soccer practice fields, attached hereto as Exhibit "A" and made a part hereof ("Improvements"); and

WHEREAS, City is desirous of improving a certain municipal park within the City;

WHEREAS, a drainage ditch of the Hidalgo County Drainage District #1 known as the Edinburg Stub which is located north of Freddy Gonzalez Street in the City between Raul Longoria and Doolittle Roads is adjacent to City's municipal park (the "Ditch");

WHEREAS, the Improvements will provide the Grantor improved ingress and egress to said property and is in the interest of the public health, safety and welfare; and

WHEREAS, City is desirous of constructing a pedestrian bridge across the Ditch and right of way of the Ditch and has entered into an Interlocal Agreement with the Hidalgo County Drainage District #1 (Exhibit "B") and A Right of Entry and Hold Harmless Agreement (Exhibit "C"); and

WHEREAS, City, desires to facilitate Contractor's efforts of constructing the pedestrian bridge.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. Contractor shall obtain at Contractor's sole cost and expense engineering design and specifications for the pedestrian bridge crossing the ditch (collectively the "Ditch Improvements") and shall be responsible for supervision of all phases of the design of the Crossings and construction of the Improvements.

2. Prior to proceeding with the construction of the pedestrian bridge crossing the ditch, the Contractor shall present to the City with the plans and specifications pedestrian bridge crossing for its review and possible approval and such approval shall not be unreasonably withheld. City shall have sixty (60) days following presentation by Contractor to City of

specifications are approved by City, District shall issue to Contractor a written approval of such plans and specifications. Prior to public use of the Ditch Improvements, Contractor shall advise City of the completion of the Ditch Improvement in order for District to inspect the Ditch Improvements. If City detects or observes any deviations in the constructed Ditch Improvements from such plans and Specifications City shall notify Contractor and Contractor shall cause such deviations to be modified to comply to such plans and specifications.

3. Contractor shall repair and maintain the Ditch Improvements at Contractor's sole cost and expense including but not limited the Hidalgo County Drainage District's right of way on both sides of the Ditch.

4. Contractor shall provide a million dollar comprehensive general liability insurance policy for the area containing the Ditch Improvements naming the District as an additional insured party.

5. Upon termination of this Agreement by City, Contractor shall upon written notice by City remove all or a portion of the Ditch Improvements as specified by City in such written notice and restore and return the Ditch including the Ditch right of way to the same or similar condition as the Ditch and Ditch right of way existed prior to construction of the Ditch Improvements at Contractor's sole cost and expense.

6. City makes no representation as to the suitability of the Ditch and the Ditch right of ways for the construction of the Ditch Improvements or use by the public of the Ditch Improvements and Contractor acknowledges same. Contractor further represents and warrants to City that Contractor requested the use of the Ditch and the Ditch right of way for construction of the Ditch Improvements.

7. Contractor acknowledges and agrees the purpose of the Ditch is for drainage purposes and City nor the Hidalgo County Drainage District undertakes no responsibility or obligation whatsoever for restoration of the Ditch Improvements from damage for whatever reason including but not limited to water flowing in or over the Ditch or repairs, maintenance or expansion of the Ditch by Hidalgo County Drainage District which they may do at any time at their sole discretion.

8. **Term**. The term of this Agreement shall commence upon the date of the last party to execute this Agreement and shall continue until such time as this Agreement is terminated by City. City may terminate this Agreement without cause on thirty (30) days written notice.

9. **Hold Harmless**. Contractor shall, to the extent allowable by law, indemnify and hold harmless City, its elected officials, employees, agents, officers and invitees from and against any and all claims, demands, causes of action, costs, expenses and liability of any nature whatsoever, to include court costs, attorney's fees and any expenses incurred in enforcing this provision that may result from, arise out of, be related to, or in any way connected with the use by Contractor of the Ditch and/or the Ditch right of way. THE

CONTRACTOR ACCEPTS ALL RISKS IN THE USE OF THE DITCH ANDIOR THE DITCH RIGHT OF WAY.

10. **Indemnification.** Contractor shall protect, defend and hold the City and its elected officials, servants, agents, contractors, subcontractors, licensees, invitees and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all costs for investigation an defense thereof (including, but not limited to attorney's fees, court costs and expert fees), of any nature whatsoever arising out of the use by Contractor of the Ditch Right of Ways. The Contractor shall also use counsel reasonably acceptable to the City in carrying out its obligations hereunder. The provisions of this Section 6 shall survive the expiration or termination of this Agreement and shall not be limited by reason of any insurance coverage.

11. **Insurance Requirement.** Contractor agrees to secure and maintain for the duration of this Agreement the following minimum comprehensive general liability insurance policy or policies covering the License Area and Contractor's usethereof, at no cost to the City, with an insurance company or companies reasonably satisfactory to the County in addition to those policies as further described on Section 10 of this agreement. The policy or policies of insurance shall name the City as an additional insured together with any other parties designated by the City. Contractor shall not be entitled to enter on to the License Area until such time as evidence of such insurance has been provided to the City. Each insurance policy shall state that the insurance company or companies shall agree to investigate and defend the insured against all claims for damages, even if groundless. The Contractor shall maintain insurance providing a primary and umbrella coverage combined, for all damages arising out of bodily injuries to or death of all persons in all accidents or occurrences and out of injury to or destruction of property during the policy period. In addition, Contractor shall obtain and maintain, if Licensee employs employees, workers' compensation insurance in such amount as may be required by law. In conjunction with the above, Contractor shall provide to the City a Certificate of Insurance fully executed by an insurance company or companies furnishing such insurance coverage. The insurance policy or policies required hereunder shall provide that the City shall be provided thirty (30) days prior written notice of any cancellation or material change and that any subrogation right of the insurer are waived against the City or any additional insured named by the City. If Contractor shall fail to obtain or to maintain the above-described insurance for the duration of this Agreement, then all rights granted hereunder shall be forfeited and revoked until such time as Licensee provides to the City a new Certificate of Insurance fully executed by an insurance company or companies evidencing that the required insurance has been obtained.

12. **Not a Public Dedication**. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Ditch or the Ditch right of way to the general public or for the general public or for any public purpose whatsoever, it being the intention of the parties that this Agreement shall be strictly limited to and for the purposes herein expressed.

13. **Conflict with Applicable Law**. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of their Agreement and any present of future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the times such conflict exists.

14. **No Waiver**. No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

15. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by the Contractor and City and not otherwise.

16. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in the City of Edinburg, the County of Hidalgo, and in the State of Texas.

17. **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to Contractor:	Mr. Alonzo Cantu Alonzo Cantu Construction Inc. 52521 N McColl Rd. McAllen, Texas 78504
If to City:	Mr. Richard M. Hinojosa, City Manager City of Edinburg 415 W. University Dr. Edinburg, Texas 78541

18. **Additional Documents**. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

19. **Successors**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective elected officials, officers, employees, legal representatives, successors, and assigns where permitted by this Agreement.

20. **Assignment.** This Agreement shall not be assignable.

21. **Headings.** The headings and captions contained in this Agreement are solely for convenience reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

22. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.

23. **Authority to Execute.** The execution and performance of this Agreement by the Contractor and the City have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of Contractor and City in accordance with its term.

24. **Immunities:** Nothing in this Agreement is intended to and City does not hereby waive, release or relinquish any right to assert any of the defenses City enjoys by virtue of the state or federal constitution, laws, rules or regulations, and any sovereign, official or qualified immunity available to City as to any claim or action of any person, entity, or individual against City.

It is further stipulated and agreed that the laws of the State of Texas shall control in the construction of this instrument.

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

CONTRACTOR:
ALONZO CANTU CONSTRUCTION, INC.

BY: _____
Alonzo Cantu, President

CITY:
CITY OF EDINBURG

BY: _____
Richard M. Hinojosa, City Manager

APPROVED AS TO FORM:

PALACIOS, GARZA & THOMPSON P.C.

BY:_____
City Attorney

THE STATE OF TEXAS §

COUNTY OF HIDALGO §

ACKNOWLEDGMENT

This instrument was acknowledged before me on this _____ day of _____, 2016, by Richard M. Hinojosa, City Manager of the City of Edinburg, a Texas municipal corporation, on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2016.

_____
Notary Public, State of Texas

THE STATE OF TEXAS §

COUNTY OF HIDALGO §

ACKNOWLEDGMENT

This instrument was acknowledged before me on this 25th day of April, 2016, by Alonzo Cantu, President of Alonzo Cantu Construction Inc., a Texas incorporation, on behalf of said incorporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 25th day of April, 2016.

Odette Castillo
Notary Public, State of Texas

ODETTE CASTILLO
MY COMMISSION EXPIRES
August 15, 2018

STATE OF TEXAS §

COUNTY OF HIDALGO §

RIGHT OF ENTRY AND HOLD HARMLESS AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT ("Agreement") is entered on this 22nd day of March, 2016 by the **CITY OF EDINBURG**, a municipal corporation of the State of Texas (hereinafter referred to as "City"), and **HIDALGO COUNTY DRAINAGE DISTRICT NO. ONE (1)** (hereinafter referred to as "Owner") of the real state property situated in the City of Edinburg, County of Hidalgo, State of Texas, which is depicted on the plat attached hereto marked Exhibit "A" and by this reference incorporated herein.

WITNESSETH:

WHEREAS, the City of Edinburg, in conjunction with the Edinburg Soccer Stadium, will be constructing a pedestrian crossway from the Edinburg Municipal Park to the New Edinburg Soccer Stadium at or adjacent to said premises and as such, City requires a right of entry, hereinafter referred to as a temporary easement for engineering data collection, on the real estate following real estate, to-wit:

Jackson Property:

Track 2 – A track of land containing 6.31 acres out of the South 10.28 acres of the north 32.28 acres of Lot 16, Section 268, Texas Mexican Railway Company's Survey, being the west 170.0 feet of the South 301.6 feet of the North 946.9 feet and the East 1295.0 feet of the South 170.0 feet of the North 946.9 feet of Lot 16, Section 268 of which 0.08 of an acre is being used as existing right-of-way leaving 6.23 acres net.

WHEREAS, the engineering data collection will be used for future construction of the property to improved ingress and egress of pedestrian traffic over the said property, the redefinition of the Drain Ditch for drainage which is in the interest of the public health, safety and welfare; and

WHEREAS, the data collection outlined above may warrant an Engineering Crew for data collection to be used to perform these tasks; and

NOW, THEREFORE, for and in consideration of the mutual covenants and condition hereinafter set forth, the parties hereto agree as follows:

Owner, in consideration of the benefits accruing to it through this Agreement, authorizes City or their contractors and assigns to perform the work necessary to complete the above-captioned engineering efforts and grants a temporary easement onto their property for the purpose of completing same.

In further consideration of the benefit derived from the above, City, its employees, officers, agents, successors and assigns, agree to indemnify Owner from any and all damages, including costs, expenses,

and attorney fees, for all claims and suits, including claims and suits for death, personal injury, and property damage, arising from or connected in any way with data collection outlined above. Such indemnification and hold harmless provisions include reasonable attorney's fees for the defense of any such claims and demands.

This Agreement shall remain in full force and effect at all times during the accomplishment and completion of the engineering activities described above. Said temporary easement shall terminate and shall revert to Owner, its successors, and assigns, and all temporary interest conveyed herein shall cease on the earlier of April 1, 2016 or the date of completion of the data collection activities described above. Upon such termination, City will return the property to Owner in to its original condition, taking into consideration the nature of the purpose for which the right of entry was granted.

It is further stipulated and agreed that the laws of the State of Texas shall control in the construction of this instrument.

WITNESS my hand, this the _____ day of _____, 2016.

CITY OF EDINBURG:

BY: _____
Richard M. Hinojosa, City Manager
415 W. University Dr.
Edinburg, Texas 78539

HIDALGO COUNTY DRAINAGE DISTRICT NO 1:

Ramon Garcia
Ramon Garcia, Chair Board of Directors

APPROVED BY HIDALGO
COUNTY DRAINAGE DISTRICT
NO. 1 BOARD OF DIRECTORS
ON: 3/22/16

THE STATE OF TEXAS §
§ **ACKNOWLEDGMENT**
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Mr. Ramon Garcia, Chair Board of Directors from 902 N. Doolittle Rd, Edinburg, Texas 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 purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 23 day of March, 2016.

NORA D. CAVAZOS
Notary Public
STATE OF TEXAS
My Comm. Exp. 04-12-2019

Notary Public, State of Texas

THE STATE OF TEXAS §
§ **ACKNOWLEDGMENT**
COUNTY OF HIDALGO §

This instrument was acknowledged before me on this ____ day of _____, 2016, by Richard M. Hinojosa,City Manager of the City of Edinburg, a Texas municipal corporation, on behalf of said corporation.

Notary Public, in and for the State of Texas

APPROVED AS TO FORM:

ATLAS, HALL & RODRIGUEZ, LLP

BY:
Stephen L. Crain

BEFORE RECORDING RETURN TO:
Ponciano N. Longoria P.E. C.F.M.
City of Edinburg, Texas
415 W. University Drive
Edinburg, Hidalgo County, Texas 78541

APPROVED AS TO FORM:

PALACIOS, GARZA & THOMPSON P.C.

BY:
City Attorney

El Paso St
Trout Ct
City of Edinburg Park
Edinburg Stub
S. Doolittle Rd
E Texas Rd

EXHIBIT "A"
CITY OF EDINBURG & HCDD#1
RIGHT OF ENTRY
EDINBURG SOCCER STADIUM LOCATION

March 08, 2016

RESOLUTIONS

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Resolution to Facilitate a Non-Recourse Loan from the City of Edinburg to Wisconsin Street Housing, LP, a Texas Limited Partnership, in the Amount of $1,275,000 in Connection with the Financing of a Multifamily Affordable Housing Community to be Known as "The Heights Apartments". [Marissa Garza, Director of Community Development/Grants Management]

****

STAFF COMMENTS AND RECOMMENDATION:
On February 17, 2015, City Council approved a Resolution of Support for the Heights Apartments as requested by Highridge Costa Development Company, LLC (HCDC) and Casa Linda Development Corporation (CLDC).

On February 25, 2015, City Council approved a Resolution for Financial Commitment for an Application to the Texas Department of Housing and Community Affairs for Affordable Housing Tax Credits for The Heights Apartments.

On July 30, 2015, Wisconsin Street Housing, L.P. (Development Owner) was awarded $1,432,741 in federal housing tax credits to develop The Heights Apartments in Edinburg.

On August 18, 2015 the City Council authorized the City Manager to execute a commitment for the Loan term sheet.

Citi Bank, N.A. has agreed to loan $1,275,000 as a non-recourse loan to the City for the development of The Heights Apartments.

RECOMMENDATION:
Approve Resolution to Facilitate a Non-Recourse Loan from the City of Edinburg to Wisconsin Street Housing, LP, a Texas Limited Partnership, in the Amount of $1,275,000 in Connection with the Financing of a Multifamily Affordable Housing Community to be Known as “The Heights Apartments”.

REVIEWED BY: **PREPARED BY:**

/s/Ricardo Palacios by CP
Ricardo Palacios
CityAttorney

/s/Richard M. Hinojosa
Richard M. Hinojosa
City Manager

/s/Ascencion Alonzo
Ascencion Alonzo
Director of Finance

/s/ Marissa Garza
Marissa Garza
Director of Community Development/Grants Management

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

RESOLUTION NO.

THE STATE OF TEXAS	**§**	**RESOLUTION TO FACILITATE A NON-RECOURSE LOAN FROM THE CITY TO WISCONSIN STREET HOUSING, LP, A TEXAS LIMITED PARTNERSHIP, IN THE AMOUNT OF $1,275,000, IN CONNECTION WITH THE FINANCING OF A MULTIFAMILY AFFORDABLE HOUSING COMMUNITY TO BE KNOWN AS "THE HEIGHTS APARTMENTS".**
COUNTY OF HIDALGO	**§**	
CITY OF EDINBURG	**§**	

WHEREAS, the City of Edinburg ("City") recognizes the importance of its role in local economic development and the development of affordable housing; and

WHEREAS, on February 17, 2015, the City Council approved support for the housing tax credit application to the Texas Department of Housing and Community Affairs ("TDHCA") for The Heights Apartments by Resolution No. 2178; and

WHEREAS, on February 25, 2015, the City Council authorized a financial commitment of $1,275,000 as a permanent non-recourse loan with a minimum term of 15 years, a minimum amortization period of thirty (30) years with an interest rate no higher than 3 percent per annum to Wisconsin Street Housing, LP, development owner by Resolution No. 2185; and

WHEREAS, on March 17, 2015 the City Council annexed the development site; and

WHEREAS, on August 5, 2015 the City Council authorized the rezoning of the 13.773 acre development site located at the southwest quadrant of S. Raul Longoria Road and Wisconsin Road to Urban Residential; and

WHEREAS, on August 18, 2015 the City Council considered and authorized the City Manager to execute a commitment for the Loan term sheet; and

WHEREAS, the TDHCA 2015 Qualified Allocation Plan (QAP) and Multifamily Rules provides for a funding method for the City to borrow the funds from a financial institution as a non-recourse loan and then loan the funds to the development owner; and

WHEREAS, Citibank, N.A. has agreed to loan to the City the necessary funds; and

WHEREAS, Wisconsin Street Housing, LP has agreed to borrow the funds from the City; and

WHEREAS, Citibank, N.A. is the construction and permanent lender for the development of The Heights Apartments; and

WHEREAS, the City desires to facilitate a non-recourse loan from the City to Wisconsin Street Housing, LP, a Texas limited partnership ("**WS Housing**"), in the amount of

$1,275,000.00 (the "**WS Housing Loan**"), in connection with the financing of a multifamily affordable housing community to be known as "The Heights Apartments" (the "**Project**"); and

WHEREAS, the City desires to obtain a non-recourse loan from Citibank, N.A., a national banking association, in the amount of $1,275,000.00 (the "**City Loan**"), to be used by the City to provide funds for the WS Housing Loan;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EDINBURG:

Section 1. That the WS Housing Loan is hereby approved, and the transactions effected or to be effected pursuant to, and in substantial accordance with, the terms of the Multifamily Permanent Subordinate Note, the Subordinate Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, the Exceptions to Non-Recourse Guaranty, the Agreement of Environmental Indemnification, and such other documents as contemplated thereby and related thereto, are hereby approved; and it is further,

Section 2. That the City Loan is hereby approved, and the transactions effected or to be effected pursuant to, and in substantial accordance with, the terms of the Citi Note, the Loan Agreement, the Intercreditor and Subordination Agreement, the Collateral Assignment of Loan, and such other documents as contemplated thereby and related thereto, are hereby approved; and it is further,

Section 3. That all of the documents, instruments, and other writings executed by the City (both individually and in a representative capacity as identified in these Resolutions) to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the City Manager, Executing Officer, (as such term is hereinafter defined) of the City (both individually and in a representative capacity as identified in these Resolutions), his approval of each such instrument to be conclusively evidenced by [his/her] execution thereof; and it is further,

Section 4. That the City (both individually and in a representative capacity as identified in these Resolutions) review, execute and approve all other documents necessary to effectuate the foregoing transactions, all on such terms and containing such provisions as the Executing Officer shall deem appropriate, and the approval of the terms of each such instrument herein described by the Executing Officer, shall be conclusively evidenced by his/her execution and delivery thereof; and it is further

Section 5. That the authorization of the City to enter into the Transaction Documents and any Executing Officer's execution and delivery of the Transaction Documents in the name and on behalf of the City, in the form as so executed and delivered, is hereby approved, ratified and confirmed; and it is further

Section 6. That the City Manager "**Executing Officer**", acting alone without the joinder of any other [officer], is hereby authorized and directed to, for and on behalf and as the act and deed of the City, execute and deliver all other documents, instruments, and writings of every nature

whatsoever in connection with the Project, the WS Housing Loan, and the City Loan, including without limitation, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purpose of these Resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these Resolutions or otherwise), his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other actions in the consummation of the transactions herein contemplated as the Executing Officer shall deem necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of the City; effective as of the date such action was taken; and it is further

Section 7. That action by any of the officers of the City, and any person or persons designated and authorized so to act by any such officer or manager, to do and perform, or cause to be done and performed, in the name and on behalf of the City, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances and other instruments and communications, in the name and on behalf of the City or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the these Resolutions or to comply with the requirements of the instruments approved or authorized by the these Resolutions, is hereby approved, ratified and confirmed; and it is further

Section 8. That to the extent any of the actions authorized by these Resolutions have already been taken on behalf of the City (both individually and in a representative capacity as identified in these Resolutions), or by any employee of the City at the direction of an officer, toward completion of the transactions contemplated by these Resolutions, or the performance of the obligations of the City as set forth in documents executed in connection with this transaction, such actions are hereby ratified and confirmed as the valid actions of the City, effective as of the date such actions were taken; and it is further

Section 9. That the City Council finds the actions authorized by these Resolutions may reasonably be expected to directly or indirectly benefit the City.

Section 10. That this Resolution take effect immediately from and after its passage and it is accordingly so resolved.

Section 11. This formal action has been taken to put on record the opinions expressed by the City of Edinburg as of the date of this Resolution.

Section 12. The undersigned on behalf of the City of Edinburg, acting through its governing body, is hereby authorized, empowered, and directed to certify these resolutions to TDHCA.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas at which a quorum was present and which was held in accordance with V.T.C.A. Government Code, Section 551.041, on the 17th day of May, 2016.

CITY OF EDINBURG

By: _____
Richard H. Garcia, Mayor

ATTEST:

By: _____
Myra L. Ayala Garza, City Secretary

APPROVE AS TO FORM:
Palacios, Garza & Thompson, P.C.

By: _____
City Attorney

LOAN AGREEMENT

AMONG

CITIBANK, N.A.,
AS BANK,

AND

CITY OF EDINBURG,
AS BORROWER

AND

WISCONSIN STREET HOUSING, LP
AS PROJECT OWNER

Dated as of May __, 2016

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "**Bank Loan Agreement**") is dated for reference purposes only as of the ___ day of May, 2016, but will not be effective and binding on the parties hereto until the Closing Date (as hereinafter defined), and is among **CITY OF EDINBURG**, a Texas municipal corporation (together with its successors and assigns, the "**Borrower**"), **WISCONSIN STREET HOUSING, LP**, a Texas limited partnership (the "**Project Owner**"), and **CITIBANK, N.A.**, a national banking association (together with its successors and assigns, the "**Bank**").

WITNESSETH:

RECITALS

WHEREAS, Project Owner has applied to the Bank for a construction to permanent loan ("**Senior Loan**") evidenced by that certain Construction Loan Agreement of even date herewith by and between Project Owner and Bank (the "**Senior Loan Agreement**"), for the acquisition, construction, rehabilitation, development, equipping and/or operation of a 128-unit multifamily residential project located in Edinburg, Hidalgo County, Texas, known or to be known as The Heights Apartments ("**Project**");

WHEREAS, the Borrower has also applied to the Bank for a loan (the "**Bank Loan**") to further finance the acquisition, development, construction and/or rehabilitation of the Project. The Bank Loan is evidenced by that certain Bank Note dated May __, 2016, in the amount of $1,275,000.00 ("**Bank Note**"), and will be advanced to Borrower pursuant to this Bank Loan Agreement, the proceeds of which will then be loaned (the "**Project Owner Subordinate Loan**") by Borrower to the Project Owner and will be evidenced by a Multifamily Permanent Subordinate Note in the amount of $1,275,000.00 (the "**Project Owner Subordinate Note**") and secured by, among other things, that certain Subordinate Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (as amended, restated and/or supplemented from time to time, the "**Project Owner Subordinate Security Instrument**"), encumbering the Mortgaged Property. As security for the Bank Loan, Borrower will collaterally assign the Project Owner Subordinate Loan pursuant to a Collateral Assignment of Loan of even date herewith (the "**Collateral Assignment**").

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Specific Definitions; Principles of Construction. For all purposes of this Bank Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Project Owner Subordinate Security Instrument, the Senior Loan Agreement or the Senior Loan Documents, as such documents shall be amended, modified or supplemented from time to time and notwithstanding the repayment of the Senior Loan or the termination of any such documents.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GAAP.

(c) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(d) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(e) Unless otherwise specified, (i) all references to sections and schedules are to those in this Bank Loan Agreement, (ii) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Bank Loan Agreement as a whole and not to any particular provision, (iii) all definitions are equally applicable to the singular and plural forms of the terms defined and (iv) the word "including" means "including but not limited to."

Section 1.2. Definitions**.** The following terms, when used in this Bank Loan Agreement (including when used in the above recitals), shall have the following meanings:

"**Bank Loan**" shall mean the loan made by the Bank to the Borrower pursuant to this Bank Loan Agreement, in the maximum principal amount of the Bank Loan Amount, as evidenced by the Bank Note.

"**Bank Loan Amount**" shall mean the maximum principal amount of $1,275,000.00.

"**Bank Loan Documents**" shall mean this Bank Loan Agreement, the Bank Note, and the Collateral Assignment.

"**Bank Loan Payments**" shall mean the loan payments payable pursuant to the Bank Note.

"**Bank Loan Proceeds**" shall mean proceeds of the Bank Loan, to be disbursed by Bank to Borrower in accordance with Article III of this Bank Loan Agreement.

"**Bank Note**" shall have the meaning set forth in the Recitals hereto.

"**Borrower**" shall have the meaning set forth in the recitals hereto.

"**Borrower Subordinate Payment Obligations**" shall mean all payment obligations of the Borrower under the Bank Loan Documents.

"**Closing Date**" shall mean May __, 2016.

"**Collateral Assignment**" shall have the meaning set forth in the recitals hereto.

"**Events of Default**" shall have the meaning set forth in Section 5.1 hereof.

"**Potential Default**" shall mean the occurrence of an event, which, under this Bank Loan Agreement or any other Bank Loan Document, would, but for the giving of notice or passage of time, or both, be an Event of Default.

"**Project**" shall have the meaning set forth in the recitals hereto.

"**Project Owner**" shall have the meaning set forth in the recitals hereto.

"**Project Owner Subordinate Loan**" shall have the meaning set forth in the recitals hereto.

"**Project Owner Subordinate Note**" shall have the meaning set forth in the recitals hereto.

"**Senior Loan**" shall have the meaning set forth in the recitals hereto.

"**Senior Loan Agreement**" shall have the meaning set forth in the recitals hereto.

"**Senior Loan Documents**" means the Senior Loan Agreement and all of the documents executed in connection therewith evidencing or securing the Senior Loan.

ARTICLE II

GENERAL

Section 2.1. <u>Bank Loan; Bank Note</u>.

(a) On the Closing Date, the Bank shall make the Bank Loan to the Borrower pursuant to the terms hereof, which shall mature and be payable at the times and in the amounts required under the terms hereof and of the Bank Note. The Borrower hereby accepts the Bank Loan. As evidence of its obligation to repay the Bank Loan, simultaneously with the delivery of this Bank Loan Agreement to the Bank, the Borrower hereby agrees to execute and deliver the Bank Note.

(b) On the Closing Date, the Borrower shall make the Project Owner Subordinate Loan to the Project Owner pursuant to the terms hereof, which shall mature and be payable at the times and in the amounts required under the terms hereof and of the Project Owner Subordinate Note (but will be funded as and when provided for in Article III hereof). The Project Owner hereby accepts the Project Owner Subordinate Loan. As evidence of its obligation to repay the Project Owner Subordinate Loan, simultaneously with the delivery of this Bank Loan Agreement to the Borrower, the Project Owner hereby agrees to execute and deliver the Project Owner Subordinate Note.

Section 2.2. <u>Loan Payments</u>.

(a) The Borrower shall make the Bank Loan Payments to the Bank in accordance with the Bank Note.

(b) The Project Owner shall make payments to the Borrower in accordance with the terms of the Project Owner Subordinate Note.

(c) All payments made by the Borrower and the Project Owner hereunder or under the other Bank Loan Documents and the Project Owner Subordinate Note shall be made irrespective of, and without any deduction for, any set-offs or counterclaims, but such payment shall not constitute a waiver of any such set offs or counterclaims.

Section 2.3. <u>Additional Payments</u>.

A. Borrower Obligations

(a) The Borrower shall pay to the Bank on demand the following amounts:

(i) all fees, charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Bank actually and reasonably incurred under the Bank Loan Documents; and

(ii) any late charge due and payable under the terms of the Bank Note and Section 2.4 herein.

(b) The Borrower shall pay to the party entitled thereto as expressly set forth in this Bank Loan Agreement, or the other Bank Loan Documents:

(i) all expenses actually and reasonably incurred in connection with the enforcement of any rights under this Bank Loan Agreement, any other Bank Loan Document; and

(ii) all other payments of whatever nature that the Borrower has agreed to pay or assume under the provisions of this Bank Loan Agreement or any other Bank Loan Document; and

B. Project Owner Obligations.

(a) The Project Owner shall pay to the holder of the Project Owner Subordinate Note on demand the following amounts:

(i) all fees, charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the holder of the Project Owner Subordinate Note actually and reasonably incurred under and with respect to the loan evidenced by the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument, and the Mortgaged Property, as and when the same become due;

(ii) all charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the holder of the Project Owner Subordinated Note actually and reasonably incurred by holder of the Project Owner Subordinated Note at any time in connection with the Project Owner Subordinate Loan, the Mortgaged Property or the Project, including, without limitation, reasonable counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all counsel fees and expenses relating to the enforcement of any document governing, securing and/or evidencing the Project Owner Subordinate Loan or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit; and

(iii) any late charge due and payable under the terms of the Project Owner Subordinate Note.

(b) The Project Owner shall pay to the party entitled thereto as expressly set forth in this Bank Loan Agreement, the Project Owner Subordinate Note, or the Project Owner Subordinate Security Instrument:

(i) all expenses incurred in connection with the enforcement of any rights under this Bank Loan Agreement, the Project Owner Subordinate Note, or the Project Owner Subordinate Security Instrument;

(ii) all other payments of whatever nature that the Project Owner has agreed to pay or assume under the provisions of this Bank Loan Agreement, the Project Owner Subordinate Note, or the Project Owner Subordinate Security Instrument; and

(iii) all expenses, costs and fees relating to inspections of the Project or the Mortgaged Property required by the holder of the Project Owner Subordinate Note in accordance with this Bank Loan Agreement.

Section 2.4. **Overdue Payments; Payments if Default**. If any amount due under the Bank Loan Documents is not paid by or on behalf of the Borrower when due, the Borrower shall pay to the Servicer, a late charge in the amount and to the extent set forth in the Bank Note.

Section 2.5. **Grant of Security Interest; Application of Funds**.

(a) Borrower hereby grants to Bank, as security for the Borrower's obligations, a security interest in, any and all deposits (general or special, including but not limited to debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other debt at any time held or owing by Bank to or for the credit or the account of Borrower (contingent on collateral) arising out of this Bank Loan Agreement or the other Bank Loan Documents.

(b) To the extent not inconsistent with the Project Owner Subordinate Security Instrument and as security for the payment of all obligations under the Project Owner Subordinate Note and the performance by the Project Owner of all other terms, conditions and provisions of the Project Owner Subordinate Note and the Project Owner Subordinate Security Instrument, the Project Owner hereby pledges and assigns to the holder of the Project Owner Subordinate Loan, and grants to the holder of the Project Owner Subordinate Loan a security interest in, all its right, title and interest in and to all payments to or moneys held in the funds and accounts created and held by the holder of the Project Owner Subordinate Loan, such security interest being subject and subordinate to the security interest in favor of the holder of the Senior Loan or any other loan secured by a deed of trust or mortgage recorded prior to the Project Owner Subordinate Security Instrument. This Bank Loan Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC. Upon the occurrence and during the continuance of an Event of Default hereunder, the holder of the Project Owner Subordinate Loan shall apply or cause to be applied any sums held by the holder of the Project Owner Subordinate Loan in any manner and in any order determined by the holder of the Project Owner Subordinate Loan, in the holder of the Project Owner Subordinate Loan's sole and absolute discretion.

Section 2.6. **Marshalling; Payments Set Aside**. Bank shall be under no obligation to marshal any assets in favor of Borrower or any other Person or against or in payment of any indebtedness secured, pertaining to or evidenced by the Bank Loan Documents. To the extent that Borrower makes a payment or payments or transfers any assets to Bank, or Bank enforces its liens, and such payment or payments or transfers, or the proceeds of such enforcement or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then: (i) any and all obligations owed to Bank and any and all remedies available to Bank under the terms of the Bank Loan Documents or in law or equity against Borrower shall be

automatically revived and reinstated to the extent (and only to the extent) of any recovery permitted under clause (ii) below; and (ii) Bank shall be entitled to recover (and shall be entitled to file a proof of claim to obtain such recovery in any applicable bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding) either: (x) the amount of payments or the value of the transfer or (y) if the transfer has been undone and the assets returned in whole or in part, the value of the consideration paid to or received by Borrower for the initial asset transfer, plus in each case any deferred interest from the date of the disgorgement to the date of distribution to Bank in any bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding, and any costs and expenses due and owing, including, without limitation, any reasonable attorneys' fees incurred by Bank in connection with the exercise by Bank of its rights under this Section 2.6.

ARTICLE III

DISBURSEMENT MATTERS

Section 3.1. The proceeds of the Bank Loan shall be disbursed to Borrower and then loaned by Borrower to the Project Owner upon the satisfaction of all of the Conditions to Conversion of the Senior Loan to a permanent loan set forth in and defined in Exhibit "E" of the Senior Loan Agreement which are deemed to be incorporated by reference into this Bank Loan Agreement; provided, however, it is acknowledged and agreed that the proceeds of the Bank Loan and the Project Owner Subordinate Loan will be funded in a single disbursement concurrently with Conversion (upon satisfaction of all Conditions to Conversion).

ARTICLE IV

[RESERVED].

ARTICLE V

DEFAULTS

Section 5.1. **Events of Default**. Each of the following events shall constitute an "Event of Default":

(a) (i) failure by the Borrower to pay any Bank Loan Payment in the manner and on the date such payment is due in accordance with the terms and provisions of the Bank Note, or (ii) failure by the Project Owner to pay when due in the manner and on the date any payment under the Project Owner Subordinate Note is due in accordance with the terms and provisions of such Project Owner Subordinate Note.

(b) failure by or on behalf of the Borrower to pay when due any amount (other than as provided in subsection (a) above or elsewhere in this Section 5.1) required to be paid by the Borrower under this Bank Loan Agreement, the Bank Note, or any of the other Bank Loan Documents, including a failure to repay any amounts that have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings, which default remains uncured for a period of five (5) days after Written Notice thereof shall have been given to the Borrower;

(c) Failure by or on behalf of the Project Owner to pay any amount due under the Project Owner Subordinate Security Instrument, which default remains uncured for a period of five (5) days after Written Notice thereof to Project Owner;

(d) an Event of Default, as defined by the Bank Note, the Project Owner Subordinate Security Instrument or any other Bank Loan Document, occurs (or to the extent an "Event of Default" is not defined in any other Bank Loan Document, any default or breach by the Borrower of its obligations, covenants, representations or warranties under such Bank Loan Document occurs and any and all applicable notice and/or cure periods have expired) or;

(e) an Event of Default, as defined in the Senior Loan Agreement or any Senior Loan Document occurs (or to the extent an "Event of Default" is not defined in such other Senior Loan Document, any default or breach by the Borrower of its obligations, covenants, representations or warranties under such Senior Loan Document occurs and any and all applicable notice and/or cure periods have expired);

(f) an Event of Default, as defined in the loan documents evidencing any loan secured by a lien on the Project occurs (or to the extent an "Event of Default" is not defined in such other loan document, any default or breach by the Borrower of its obligations, covenants, representations or warranties under such loan document occurs and any and all applicable notice and/or cure periods have expired and the holder of such loan has declared such default in writing);

(g) the Borrower or the Project Owner shall make a general assignment for the benefit of creditors, or shall generally not be paying its debts as they become due;

(h) [RESERVED];

(i) Any Person who owns a Controlling Interest in Project Owner shall make a general assignment for the benefit of creditors, shall generally not be paying its debts as they become due, or an Act of Bankruptcy with respect to such Person shall occur, unless in all cases the Project Owner replaces such Person with a substitute Person owning such Controlling Interest that satisfies the requirements of Section 21 of the Project Owner Subordinate Security Instrument; which, in the case of a non-profit Person, may be replaced within ninety (90) days of such event with another non-profit Person acceptable to the Borrower, in which case no Event of Default shall be deemed to have occurred;

(j) a Bankruptcy Event shall occur with respect to Borrower;

(k) a Bankruptcy Event shall occur with respect to the Project Owner or any General Partner of the Project Owner, provided that any such Bankruptcy Event with respect to a General Partner of the Project Owner shall not constitute an Event of Default if Borrower replaces such General Partner of the Project Owner with a person or entity satisfying Bank's mortgage credit standards for principals and is acceptable to Bank in its sole, reasonable and absolute discretion within ninety (90) days after notice thereof from Bank; and

(l) all or any part of the property of Borrower is attached, levied upon or otherwise seized by legal process, and such attachment, levy or seizure is not quashed, stayed or released: (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements within ninety (90) days of the date thereof.

Section 5.2. <u>Remedies of Bank</u>.

Section 5.2.1 <u>Acceleration</u>. Upon the occurrence of an Event of Default (other than an Event of Default described in paragraph (f), (h) or (i) of Section 5.1) and at any time and from time to time thereafter, as long as such Event of Default continues to exist, in addition to any other rights or remedies available to the Bank

pursuant to the Bank Loan Documents or at law or in equity, the Bank may take such action, without notice or demand, as the Bank deems advisable to protect and enforce its rights against the Borrower and in and to the Mortgaged Property, including declaring all amounts due hereunder to be immediately due and payable (including, interest on and all other amounts due on the Bank Note to be immediately due and payable), without notice or demand, and apply such payment in any manner and in any order determined by Bank, in Bank's sole and absolute discretion; and upon any Event of Default described in paragraph (f), (h) or (i) of Section 5.1, all Borrower Subordinate Payment Obligations shall become immediately due and payable at the Bank's election, in the Bank's sole discretion (as the case may be), without notice or demand, and the Borrower hereby expressly waives any such notice or demand, anything contained in any Bank Loan Document to the contrary notwithstanding.

Section 5.2.2 Remedies Cumulative. During the existence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to the Bank against the Borrower under the Bank Loan Documents or at law or in equity may be exercised by the Bank, at any time and from time to time, whether or not all or any of the obligation of Borrower hereunder shall be declared due and payable, and whether or not the Bank shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Bank Loan Documents. Any such actions taken by the Bank shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Bank may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Bank permitted by law, equity or contract or as set forth in the Bank Loan Documents.

Notwithstanding any provision herein to the contrary, the Bank agrees that any cure of any default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower. Notices of default hereunder shall be given to the Equity Investor in the same manner and at the same time as given to the Borrower to the addresses and Persons provided below.

Section 5.2.3 Delay. No delay or omission to exercise any remedy, right, power accruing upon an Event of Default, or the granting of any indulgence or compromise by the Bank shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Potential Default or Event of Default shall not be construed to be a waiver of any subsequent Potential Default or Event of Default or to impair any remedy, right or power consequent thereon. Notwithstanding any other provision of this Bank Loan Agreement (with the exception of the terms set forth in Section 5.2.5), the Bank reserves the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the foreclosure of the Project Owner Subordinate Security Instrument, but only to the extent necessary to foreclose on other part of the Mortgaged Property, the Rents, the funds or any other collateral or to otherwise collect amounts for which Borrower is personally liable for under the Project Owner Subordinate Note.

Section 5.2.4 Set Off; Waiver of Set Off. During the existence of an Event of Default, Bank may, at any time and from time to time, without notice to Borrower or any other Person (any such notice being expressly waived), set off and appropriate and apply (against and on account of any obligations and liabilities of Borrower to Bank arising under or connected with this Bank Loan Agreement and the other Bank Loan Documents, irrespective of whether or not Bank shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured).

Section 5.2.5 Limitation. Notwithstanding anything to the contrary set forth in this Agreement, any liability of Wisconsin Street Housing GP, LLC, a Texas limited liability company (together with its successors and assigns), under this Agreement shall be limited by the terms of the Project Owner Subordinate Note. Notwithstanding anything to the contrary in this Bank Loan Agreement, except as otherwise provided in Section 9 of the Project Owner Subordinate Note, neither Project Owner nor any person or entity that holds a direct or indirect ownership interest in the Project Owner, and the respective officers, directors, managers, partners, trustees, agents, employees and affiliates of such owners shall have any personal liability under this Bank Loan Agreement, the Project Owner Subordinate Note or the Project Owner Subordinate Security Instrument for the repayment of the Project Owner Subordinate Loan or for the performance of any other obligations of Project Owner under the Project Owner Subordinate Security Instrument.

Section 5.2.6 Accounts Receivable. During the existence of an Event of Default, Bank shall have the right, to the extent permitted by law, to impound and take possession of books, records, notes and other documents evidencing the Project Owner's accounts, accounts receivable and other claims for payment of money, arising in connection with the Mortgaged Property or the Project, and to make direct collections on such accounts, accounts receivable and claims for the benefit of Bank.

Section 5.2.7 Defaults under Other Documents. [RESERVED].

Section 5.2.8 Compliance With QAP. It is the intent of the parties to strictly comport with the applicable provisions of the 2015 Qualified Allocation Plan, including that the Project Owner and the Guarantor provide collateral or guarantees only for the Project Owner Subordinate Loan to Borrower. Nothing herein shall create a direct obligation from the Project Owner to the Bank. Bank and Project Owner represent and warrant to Borrower that neither Project Owner nor any related Party of Project Owner has provided any collateral or guarantee to Bank for the Project Owner Subordinate Loan.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Notices. All notices, consents, approvals and requests required or permitted hereunder or under any other Loan Document (a "notice") shall be deemed to be given and made when delivered by hand, by recognized overnight delivery service, confirmed facsimile transmission (provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day), or five (5) calendar days after deposited in the United States mail, registered or certified, postage prepaid, with return receipt requested, addressed as follows:

To Borrower: City of Edinburg

_____

_____

With a copy to:

Casa Linda Development Corporation
2010 Kessler Parkway

Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

With a copy to: [TO BE ADDED]

If to Project Owner: Wisconsin Street Housing, LP
330 W. Victoria Street
Gardena, CA 90248-3527
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

With a copy to:

Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

With a copy to:

Rick Morrow
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Fax: 512-305-4800

With a copy to:

Garnet LIHTC Fund XLVIII, LLC
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attention: John Condon

If to Bank:

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Transaction Management Group
Deal ID #: 23847
Facsimile: (212) 723-8209

And to:

Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Deal ID #: 23847
Facsimile: (805) 557-0924

Prior to the Conversion Date, with a copy to:

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Account Specialist
Deal ID #: 23847
Facsimile: (212) 723-8209

Following the Conversion Date, with a copy to:

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, PA 19002
Attention: Client Relations Manager
Deal ID #: 23847
Facsimile: (215) 328-0305

And a copy of any notices of default sent to:

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: General Counsel's Office
Deal ID #: 23847
Facsimile: (646) 291-5754

Any party may change such party's address for the notice or demands required under this Bank Loan Agreement by providing written notice of such change of address to the other parties by written notice as provided herein.

Section 6.2. **Brokers and Financial Advisors**. The Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the Bank Loan, other than those disclosed to the Bank and whose fees shall be paid by the Borrower pursuant to separate agreements. The Borrower and the Bank shall indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from a claim by any Person that such Person acted on behalf of the indemnifying party in connection with the transactions contemplated herein. The provisions of this Section 6.2 shall survive the expiration and termination of this Bank Loan Agreement and the repayment of the Borrower Subordinate Payment Obligations.

Section 6.3. **Survival**. This Bank Loan Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by the Bank of the Bank Loan and the execution and delivery to the Bank of the Bank Note, and shall continue in full force and effect so long as all or any of the Borrower Subordinate Payment Obligations. All the Borrower's covenants and agreements in this Bank Loan Agreement shall inure to the benefit of the respective legal representatives, successors and assigns of the Bank and the Servicer.

Section 6.4. **Preferences**. The Bank shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by the Borrower to any portion of the Borrower Subordinate Payment Obligations. To the extent the Borrower makes a payment to the Bank or the Servicer, or the Bank or the Servicer receives proceeds of any collateral, which is in whole or part subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or

proceeds received, the Borrower Subordinate Payment Obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by the Bank or the Servicer.

Section 6.5. **[RESERVED].**.

Section 6.6. **[RESERVED].**.

Section 6.7. **Publicity**. The Bank and the Servicer (and any Affiliates of either party) shall have the right to issue press releases, advertisements and other promotional materials describing the Bank's or the Servicer's participation in the making of the Bank Loan. All news releases, publicity or advertising by the Borrower or its Affiliates through any media intended to reach the general public, which refers to the Bank Loan Documents, the Bank Loan, or the Bank shall be subject to the prior Written Consent of the Bank or the Servicer, as applicable.

Section 6.8. **Construction of Documents**. The parties hereto acknowledge that they were represented by counsel in connection with the negotiation and drafting of the Bank Loan Documents and that the Bank Loan Documents shall not be subject to the principle of construing their meaning against the party that drafted them.

Section 6.9. **No Third Party Beneficiaries**. The Bank Loan Documents are solely for the benefit of the Bank, the Servicer and the Borrower and nothing contained in any Bank Loan Document (other than in this Bank Loan Agreement with respect to the Project Owner) shall be deemed to confer upon anyone other than the Bank, the Servicer, and the Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 6.10. **Assignment**. The Bank Loan, the Project Owner Subordinate Security Instrument, the Bank Loan Documents and all Bank's rights, title, obligations and interests therein may be assigned by the Bank, at any time in its sole discretion, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise. Upon such assignment, all references to Bank in this Bank Loan Agreement and in any Bank Loan Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of the Bank. Borrower shall accord full recognition to any such assignment, and all rights and remedies of Bank in connection with the interest so assigned shall be as fully enforceable by such assignee as they were by Bank before such assignment. In connection with any proposed assignment, Bank may disclose to the proposed assignee any information that Borrower has delivered, or caused to be delivered, to Bank with reference to Borrower, including information that Borrower is required to deliver to Bank pursuant to this Bank Loan Agreement, provided that such proposed assignee agrees to treat such information as confidential. `The Borrower may not assign its rights, interests or obligations under this Bank Loan Agreement or under any of the Bank Loan Documents, or Borrower's interest in any moneys to be disbursed or advanced hereunder, except only as may be expressly permitted hereby.

Section 6.11. **Bank and Servicer Not in Control; No Partnership**. None of the covenants or other provisions contained in this Bank Loan Agreement shall, or shall be deemed to, give the Bank or the Servicer the right or power to exercise control over the affairs or management of the Borrower, the power of the Bank and the Servicer being limited to the rights to exercise the remedies referred to in the Bank Loan Documents. The relationship between the Borrower and the Bank and the Servicer is, and at all times shall

remain, solely that of debtor and creditor. No covenant or provision of the Bank Loan Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between the Borrower and the Bank or the Servicer. Neither the Bank nor the Servicer undertakes or assumes any responsibility or duty to the Borrower or to any other person with respect to the Bank Loan, except as expressly provided in the Bank Loan Documents; and notwithstanding any other provision of the Bank Loan Documents: (1) the Bank and the Servicer are not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of the Borrower or its stockholders, members, or partners and the Bank and the Servicer do not intend to ever assume such status; (2) the Bank and the Servicer shall in no event be liable for any the Borrower Subordinate Payment Obligations, expenses or losses incurred or sustained by the Borrower; and (3) the Bank and the Servicer shall not be deemed responsible for or a participant in any acts, omissions or decisions of the Borrower, the Borrower Controlling Entities or its stockholders, members, or partners. The Bank and the Servicer and the Borrower disclaim any intention to create any partnership, joint venture, agency or common interest in profits or income between the Bank, the Servicer and the Borrower, or any sharing of liabilities, losses, costs or expenses.

Section 6.12. Release. The Borrower hereby acknowledges that it is executing this Bank Loan Agreement and each of the Bank Loan Documents to which it is a party as its own voluntary act free from duress and undue influence.

Section 6.13. Term of Bank Loan Agreement. This Bank Loan Agreement shall be in full force and effect until all payment obligations of the Borrower hereunder have been paid in full or the payment thereof has been provided for; except that on and after payment in full of the Bank Note, this Bank Loan Agreement and the other Bank Loan Documents shall be terminated, without further action by the parties hereto.

Section 6.14. [Reserved].

Section 6.15. Relationships with Other Customers. From time to time, Bank may have business relationships with Borrower's customers, suppliers, contractors, tenants, members, partners, shareholders, or officers or directors, or with businesses offering products or services similar to those of Borrower, or with Persons seeking to invest in, borrow from or lend to Borrower. Borrower agrees that Bank may extend credit to such parties and may take any action it may deem necessary to collect the credit, regardless of the effect that such extension or collection of credit may have on Borrower's financial condition or operations. Borrower further agrees that in no event shall Bank be obligated to disclose to Borrower any information concerning any other customer.

Section 6.16. Permitted Contests. Notwithstanding anything to the contrary contained in this Bank Loan Agreement, Borrower shall have the right to contest or object in good faith to any claim, demand, levy or assessment (other than in respect of Debt or Contractual Obligations of Borrower under any Bank Loan Document) by appropriate legal proceedings that are not prejudicial to Bank's rights, but this shall not be deemed or construed as in any way relieving, modifying or providing any extension of time with respect to Borrower's covenant to pay and comply with any such claim, demand, levy or assessment, unless Borrower shall have given prior written notice to Bank of Borrower's intent to so contest or object thereto, and unless (i) Borrower has, in Bank's judgment, a reasonable basis for such contest, (ii) Borrower pays when due any portion of the claim, demand, levy or assessment to which Borrower does not object, (iii) Borrower demonstrates to Bank's reasonable satisfaction that such legal proceedings shall conclusively operate to prevent enforcement prior to final determination of such proceedings, (iv) Borrower furnishes such bond, surety,

undertaking or other security in connection therewith as required by law, or as reasonably requested by and reasonably satisfactory to Bank, to stay such proceeding, which bond, surety, undertaking or other security shall be issued by a bonding company, insurer or surety company reasonably satisfactory to Bank and shall be sufficient to cause the claim, demand, levy or assessment to be insured against by the Title Company or removed as a lien against the Mortgaged Property, (v) Borrower at all times prosecutes the contest with due diligence, and (vi) Borrower pays, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by Borrower, the amount so determined to be due and owing by Borrower. In the event that Borrower does not make, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by Borrower, any payment required to be made pursuant to clause (vi) of the preceding sentence, an Event of Default shall have occurred, and Bank may draw or realize upon any bond or other security delivered to Bank in connection with the contest by Borrower, in order to make such payment.

Section 6.17. Bank Approval of Instruments and Parties. All proceedings taken in accordance with transactions provided for herein, and all documents required or contemplated by this Bank Loan Agreement and the persons responsible for the execution and preparation thereof, shall be satisfactory to and subject to approval by Bank. No such approval shall result in a waiver of any default of Borrower. In no event shall Bank's approval be a representation of any kind with regard to the matter being approved.

Section 6.18. Bank Determination of Facts. Bank shall at all times be free to establish independently, to its reasonable satisfaction, the existence or nonexistence of any fact or facts, the existence or nonexistence of which is a condition of this Bank Loan Agreement.

Section 6.19. Calendar Months. With respect to any payment or obligation that is due or required to be performed within a specified number of Calendar Months after a specified date, such payment or obligation shall become due on the day in the last of such specified number of Calendar Months that corresponds numerically to the date so specified; provided, however, that with respect to any obligation as to which such specified date is the 29th, 30th or 31st day of any Calendar Month: if the Calendar Month in which such payment or obligation would otherwise become due does not have a numerically corresponding date, such obligation shall become due on the first day of the next succeeding Calendar Month.

Section 6.20. Determinations by Bank. Except to the extent expressly set forth in this Bank Loan Agreement or other Bank Loan Documents to the contrary, in any instance where the consent or approval of Bank may be given or is required, or where any determination, judgment or decision is to be rendered by Bank under this Bank Loan Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Bank, as applicable (or its designated representative) at its sole and exclusive option and in its sole, absolute and reasonable discretion.

Section 6.21. Governing Law. This Bank Loan Agreement shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

Section 6.22. Consent to Jurisdiction and Venue. Borrower and Bank agree that any controversy arising under or in relation to this Bank Loan Agreement and the other Bank Loan Documents shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise

under or in relation to this Bank Loan Agreement and the other Bank Loan Documents. Borrower and Bank irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

Section 6.23. Successors and Assigns. This Bank Loan Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, of such parties. References to a "person" or "persons" shall be deemed to include individuals and entities.

Section 6.24. Severability. The invalidity, illegality or unenforceability of any provision of this Bank Loan Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

Section 6.25. [RESERVED].

Section 6.26. Entire Agreement; Amendment and Waiver. This Bank Loan Agreement and the other Bank Loan Documents contain the complete and entire understanding of the parties with respect to the matters covered. This Bank Loan Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Bank Loan Agreement shall be considered as a general waiver. Without limiting the generality of the foregoing, no disbursement shall constitute a waiver of any conditions to Bank's obligation to make further disbursements nor, in the event Borrower is unable to satisfy any such conditions, shall any such waiver have the effect of precluding Bank from thereafter declaring such inability to constitute a Potential Default or Event of Default under this Bank Loan Agreement.

Section 6.27. Counterparts. This Bank Loan Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

Section 6.28. Captions. The captions of the sections of this Bank Loan Agreement are for convenience only and shall be disregarded in construing this Bank Loan Agreement.

Section 6.29. Servicer. Borrower hereby acknowledges and agrees that, pursuant to the terms of the Project Owner Subordinate Security Instrument: (a) from time to time, Bank may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under the Bank Note, this Bank Loan Agreement or the other Bank Loan Documents, and to otherwise service the Bank Loan and (b) unless Borrower receives written notice from Bank to the contrary, any action or right which shall or may be taken or exercised by Bank may be taken or exercised by such servicer with the same force and effect.

Section 6.30. Beneficiary Parties as Third Party Beneficiary. Each of the Beneficiary Parties shall be a third party beneficiary of this Bank Loan Agreement for all purposes, to the extent particular terms hereof specifically apply to the Beneficiary Parties.

Section 6.31. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND THE BENEFICIARY PARTIES (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE

ARISING OUT OF THIS BANK LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL. IF THIS PROVISION IS DEEMED UNENFORCEABLE FOR ANY REASON ANY SUCH DISPUTES SHALL BE RESOLVED PURSUANT TO JUDICIAL REFERENCE ACCORDING TO THE PROVISIONS OF THE PROJECT OWNER SUBORDINATE SECURITY INSTRUMENT.

Section 6.32. Time of the Essence. Time is of the essence with respect to this Bank Loan Agreement.

ARTICLE VII

LIMITATIONS ON LIABILITY

Section 7.1. Limitation on Liability. Notwithstanding anything to the contrary herein, the liability of the Borrower hereunder and under the other Bank Loan Documents shall be limited to the extent set forth in the Bank Note, which is incorporated by reference herein and made a part hereof.

Section 7.2. Limitation on Liability of Bank's Officers, Employees, Etc.

(a) Borrower assumes all risks of the acts or omissions of Bank, provided, however, this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against Bank at law or under any other agreement. None of Bank, the other Beneficiary Parties, or any of their respective officers, directors, employees or agents shall be liable or responsible for (i) any acts or omissions of Bank; or (ii) the validity, sufficiency or genuineness of any documents, or endorsements, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged. In furtherance and not in limitation of the foregoing, Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, unless acceptance in light of such notice or information constitutes gross negligence or willful misconduct on the part of Bank.

(b) None of Bank, the other Beneficiary Parties, or any of their respective officers, directors, employees or agents shall be liable (i) to any contractor, subcontractor, supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with the Mortgaged Property or the Project or (ii) for any debts or claims accruing in favor of any such parties against Borrower or others or against the Mortgaged Property or the Project, except to the extent caused solely and exclusively by the gross negligence or willful misconduct of Bank, the other Beneficiary Parties, or any of their respective officers, directors, employees, or agents. Borrower is not and shall not be an agent of Bank for any purpose. Bank is not a joint venture partner with Borrower in any manner whatsoever. Prior to default by Borrower under this Bank Loan Agreement and the exercise of remedies granted herein, Bank shall not be deemed to be in privity of contract with any contractor or provider of services to the Mortgaged Property or for the Project, nor shall any payment of funds directly to a contractor, subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by Bank. Approvals granted by Bank for any matters covered under this Bank Loan Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or, if not in writing, such approvals shall be solely for the benefit of Borrower.

(c) Any obligation or liability whatsoever of the Bank that may arise at any time under this Bank Loan Agreement or any other Bank Loan Document shall be satisfied, if at all, out of the Bank's assets only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the Mortgaged Property or any of the Bank's shareholders, directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

Section 7.3. **Delivery of Reports, Etc**. The delivery of reports, information and documents to the Bank as provided herein is for informational purposes only and the Bank's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein. The Bank shall have no duties or responsibilities except those that are specifically set forth herein or provided by law, and no other duties or obligations shall be implied in this Bank Loan Agreement against the Bank.

Section 7.4. **Loan Data**. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for Bank are for its benefit and use and shall be the property of Bank. No right of inspection or approval contained in the Bank Loan Documents shall be deemed to impose upon Bank any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Bank Loan Agreement or caused this Bank Loan Agreement to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

CITY OF EDINBURG

By: _____
Name: _____
Title: _____

PROJECT OWNER:

WISCONSIN STREET HOUSING, LP, a Texas limited partnership

By: Wisconsin Street Housing GP, LLC, a Texas limited liability company, its General Partner

By: Casa Linda Development Corporation, a Texas corporation, its Managing Member

By:_____
Linda S. Brown,
President

BANK:

CITIBANK, N.A.

By: _____
Name: _____
Title: _____

Bank Note

$1,275,000.00 May __, 2016

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of **CITIBANK, N.A.**, a national banking association, the maximum principal sum of ONE MILLION TWO HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS ($1,275,000.00), with interest on the unpaid principal balance from time to time outstanding at the annual rate as set forth on Schedule A. The terms of this Note incorporate the Modifications, if any, set forth on Schedule C to this Note.

1. **Defined Terms**. As used in this Note, the following terms shall have the following definitions:

(a) "Beneficiary Parties" shall have the meaning set forth in the Project Owner Subordinate Security Instrument.

(b) "Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

(c) "Bank Loan" means the loan evidenced by this Note.

(d) "Collateral Assignment of Loan" means the Collateral Assignment of Loan of even date herewith from Borrower to Lender.

(e) "Conversion Date" has the meaning assigned to that term in the Construction Loan Agreement dated as of even date herewith by and between the Project Owner and the Lender.

(f) "Default Rate" shall have the meaning set forth in Section 8 of this Note.

(g) "First Payment Date" means the first day of the calendar month immediately following the calendar month in which the Conversion Date occurs**.**

(h) "Indebtedness" means the principal of, interest on, and any other amounts due at any time under, this Note and the Collateral Assignment of Loan.

(i) "Interest Rate" shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(j) "Lender" means Citibank, N.A. and any subsequent holder of this Note.

(k) "Loan Agreement" means that certain Loan Agreement dated May __, 2016, among Project Owner, Borrower and Lender.

(l) "Loan Month" means the period commencing on a Loan Payment Date and ending on the day preceding the next succeeding Loan Payment Date (without adjustment in either case for Business Day conventions).

(m) "Loan Payment Date" means the first Business Day of each month, commencing on the First Payment Date.

(n) "Maturity Date" means the earlier to occur of (i) the date which is seventeen (17) years following the Conversion Date, or (ii) any earlier date on which the unpaid principal balance of this Note becomes due and payable, by acceleration or otherwise.

(o) "Maximum Rate" means the maximum interest rate that may be paid on the Bank Loan under State law.

(p) "Note" means this Bank Note.

(q) "Note Interest" shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(r) "Prepayment Premium Period" means the period commencing on the date of this Note and ending six (6) calendar months preceding the seventeenth (17th) anniversary of the Conversion Date.

(s) "Project Owner" means Wisconsin Street Housing, LP, a Texas limited partnership.

(t) "Property Jurisdiction" shall have the meaning set forth in the Project Owner Subordinate Security Instrument.

(u) "Written Notice" shall mean a written consent or notice signed by an authorized representative of Borrower or an authorized representative of the Lender.

All other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Loan Agreement.

2. **Method of Payment**. All payments due under this Note shall be payable to Servicer, or, if there is no Servicer, to the Lender, or its successor. Each such payment shall be made by wire transfer of immediately available funds in accordance with wire transfer instructions that the Lender or Servicer shall supply by Written Notice to the Borrower from time to time.

3. **Payment of Principal and Interest**. Principal and interest shall be paid as follows:

(a) Borrower shall pay all amounts due under this Note at the times and in the amounts set forth herein. Borrower shall make its payments under this Note in immediately available funds.

(b) Borrower shall pay monthly payments of principal and interest as set forth on Schedule A attached hereto in successive monthly installments commencing on the First Payment Date and continuing on each Loan Payment Date thereafter until and including the Maturity Date. Such payments shall be made to the Lender or the Servicer by 2:00 p.m., New York City time, on each Loan Payment Date.

(c) Any accrued interest remaining past due may, at Lender's discretion, be added to and become part of the unpaid principal balance and shall bear interest at the rate or rates specified in this Note, and any reference below to "accrued interest" shall refer to accrued interest that has not become part of the unpaid principal balance.

(d) Borrower shall pay all unpaid principal of and interest on this Note on the Maturity Date and any other amounts due under subsection 3(a) hereof.

(e) Any regularly scheduled monthly installment of principal and interest that is received by Lender before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest due.

(f) Borrower shall make all payments of principal and interest under this Note without relief from valuation and appraisement laws.

(g) Borrower acknowledges that the calculation of all interest payments shall be made by the Lender and shall be final and conclusive, absent manifest error.

4. **Application of Payments**. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable under this Note in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security**. The Indebtedness is secured by the grant of the security interest contained in the Loan Agreement and the Collateral Assignment of Loan and reference is made to the Collateral Assignment of Loan for other rights of Lender as to collateral for the Indebtedness.

6. **Acceleration**. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, the prepayment premium payable under Section 10, if any, and all other amounts payable under this Note and any other Bank Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower except as may be provided in the Loan Agreement (and except if notice is required by applicable law, then after such notice). Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Late Charge**. If any amount payable under this Note or under the Project Owner Subordinate Security Instrument or any other Bank Loan Document is not received by Lender when such amount is due (unless applicable law requires a longer period of time before a late charge may be imposed, in which event, such longer period shall be substituted), Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5.0%) of such amount (unless applicable law requires a lesser amount be charged, in which event such lesser amount shall be substituted). Notwithstanding the foregoing, with regard to each regularly scheduled monthly installment of principal and interest payable pursuant to this Note, such late charge shall not become due and payable to Lender so long as the Borrower makes such payment on or prior to the tenth (10th) calendar day following the date upon which such payment is due (or the Business Day immediately following such tenth (10th) calendar day if such tenth (10th) calendar day is not a Business Day). Any accrued but unpaid late charges shall be added to and become part of the unpaid principal balance of this Note, shall bear interest at the rate or rates specified in this Note, and shall be secured by the Collateral Assignment of Loan, Project Owner Subordinate Security Instrument and the other applicable Bank Loan Documents. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Bank Loan, and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Section represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment, and such late charge shall be deemed liquidated damages and not additional interest or a penalty. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 8. Notwithstanding anything to the contrary in any other Bank Loan Document, if a Servicer has been appointed by Lender, any late charges payable hereunder shall not be remitted to Lender and shall instead be paid directly to Servicer, who shall apply such late charges in accordance with the terms of the applicable servicing agreement. Any action regarding the collection of a Late Charge will be without prejudice to any other rights, and shall not act as a waiver of any other rights, that the Servicer or the Lender may have as provided herein, in the other Bank Loan Documents, or at law or in equity.

8. **Default Rate**. So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate per annum (the "Default Rate") equal to the lesser of the Maximum Rate or a rate equal to the Interest Rate plus four percent (4%), in each case compounded monthly (computed in accordance with Schedule A in the same manner in which Note Interest is computed). If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate. Borrower also acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Bank Loan, that, during the time that any monthly installment under this Note is delinquent, Lender will incur additional costs and expenses arising from its loss of the use of the money due and from the adverse impact on Lender's ability to meet its other obligations and to take advantage of other investment opportunities, and that it is extremely difficult and impractical to determine those additional costs and expenses. Borrower also acknowledges that, during the time that any monthly installment under this Note is delinquent or any other Event of Default has occurred and is continuing, Lender's risk of nonpayment of this Note will be materially increased and Lender is entitled to be compensated for such increased risk. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate as provided above represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional costs and expenses Lender will incur by reason of Borrower's delinquent payment and the

additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. **Personal Liability of Borrower**.

(a) Notwithstanding anything to the contrary herein or the other Bank Loan Documents, Lender shall not enforce the liability and obligation of Borrower to perform and observe the obligations contained in this Note, the Collateral Assignment of Loan or the other Bank Loan Documents by any action or proceeding wherein a money judgment shall be sought against Borrower, except that Lender may accelerate the time for payment of this Note and bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Lender to enforce and realize upon its interest under this Note, the Collateral Assignment of Loan, and the other Bank Loan Documents, or in the Mortgaged Property, or any other collateral given to Lender pursuant to the other Bank Loan Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Project Owner Subordinate Loan, and Lender, by accepting this Note, the Collateral Assignment of Loan and the other Bank Loan Documents, agrees that it shall not sue for, seek or demand any deficiency judgment or personal liability against Borrower in any such action or proceeding under or by reason of or under or in connection with this Note, the Collateral Assignment of Loan or the other Bank Loan Documents. Lender further acknowledges and agrees that all payment obligations of the Borrower set forth in this Note and in all other Bank Loan Documents which are not paid by, or are not derived from payments made by, the Project Owner to the Borrower or the Lender shall be subject to appropriation by the governing body of the Borrower. The Borrower shall have no obligation to appropriate any of its funds to the payment of any obligations set forth in this Note or in any other Bank Loan Document. The provisions of this paragraph shall not, however, (a) constitute a waiver, release or impairment of any obligation evidenced or secured by this Note, the Collateral Assignment of Loan or any of the other Bank Loan Documents; (b) impair the right of Lender to name Borrower as a party defendant in any action or suit for foreclosure and sale under the Collateral Assignment of Loan; or (c) impair the enforcement of the Collateral Assignment of Loan in connection herewith.

(b) Nothing herein or in the other Bank Loan Documents shall be deemed to be a waiver of any right which the Lender or the Servicer may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as such sections may be amended, or corresponding or superseding sections of the Bankruptcy Amendments and Federal Judgeship Act of 1984, to file a claim for the full amount due to the Lender and the Servicer hereunder and under the other Bank Loan Documents or to require that all collateral shall continue to secure the amounts due hereunder and under the other Bank Loan Documents.

10. **Voluntary and Involuntary Prepayments**.

(a) In connection with any prepayment (i.e., any receipt by Lender of principal, other than principal required to be paid in monthly installments pursuant to Section 3, prior to the Maturity Date) made under this Note, whether voluntary or involuntary, a prepayment premium shall be payable to the extent provided below.

(b) Borrower may voluntarily prepay all (but not less than all) of the unpaid principal balance of this Note on any Loan Payment Date if: (i) Borrower has given Lender prior Written Notice of its

intention to make such prepayment at least twenty (20) days prior to the proposed prepayment date (or such shorter time as agreed to by Lender in its sole discretion) and (ii) Borrower pays (A) the amount of principal being prepaid, (B) all accrued interest, (C) prior to the end of the Prepayment Premium Period, the prepayment premium calculated pursuant to Schedule B, and (D) all other sums due Lender at the time of such prepayment. In connection with any prepayment pursuant to this Section 10(b), the Borrower shall wire transfer the amount required hereunder in immediately available funds by 2:00 p.m., New York City time, on the date of prepayment. For all purposes including the accrual of interest, any prepayment received by Lender on any day other than the last calendar day of a Loan Month shall be deemed to have been received on the last calendar day of such Loan Month.

(c) Upon Lender's exercise of any right of acceleration under this Note, Borrower shall pay to Lender, in addition to the entire unpaid principal balance of this Note outstanding at the time of the acceleration, (i) all accrued interest and all other sums due Lender, and (ii) if such acceleration occurs during the Prepayment Premium Period, the prepayment premium calculated pursuant to Schedule B.

(d) Any application by Lender of any collateral or other security to the repayment of any portion of the unpaid principal balance of this Note prior to the end of the Prepayment Premium Period and in the absence of acceleration shall be deemed to be a partial prepayment by Borrower, requiring the payment to Lender by Borrower of a prepayment premium, calculated pursuant to Schedule B.

(e) The Borrower shall prepay the outstanding principal balance of this Note at the direction of the Lender, in whole or in part, at a price equal to the outstanding principal balance of this Note, plus accrued interest plus any other amounts payable under this Note or the other Bank Loan Documents, upon the occurrence of any event or condition described below:

(1) in whole or in part, if the Mortgaged Property shall have been damaged or destroyed to the extent that it is not practicable or feasible to rebuild, repair or restore the damaged or destroyed property within the period and under the conditions described in the Project Owner Subordinate Security Instrument following such event of damage or destruction; or

(2) in whole or in part, if title to, or the use of, all or a portion of the Mortgaged Property shall have been taken under the exercise of the power of eminent domain by any Governmental Authority which results in a prepayment of this Note under the conditions described in the Project Owner Subordinate Security Instrument; or

(3) in whole or in part, to the extent that insurance proceeds or proceeds of any condemnation award with respect to the Mortgaged Property are not applied to restoration of the Mortgaged Property in accordance with the provisions of the Project Owner Subordinate Security Instrument.

In connection with any such prepayment, the Borrower shall wire transfer immediately available funds by no later than 2:00 p.m., New York City time, on the date fixed by the Lender, which date shall be communicated by the Lender in writing to the Borrower. To the extent that the Borrower receives any insurance proceeds or condemnation awards that are to be applied to the prepayment of this Note, such amounts shall be applied to the prepayment of this Note. No prepayment premium shall be payable with respect to any prepayment required by this Section 10(e).

(f) Any permitted or required prepayment of less than the unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender agrees otherwise in writing.

(g) Borrower recognizes that any prepayment of the unpaid principal balance of this Note, whether voluntary, involuntary or resulting from a default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional expense and frustration or impairment of Lender's ability to meet its commitments to third parties. Borrower agrees to pay to Lender upon demand therefor, damages for the detriment caused by any prepayment, and agrees that it is extremely difficult and impractical to ascertain the extent of such damages. Borrower therefore acknowledges and agrees that the formula for calculating prepayment premiums set forth on Schedule B represents a reasonable estimate of the damages Lender will incur because of a prepayment.

(h) Borrower further acknowledges that the prepayment premium provisions of this Note are a material part of the consideration for the Bank Loan, and acknowledges that the terms of this Note are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to the prepayment premium provisions.

(i) Any prepayment premium payable hereunder shall be remitted to Servicer, or if a Servicer has not been appointed by Lender, to Lender.

11. **Costs and Expenses**. Subject to Section 9 herein, to the fullest extent allowed by applicable law, Borrower shall pay all expenses and costs, including, without limitation, out-of-pocket expenses and reasonable fees of attorneys (including, without limitation, in-house attorneys) and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Bank Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding. For purposes of Section 9(e) and this Section 11, attorneys' out of pocket expenses shall include, but are not limited to, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses. Borrower's obligation to pay the amounts under this Section is limited by Section 9.

12. **Forbearance**. Any forbearance by Lender in exercising any right or remedy under this Note, the Project Owner Subordinate Security Instrument, the Collateral Assignment of Loan or any other Bank Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

13. **Waivers**. Except as expressly required by this Note, presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for

payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower and all endorsers and guarantors of this Note and all other third party obligors.

14. **Loan Charges**. Neither this Note nor any of the other Bank Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Bank Loan is interpreted so that any interest or other charge provided for in any Bank Loan Document, whether considered separately or together with other charges provided for in any other Bank Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

15. **Obligations of the Borrower Absolute and Unconditional.** Subject to Section 9, the obligations of the Borrower to make all payments required under this Note and the other Bank Loan Documents on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder and under the other Bank Loan Documents shall be primary, absolute, unconditional and irrevocable, and shall be paid or performed strictly in accordance with the terms of this Note and the other Bank Loan Documents under any and all circumstances, without notice or demand (except as expressly required by the Bank Loan Documents), and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Project Owner's title to the Mortgaged Property or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Mortgaged Property or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Mortgaged Property, legal curtailment of the Project Owner's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Lender's legal organization or status, or any default of the Lender hereunder or under any other Bank Loan Document, and regardless of the invalidity of any action of the Lender or the invalidity of any portion of this Note or the other Bank Loan Documents. Provided further, the obligations of Borrower under this Note and the other Bank Loan Documents shall not be affected by:

(a) any lack of validity or enforceability of any Bank Loan Document or any of the Related Documents;

(b) any amendment of, or any waiver or consent with respect to, any of the Bank Loan Documents or Related Documents;

(c) the existence of any claim, set-off, defense or other rights which Borrower or Project Owner may have at any time against Lender (other than the defense of payment in accordance with the terms of this Note or the other Bank Loan Documents) or any other Person, whether in connection with

this Note or any other Bank Loan Document, the Related Documents or any transaction contemplated thereby or any unrelated transaction;

(d) any breach of contract or other dispute between Borrower or Project Owner, and Lender; or

(e) any exchange, release or nonperfection of any lien or security interest in any collateral pledged or otherwise provided to secure any of the obligations contemplated herein, in any other Bank Loan Document or in any Related Document.

The Borrower hereby waives the application to it of the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Note or the other Bank Loan Documents or which releases or purports to release the Borrower therefrom. Nothing contained herein shall be construed as prohibiting the Borrower from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

16. **Commercial Purpose**. Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family, household or agricultural purposes.

17. **Counting of Days**. Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not Business Days.

18. **Notices**. All notices, demands and other communications required or permitted to be given by Lender to Borrower pursuant to this Note shall be in writing, addressed as set forth below, and shall include a reference to "Citi Loan 23676." Each notice shall be deemed given on the earliest to occur of (a) the date when the notice is received by the addressee; (b) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (c) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

To Borrower: City of Edinburg
_____
_____

With a copy to: _____
_____
_____

If to Project Owner: Wisconsin Street Housing, LP
330 W. Victoria Street
Gardena, CA 90248-3527
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

With a copy to:

Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

With a copy to:

Rick Morrow
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Fax: 512-305-4800

With a copy to:

Garnet LIHTC Fund XLVIII, LLC
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Nixon Peabody LLP
100 Summer Street

Boston, MA 02110
Attention: John Condon

If to Lender: Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Transaction Management Group
Deal ID #: 23847
Facsimile: (212) 723-8209

And to: Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Deal ID #: 23847
Facsimile: (805) 557-0924

Prior to the Conversion Date, with a copy to:

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Account Specialist
Deal ID #: 23847
Facsimile: (212) 723-8209

Following the Conversion
Date, with a copy to:

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, PA 19002
Attention: Client Relations
Manager
Deal ID #: 23847
Facsimile: (215) 328-0305

And a copy of any notices
of default sent to:

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: General Counsel's Office
Deal ID #: 23847
Facsimile: (646) 291-5754

The Borrower or the Lender may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 18. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 18, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 18 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

19. **Payments on Non-Business Day**. If the date for the making of any payment under this Note is not a Business Day, such payment shall be due and payable on the next succeeding Business Day.

20. **Terms of Note Governing Payment Matters Control in the Event of any Conflict**. In the event the provisions of the Loan Agreement or the other Bank Loan Documents (other than this Note) conflict with the provisions of this Note which govern the terms of repayment of the Bank Loan or the payment of other amounts due in connection with the Loan (including, without limitation, the provisions of this Note which govern the required payments of principal, interest and other amounts due in connection with the Bank Loan, the manner of payment, the calculation of interest, the payment of the Lender's costs and expenses, the application of payments received by the Lender, the acceleration of amounts owed by the Borrower, late charges, default rates of interest, prepayments, prepayment premiums or maximum rates of interest or similar charges), the provisions of this Note shall govern and control.

21. **Other Agreements.** This Note is evidence of a single advance term loan which, if no Event of Default then exists, will be funded on the Conversion Date. The proceeds of this Note shall be used to fund the Project Owner Subordinate Loan, which will be secured by a second lien against the Project (such loan and second lien have been collaterally assigned to the Lender pursuant to the Project Owner Subordinate Security

Instrument). In connection with and as a condition for the advance under this Note on the Conversion Date, notwithstanding anything in the Loan Agreement to the contrary, the Lender shall receive an endorsement, arranged for by the Project Owner in connection with that advance, to the second lien title policy insuring the second lien against the Project which shall have been provided to the Lender as a condition to its acceptance of this Note.

22. **Determinations by Lender**. Except to the extent expressly set forth in this Note to the contrary, in any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Note, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Lender, as applicable (or its designated representative) at its sole and exclusive option and in its sole, absolute and reasonable discretion.

23. **Release; Indemnity**.

(a) *Release*. Borrower covenants and agrees that, in performing any of its rights or duties under this Note, neither the Lender, nor its agents or employees, shall be liable for any losses, claims, damages, liabilities and expenses that may be incurred by any of them as a result of such performance, except to the extent such liability for any losses, claims, damages, liabilities or expenses arises out of the willful misconduct or gross negligence of any such party.

(b) *Indemnity*. Borrower hereby agrees to indemnify and hold harmless the Lender and its agents and employees from and against any and all losses, claims, damages, liabilities and expenses including, without limitation, reasonable attorneys' fees and costs and disbursements, which may be imposed or incurred by any of them in connection with this Note, except that no such party will be indemnified for any losses, claims, damages, liabilities or expenses arising out of the willful misconduct or gross negligence of any such party. The foregoing shall be limited by Section 9.

24. **Governing Law**. This Note shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

25. **Consent to Jurisdiction and Venue**. Borrower and Lender agree that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower and Lender irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

26. **Severability**. The invalidity, illegality or unenforceability of any provision of this Note shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

27. **Remedies Cumulative**. In the event of Borrower's default under this Note, the Lender may exercise all or any one or more of its rights and remedies available under this Note, at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent the Lender from

exercising any other right or remedy available to the Lender. The Lender may exercise any such remedies from time to time as often as may be deemed necessary by the Lender.

28. **No Agency or Partnership**. Nothing contained in this Note shall constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

29. **Entire Agreement; Amendment and Waiver**. This Note contains the complete and entire understanding of the parties with respect to the matters covered. This Note may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Note shall be considered as a general waiver.

30. **Further Assurances**. Borrower shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that Lender may reasonably request, in order to protect any right or interest granted by this Note or to enable Lender to exercise and enforce its rights and remedies under this Note.

31. **Captions**. The captions of the sections of this Note are for convenience only and shall be disregarded in construing this Note.

32. **Servicer**. Borrower hereby acknowledges and agrees that, pursuant to the terms of the Project Owner Subordinate Security Instrument: (a) from time to time, Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under this Note or the other Bank Loan Documents, and to otherwise service the Bank Loan and (b) unless Borrower receives Written Notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by such servicer with the same force and effect.

33. **Waiver of Trial by Jury**. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND LENDER (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

34. **Time of the Essence**. Time is of the essence with respect to this Note.

35. **Modifications**. All modifications (if any) to the terms of this Note ("Modifications") are set forth on Schedule C attached to this Note. In the event of a Transfer under the terms of the Project Owner Subordinate Security Instrument, some or all of the Modifications to this Note may be modified or rendered void by Lender at its option by notice to Borrower or such transferee.

36. **Attached Schedules**. The following Schedules are attached to this Note and are incorporated by reference herein as if more fully set forth in the text hereof:

Schedule A – Interest Rate

Schedule B – Prepayment Premium

Schedule C – Modifications to Multifamily Permanent Note

The terms of this Note are modified and supplemented as set forth in said Schedules. To the extent of any conflict or inconsistency between the terms of said Schedules and the text of this Note, the terms of said Schedules shall be controlling in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Multifamily Permanent Note or caused this Multifamily Permanent Note to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

CITY OF EDINBURG, a Texas
municipal corporation

By: _____
Name:_____
Title:_____

SCHEDULE A

PRINCIPAL AND INTEREST PAYMENTS

1. **Interest Rate**. Except as provided in Paragraphs 8 and 14 of this Note, interest ("Note Interest") shall accrue on the unpaid principal of this Note from, and including, the date of this Note until paid in full at an annual rate (the "Interest Rate") as follows:

(a) Fixed Rate. Interest shall accrue at annual rate of three percent (3%).

(b) Maximum Rate. Notwithstanding any other provision of this Note to the contrary, Note Interest shall not exceed the Maximum Rate, as the Maximum Rate may change in accordance with this Note.

(c) Interest Accrual. Note Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. **Monthly Principal and Interest Payments**. Commencing on the First Payment Date and on each Loan Payment Date thereafter until and including the Maturity Date, consecutive monthly installments of principal and interest in the amount of $_____ (based upon a thirty-five year amortization schedule assuming a 360-day year comprised of twelve 30-day months), shall be payable on each Loan Payment Date until the entire unpaid principal balance evidenced by this Note is fully paid. Any remaining principal and interest, if not sooner paid, shall be due and payable on the Maturity Date.

SCHEDULE B

PREPAYMENT PREMIUM

YIELD MAINTENANCE OPTION:

Any prepayment premium payable under Paragraph 10 of this Note shall be computed as follows:

(a) If the prepayment is made at any time after the date of this Note and before _____ __, 2035 (the "**Yield Maintenance Period End Date**") the prepayment premium shall be the greater of:

(i) 1% of the amount of principal being prepaid; or

(ii) The product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Interest Rate on this Note the Yield Rate (as defined below), on the twenty-fifth Business Day preceding (x) the date upon which any voluntary prepayment will be made, determined in accordance with Section 10 of this Note, or (y) the date Lender accelerates the Bank Loan or otherwise accepts a prepayment pursuant to Paragraph 10(c) or Paragraph 10(d) of this Note,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

r = Yield Rate

n = the number of months remaining between (1) either of the following: (x) in the case of a voluntary prepayment, the last calendar day of the month during which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of this Note and (2) the Yield Maintenance Period End Date]

For purposes of this clause (ii), the "**Yield Rate**" means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. "Treasury constant maturities" (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the "**Fed Release**") under the heading "U.S.

government securities") closest to the remaining term of the Prepayment Premium Period, as follows (rounded to three decimal places):

$$\{ ((a - b) \div (x - y)) \times (z - y) \} + b$$

a = the yield for the longer U.S. Treasury constant maturity
b = the yield for the shorter U.S. Treasury constant maturity
x = the term of the longer U.S. Treasury constant maturity
y = the term of the shorter U.S. Treasury constant maturity
z = "n" (as defined in the present value factor calculation above) divided by 12.

Notwithstanding any provision to the contrary, if "*z*" equals a term reported under the U.S. "Treasury constant maturities" subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.]

(b) Notwithstanding the provisions of Paragraph 10 of this Note, no prepayment premium shall be payable with respect to any prepayment made on or after the Yield Maintenance Period End Date.

SCHEDULE C

MODIFICATIONS TO MULTIFAMILY PERMANENT NOTE

The following modifications are made to the text of the Note that precedes this Schedule:

[None.]

COLLATERAL ASSIGNMENT OF LOAN
(the "Collateral Assignment")

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HIDALGO §

THAT CITY OF EDINBURG, a Texas municipal corporation ("**Assignor**"), has ENDORSED, TRANSFERRED, ASSIGNED, SOLD, SET OVER, CONVEYED, and DELIVERED, and by these presents does hereby ENDORSE, TRANSFER, ASSIGN, SELL, SET OVER, CONVEY and DELIVER unto CITIBANK, N.A., a national banking association ("**Lender**"), and Assignor hereby grants and assigns a security interest (the "**Security Interest**") in, all right, title and interest of Assignor in and to (a) the Multifamily Permanent Subordinate Note listed on Exhibit "A" attached hereto (collectively, the "**Collateral Note**", whether one or more), (b) the Loan Agreement of even date herewith between Assignor and Lender (the "**Collateral Loan Agreement**") and all other documents and instruments securing, governing, and/or evidencing the loan evidenced by the Collateral Note (collectively, the "**Collateral Loan Documents**"), listed on Exhibit "A" attached hereto, and (c) all of the liens and security interests granted in the Collateral Loan Documents or otherwise securing the Collateral Note (collectively, the "**Collateral Liens**"); and Assignor hereby BARGAINS, SELLS, TRANSFERS, ASSIGNS, SETS OVER, CONVEYS and DELIVERS unto Lender all of the rights, privileges, securities, equities, powers, benefits, claims, priorities, demands, titles, or interests now owned or held by Assignor in and to the Collateral Note, the Collateral Loan Documents, and the Collateral Liens.

TO HAVE AND TO HOLD the Collateral Note, the Collateral Loan Documents, and Collateral Liens, together with all and singular the rights, titles, interests, privileges, securities, equities, powers, benefits, claims, priorities, and demands thereunto in anywise belonging unto Lender, its successors and assigns forever.

This Collateral Assignment is made to secure payment and performance of Assignor's obligations under and pursuant to (i) that certain Multifamily Permanent Subordinate Note dated May __, 2016, in the face amount of $1,275,000.00, executed by Assignor to the order of Lender (collectively with all renewals, increases, modifications, replacements, rearrangements, substitutions, restatements, and extensions now or hereafter executed in connection therewith, the "**Note**"), and (ii) all documents and instruments now or hereafter securing, governing, and/or evidencing the Loan evidenced by the Note (collectively with the Note and all amendments, modifications, and restatements now or hereafter executed in connection therewith, the "**Loan Documents**").

Assignor represents and warrants to Lender that (A) Assignor is the sole legal and equitable owner and holder of the Collateral Note and the indebtedness evidenced thereby, (B) Assignor has not assigned, mortgaged, or hypothecated the Collateral Note, any indebtedness evidenced thereby, or any of the Collateral Liens to any party other than Lender, (C) to Assignor's current actual knowledge, the Collateral Note is in all respects current and in good standing and is not overdue or subject to any credits or offsets, (D) to Assignor's current actual knowledge, no maker of the Collateral Note, nor any surety or guarantor of the Collateral Note, has raised any counterclaim, defense, allowance, adjustments, dispute, objection, or complaint regarding their respective liability on the Collateral Note or under any Collateral Loan Document, (E) the Collateral Note and the Collateral Loan Documents have not been amended, altered, or modified since the date of the execution

thereof, (F) to Assignor's current actual knowledge, no default, or event which with notice, lapse of time, or both would constitute a default, under any of the Collateral Note or the Collateral Loan Documents has occurred, and (G) Assignor has the full right and authority to sell, assign, pledge, and grant a security interest in and to each of the Collateral Note, and the liens and security interests securing same.

During the continuance of an Event of Default under and, as defined in the Note, Lender shall, in addition to the rights and remedies provided for in the Note and the other Loan Documents, have the right to sell the Collateral Note in any manner afforded to Lender under the laws of the State of Texas. The proceeds of the sale shall be applied first to the reasonable expenses of the sale and then toward the payment of interest, principal, and attorneys' fees due and unpaid upon the Note, rendering the balance, if any, and surplus, if any, to Assignor; but if there be any deficiency, Borrower shall remain liable therefor. Lender shall have the right to purchase (by credit against the Obligations) at any public sale in which it is the highest bidder.

Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code as from time to time in effect in the State of Texas (the "**UCC**"), and Lender shall be entitled to avail itself of all such other rights and remedies as may now or hereafter exist at law or in equity for the collection of the indebtedness evidenced by the Note. The foreclosure of the Security Interest created hereby and the resort to any remedy provided hereunder or provided by the UCC or any other law of the State of Texas shall not prevent the concurrent employment of any other appropriate remedy or remedies.

The requirement of notice to Assignor of the time and place of any public sale of the Collateral Note, or of the time after which any private sale or any other intended disposition thereof is to be made, shall be met if such notice is mailed, postage prepaid, to Assignor at _____, or such other address provided to Lender by Assignor in writing, at least five days before the date of any public sale or at least five days before the time after which any private sale or disposition is to be made, unless a longer period of time is required pursuant to the UCC, in which case, applicable provisions of the UCC shall control.

The Security Interest created herein shall not be affected by or affect any other security taken for the Note, and any extensions may be made for the payment of the Note, without affecting the priority of the Security Interest or the validity thereof with reference to any third party, and the holder or holders of the Note shall not be limited by election of remedies if the holder or holders choose to foreclose this Security Interest by suit. The right to sell the Collateral Note under the terms hereof shall also exist cumulative with such suit, and one method of foreclosure shall not bar the other, but both may be exercised at the same or different times, nor shall one be a defense to the other.

Assignor authorizes Lender, at the option of Lender, to give notice to the maker of the Collateral Note of the existence of this Collateral Assignment and to instruct such makers, whether or not a default has occurred under the Note, any document securing the Notes, or under this Collateral Assignment, to direct all payments due and payable under the Collateral Note to Lender.

Assignor authorizes Lender, at the option of Lender, to collect and receive any and all sums becoming due upon the Collateral Note, such sums to be held by Lender without liability for interest thereon and applied towards the payment of the Note. Except as otherwise expressly provided herein, Lender shall hold and have the full control of the Collateral Note until the Note is fully paid, including without limitation, the right to foreclose any or all Collateral Liens, without the necessity of consent by Assignor (and without the

necessity of the prior foreclosure of the Collateral Note), and to release the Collateral Liens upon the full and final payment of such Collateral Note to Lender. Notwithstanding the foregoing, Lender is under no obligation to make or enforce the collection of the Collateral Note, and the failure of Lender from any cause to make or enforce the collection thereof shall not in any way prejudice the right of Lender to thereafter make or enforce collection thereof or in any way affect the Note. Further, nothing in the Collateral Loan Agreement shall limit or impair the right of Lender to enforce or otherwise proceed with respect to the Collateral Note if Lender were to become the holder thereof.

Lender shall, once the Note has been paid in full to Lender, remit all proceeds, if any, received by it under the Collateral Note, if any, that remain after the Note has been paid in full, to Assignor.

This Collateral Assignment shall in no manner impair or affect any of the other liens granted by Assignor to Lender, and no security hereafter taken therefor shall in any manner impair or affect the security hereby given, it being agreed that all such present and future security shall be cumulative security and that Lender may foreclose under any of such security, as Lender may elect, without waiving the other.

Upon the occurrence and during the continuance of an Event of Default (until such Event of Default has been cured), in addition to the other rights of Lender hereunder, Lender may, but shall not be obligated to, renew, extend, or rearrange the time and manner of payment of any of the Collateral Note, in its own name or in the name of Assignor with or without the joinder or consent of Assignor, without incurring responsibility or liability to Assignor or discharging, impairing or otherwise affecting any liability or obligation of Assignor, including, without limitation, Assignor's liability for the payment of the Note.

In the event that Assignor hereafter becomes the owner of any of the property covered by the Collateral Loan Documents prior to the date that Lender executes a written release of this Collateral Assignment, Lender shall automatically have a lien and security interest in and against such property to secure the payment of the Note, and Assignor does hereby grant Lender a lien and security interest in and against such property, and Assignor shall immediately, at Assignor's sole cost and expense, execute and deliver, and file in the appropriate public records with all filing fees paid, appropriate documents, in form and substance reasonably satisfactory to Lender, further evidencing the granting of such lien and security interest. The foregoing provisions shall not be deemed to constitute consent or authorization by Lender to the transfer, sale or other disposition of any of the property covered by the Collateral Loan Documents to or by Assignor.

Assignor shall pay to Lender all reasonable expenditures and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in exercising, protecting or enforcing Lender's interests, rights, and remedies under this Collateral Assignment, plus interest thereon at the Past Due Rate, as defined in the Note. Assignor shall further do, make, procure, execute and deliver all acts, things, writings and assurances as Lender may at any time reasonably request to protect, assure or enforce Lender's interests, rights and remedies under this Collateral Assignment.

THIS COLLATERAL ASSIGNMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO WITH RESPECT TO THE SUBJECT HEREOF AND SHALL SUPERSEDE ANY PRIOR AGREEMENT BETWEEN THE PARTIES HERETO, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT HEREOF. FURTHERMORE, IN THIS REGARD, THIS AGREEMENT AND THE OTHER WRITTEN LOAN DOCUMENTS REPRESENT, COLLECTIVELY, THE FINAL AGREEMENT AMONG THE PARTIES THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENT OF SUCH PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

EXECUTED as of May __, 2016.

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CITY OF EDINBURG, a Texas municipal corporation

By:_____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2016, by _____, _____ of CITY OF EDINBURG, a Texas municipal corporation, on behalf of and as the act and deed of said corporation.

_____
Notary Public, State of Texas

AGREED TO AND ACCEPTED THIS
____ DAY OF _____, 2016:

CITIBANK, N.A.

By:_____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2016, by _____, _____ of CITIBANK, N.A., a national banking association, on behalf of said banking association. Barry (check one) ☐ is personally known to me or ☐ has produced a valid driver's license as identification.

_____
Notary Public, State of _____
Name:_____
My Commission Expires:_____
My Commission Number is:_____

EXHIBIT "A"

1. Multifamily Permanent Subordinate Note dated on or about May __, 2016, in the face amount of $1,275,000.00, executed by Wisconsin Street Housing, LP to the order of City of Edinburg.

2. Subordinate Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated May __, 2016, from Wisconsin Street Housing, LP for the benefit of City of Edinburg.

3. Agreement of Environmental Indemnification dated May __, 2016, from Wisconsin Street Housing, LP and Highridge Costa Housing Partners, LLC for the benefit of City of Edinburg.

4. Loan Agreement dated May __, 2016, among Wisconsin Street Housing, LP, City of Edinburg and Citibank, N.A.

(Texas Secretary of State)

FINANCING STATEMENT

This Financing Statement is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code.

1. The name and address of the debtor ("**Debtor**") is:

   CITY OF EDINBURG
   _____
   _____
   _____

2. The name and address of secured party ("**Secured Party**") is:

   CITIBANK, N.A.,
   a national banking association
   390 Greenwich Street, 2nd Floor
   New York, New York 10013

3. This Financing Statement covers the following collateral:

(a) The Multifamily Permanent Subordinate Note listed on Schedule "A" attached hereto (the "**Collateral Note**", whether one or more);

(b) All documents and instruments securing or otherwise pertaining to the Collateral Note (collectively, the "**Collateral Loan Documents**"), including, without limitation, the instruments and agreements listed on Schedule "A";

(c) All of the liens and security interests granted in the Collateral Loan Documents or otherwise securing the Collateral Note (collectively, the "**Collateral Liens**"); and

(d) All proceeds of any of the foregoing.

DEBTOR:

CITY OF EDINBURG, a Texas municipal corporation

By: _____
Name:_____
Title:_____

Schedule "A"

1. Multifamily Permanent Subordinate Note dated on or about May ____, 2016, in the face amount of $1,275,000.00, executed by Wisconsin Street Housing, LP to the order of City of Edinburg.

2. Subordinate Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated May ____, 2016, from Wisconsin Street Housing, LP for the benefit of City of Edinburg.

3. Agreement of Environmental Indemnification dated May ____, 2016, from Wisconsin Street Housing, LP and Highridge Costa Housing Partners, LLC for the benefit of City of Edinburg.

4. Loan Agreement dated May ___, 2016, among Wisconsin Street Housing, LP, City of Edinburg and Citibank, N.A.

[Second Lien]

INTERCREDITOR AND SUBORDINATION AGREEMENT

This Intercreditor and Subordination Agreement (this "**Agreement**") is entered into as of May __, 2016, by and among CITIBANK, N.A., a national banking association (the "**Bank**"), CITY OF EDINBURG, (the "**City**"), and WISCONSIN STREET HOUSING, LP, a Texas limited partnership (the "**Borrower**").

R E C I T A L S:

A. The Borrower is the owner of a 128-unit affordable housing apartment project to be constructed in Edinburg, Hidalgo County, Texas on the property which is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "**Project**").

B. As provided for in the Loan Agreement of even date herewith, among City, Borrower, and Bank (the "**Project Owner Subordinate Loan Agreement**"), City has committed to fund a loan of funds ("**Project Owner Subordinate Loan**") to the Borrower for the Project, in the aggregate amount of $1,275,000.00.

C. Pursuant to a Construction Loan Agreement (the "**Senior Loan Agreement**") of even date herewith, the Bank has agreed to make a loan in an amount not to exceed $14,000,000.00 (the "**Senior Loan**") to provide permanent financing for the Project. The Senior Loan is evidenced by a promissory note in the amount of $14,000,000.00, and is more fully described in and secured by a Multifamily Deed of Trust, Assignment of Rents and Security Agreement and Fixture Filing, of even date with such promissory note, and covering the Project to be recorded in the Official Public Records of Real Property of Hidalgo County, Texas.

D. City and the Bank wish to enter into this Agreement to fully set forth their agreement regarding the relationship of the Project Owner Subordinate Loan to the Senior Loan and other matters of mutual interest to City and the Bank with respect to the construction of the Project.

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

1. Definitions. In addition to the defined terms set forth elsewhere herein, the following term shall have the meaning set forth below:

> "Project Owner Subordinate Loan Documents" means the Project Owner Subordinate Loan Agreement, the promissory note evidencing the Project Owner Subordinate Loan and the subordinate lien deed of trust covering the Project and securing the Project Owner Subordinate Loan, and all other documents and agreements governing, evidencing, and securing the Project Owner Subordinate Loan.

2. Acknowledgments, Representations, and Consents. City represents to the Bank that (i) once issued, and assuming no changes in applicable law, as it exists on the date hereof, the Project Owner Subordinate Loan Documents will be in full force and effect, and (ii) the Project Owner Subordinate Documents will constitute a commitment by City to make the Project Owner Subordinate Funds available to the Borrower

for the Project as hereafter provided subject to the terms and conditions of the Project Owner Subordinate Loan Documents.

3. Subordination by City. City agrees that to the extent any voluntary or involuntary liens, claims, and security interests, against the Project, whether by agreement, at law, or in equity, of City (or any other entity claiming by, through, or under City) now or hereafter secure the payment and/or performance of the Borrower's obligations under and with respect to the Project Owner Subordinate Loan and the Project Owner Subordinate Loan Documents (including, without limitation, the liens granted in any deed of trust against the Project, executed by the Borrower to City pursuant to the Project Owner Subordinate Loan), the same are and shall forever remain junior, subordinate, and inferior, to the liens and security interests of the Bank against the Project, securing payment of the Senior Loan and, by its execution hereof, City hereby evidences said subordination. City has and does hereby subordinate its right to payment of the Project Owner Subordinate Loan to the right of Bank to be paid on the Senior Loan; provided that until Borrower receives written notice from Bank of the occurrence of an Event of Default under and with respect to the Senior Loan, Borrower may make regularly scheduled payments (but not prepayments) on the Project Owner Subordinate Loan (no payments shall be made or accepted on the Project Owner Subordinate Loan after receipt of any such notice of default until written notice by Bank is received that that portion of default has been cured or waived).

4. Cross Default. (a) If a default or an event of default occurs under the Project Owner Subordinate Loan Documents, that default or event of default shall constitute an Event of Default under the Senior Loan Agreement. If an Event of Default under the Senior Loan Agreement occurs, that Event of Default shall constitute a default or an event of default under the Project Owner Subordinate Loan Documents.

(b) In the event of any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement with creditors, whether or not pursuant to bankruptcy laws, sale of all or substantially all of the assets, dissolutions, liquidations or any other marshaling of the assets and liabilities of the Borrower, City and the Bank agree that the Senior Loan will be paid prior to the Project Owner Subordinate Loan. City agrees to file at the expense of the Borrower, any claim, or other instrument of similar character necessary to enforce the obligations of the Borrower under the Project Owner Subordinate Loan Documents, and will hold in trust for the Bank and immediately pay over to the Bank, in the form received (except for City's endorsement or assignment which City agrees to provide upon the Bank's request) to be applied on the Senior Loan, any and all moneys, dividends, or other assets received in any such proceeding on account of the Project Owner Subordinate Loan, unless and until the Senior Loan shall be paid in full.

5. Notices. Any notice by one party to the others hereunder shall be in writing and shall be delivered in person, via overnight courier or by United States Mail, postage prepaid, certified, return receipt requested. Notice shall be deemed delivered on the date delivered, or if mailed, three business days after deposit in the U.S. Mail. All notices shall be delivered to the following addresses:

To Bank: Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Account Specialist
Deal ID # 23847

	Facsimile: (212) 723-8209
	And to:
	Citibank, N.A. 325 East Hillcrest Drive, Suite 160 Thousand Oaks, California 91360 Attention: Operations Manager/Asset Manager Deal ID #: 23847 Facsimile: (805) 557-0924
Prior to the Conversion Date:	Citibank, N.A. 390 Greenwich Street, 2nd Floor New York, New York 10013 Attention: Account Specialist Deal ID # 23847 Facsimile: (212) 723-8209
Following the Conversion Date:	Citibank, N.A. c/o Berkadia Commercial Servicing Department 323 Norristown Road, Suite 300 Amber, PA 19002 Attention: Client Relations Manager Deal ID # 23847 Facsimile: (215) 328-0305
And a copy of any notices of default sent to:	Citibank, N.A. 388 Greenwich Street New York, New York 10013 Attention: General Counsel's Office Deal ID No. 23847 Facsimile: (646) 291-5754

If to Borrower: Wisconsin Street Housing, LP
330 W. Victoria Street
Gardena, CA 90248-3527
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

With a copy to:

Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

With a copy to:

Rick Morrow
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Fax: 512-305-4800

With a copy to:

Garnet LIHTC Fund XLVIII, LLC
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

With a copy to:

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting

Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

With a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attention: John Condon

To City: City of Edinburg
_____
_____
_____

The parties may change their addresses for purposes of notice by giving the other parties ten (10) days' written notice of the address change in the manner hereinabove stated.

6. Miscellaneous.

(a) This Agreement constitutes the entire agreement of the three parties hereto with respect to the subject matter hereof, and all other prior and contemporaneous written or oral agreements. Any amendment hereto must be in writing executed by the Borrower, City, and the Bank.

(b) Time is of the essence in the performance of the parties' obligations hereunder.

(c) **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ITS CHOICE AND CONFLICT OF LAW PRINCIPLES, AND APPLICABLE UNITED STATES FEDERAL LAW.**

(d) This Agreement shall be enforceable by and binding upon all successors and assigns of the Bank.

(e) This Agreement shall remain in full force and effect until the Senior Loan has been fully and finally paid and the Borrower has no further obligations under the Senior Loan Agreement.

(f) This Agreement may be executed in two or more counterparts, and it shall not be necessary that any one counterpart be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

(g) Capitalized terms used in this Agreement without definition shall have the meanings given to those terms in the Senior Loan Agreement.

(h) City and Borrower agree that, notwithstanding anything in the Project Owner Subordinate Loan Documents to the contrary, the Project Owner Subordinate Loan shall be fully funded on or before the Conversion Date consistent with the Project Owner Subordinate Loan Documents.

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IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto on the respective dates set forth in the acknowledgment below to be effective as of the date first above written.

"**BORROWER**"

WISCONSIN STREET HOUSING, LP, a Texas limited partnership

By: Wisconsin Street Housing GP, LLC, a Texas limited liability company, its General Partner

By: Casa Linda Development Corporation, a Texas corporation, its Managing Member

By:_____
Linda S. Brown,
President

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2016, by Linda S. Brown, President of Casa Linda Development Corporation, a Texas corporation, on behalf of said corporation, Managing Member of Wisconsin Street Housing GP, LLC, a Texas limited liability company, acting in its capacity as general partner of WISCONSIN STREET HOUSING, LP, a Texas limited partnership.

_____
Notary Public, State of Texas

"**CITY**"

CITY OF EDINBURG, a Texas municipal corporation

By:_____
Name:_____
Title:_____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2016, by _____, _____ of City of Edinburg, a Texas municipal corporation, on behalf of said corporation.

_____
Notary Public, State of Texas
My Commission Expires: _____

"**BANK**"

CITIBANK, N.A.,
a national banking association

By:_____
Name:_____
Title:_____

THE STATE OF _____ §
§ KNOW ALL MEN BY THESE PRESENTS
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2016, by _____, _____ of CITIBANK, N.A., a national banking association, on behalf of said banking association.

_____
NOTARY PUBLIC, State of _____

My Commission Expires: _____

EXHIBIT "A"

LEGAL DESCRIPTION

MULTIFAMILY PERMANENT SUBORDINATE NOTE
(Project Owner Subordinate Note)

$1,275,000.00 May __, 2016

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of **CITY OF EDINBURG**, a Texas municipal corporation, the maximum principal sum of ONE MILLION TWO HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS ($1,275,000.00), with interest on the unpaid principal balance from time to time outstanding at the annual rate as set forth on Schedule A. The terms of this Note incorporate the Modifications, if any, set forth on Schedule C to this Note.

1. **Defined Terms**. As used in this Note, the following terms shall have the following definitions:

(a) "Beneficiary Parties" shall have the meaning set forth in the Project Owner Subordinate Security Instrument.

(b) "Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

(c) "Conversion Date" has the meaning assigned to that term in the Senior Loan Agreement.

(d) "Default Rate" shall have the meaning set forth in Section 8 of this Note.

(e) "First Payment Date" means the first day of the calendar month immediately following the calendar month in which the Conversion Date occurs**.**

(f) "Indebtedness" means the principal of, interest on, and any other amounts due at any time under, this Note and the Project Owner Subordinate Security Instrument, including prepayment premiums, late charges, default interest, and advances to protect the security of the Project Owner Subordinate Security Instrument as described in Section 12 of the Project Owner Subordinate Security Instrument.

(g) "Interest Rate" shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(h) "Lender" means City of Edinburg and any subsequent holder of this Note (including, without limitation, Citibank, N.A., as the collateral assignee of this Note).

(i) "Loan" means the loan evidenced by this Note.

(j) "Loan Agreement" means that certain Loan Agreement dated May __, 2016, among Borrower, Lender and Citibank, N.A.

(k) “Loan Month” means the period commencing on a Loan Payment Date and ending on the day preceding the next succeeding Loan Payment Date (without adjustment in either case for Business Day conventions).

(l) “Loan Payment Date” means the first Business Day of each month, commencing on the First Payment Date.

(m) "Managing General Partner" shall mean Wisconsin Street Housing GP, LLC, a Texas limited liability company, together with its successors and assigns.

(n) “Maturity Date” means the earlier to occur of (i) the date which is seventeen (17) years following the Conversion Date, or (ii) any earlier date on which the unpaid principal balance of this Note becomes due and payable, by acceleration or otherwise.

(o) “Maximum Rate” means the maximum interest rate that may be paid on the Loan under State law.

(p) “Note” means this Multifamily Permanent Subordinate Note.

(q) “Note Interest” shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(r) “Prepayment Premium Period” means the period commencing on the date of this Note and ending six (6) calendar months preceding the seventeenth (17th) anniversary of the Conversion Date.

(s) “Property Jurisdiction” shall have the meaning set forth in the Project Owner Subordinate Security Instrument.

(t) "Written Notice" shall mean a written consent or notice signed by an authorized representative of Borrower or an authorized representative of the Lender.

All other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Loan Agreement.

2. **Method of Payment**. All payments due under this Note shall be payable to Servicer, or, if there is no Servicer, to the Lender, or its successor. Each such payment shall be made by wire transfer of immediately available funds in accordance with wire transfer instructions that the Lender or Servicer shall supply by Written Notice to the Borrower from time to time.

3. **Payment of Principal and Interest**. Principal and interest shall be paid as follows:

(a) Borrower shall pay all amounts due under this Note at the times and in the amounts set forth herein. Borrower shall make its payments under this Note in immediately available funds.

(b) Borrower shall pay monthly payments of principal and interest as set forth on Schedule A attached hereto in successive monthly installments commencing on the First Payment Date and continuing on each Loan Payment Date thereafter until and including the Maturity Date. Such payments

shall be made to the Lender or the Servicer by 2:00 p.m., New York City time, on each Loan Payment Date.

(c) Any accrued interest remaining past due may, at Lender's discretion, be added to and become part of the unpaid principal balance and shall bear interest at the rate or rates specified in this Note, and any reference below to "accrued interest" shall refer to accrued interest that has not become part of the unpaid principal balance.

(d) Borrower shall pay all unpaid principal of and interest on this Note on the Maturity Date and any other amounts due under subsection 3(a) hereof.

(e) Any regularly scheduled monthly installment of principal and interest that is received by Lender before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest due.

(f) Borrower shall make all payments of principal and interest under this Note without relief from valuation and appraisement laws.

(g) Borrower acknowledges that the calculation of all interest payments shall be made by the Lender and shall be final and conclusive, absent manifest error.

4. **Application of Payments**. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable under this Note in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security**. The Indebtedness is secured by, among other things, the Project Owner Subordinate Security Instrument and reference is made to the Project Owner Subordinate Security Instrument for other rights of Lender as to collateral for the Indebtedness.

6. **Acceleration**. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, the prepayment premium payable under Section 10, if any, and all other amounts payable under this Note and the Project Owner Subordinate Security Instrument shall at once become due and payable, at the option of Lender, without any prior notice to Borrower in the manner and with the effect provided in the Loan Agreement (except if notice is required by applicable law, then after such notice). Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Late Charge**. If any amount payable under this Note or under the Project Owner Subordinate Security Instrument is not received by Lender when such amount is due (unless applicable law requires a longer period of time before a late charge may be imposed, in which event, such longer period shall be substituted), Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5.0%) of such amount (unless applicable law requires a lesser amount be charged, in which event such lesser amount shall be substituted). Notwithstanding the foregoing, with regard to each regularly scheduled monthly installment of principal and interest payable pursuant to this Note, such late charge shall not become due and payable to Lender so long as the Borrower makes such payment on or prior to the tenth (10th) calendar day

following the date upon which such payment is due (or the Business Day immediately following such tenth (10th) calendar day if such tenth (10th) calendar day is not a Business Day). Any accrued but unpaid late charges shall be added to and become part of the unpaid principal balance of this Note, shall bear interest at the rate or rates specified in this Note, and shall be secured by the Project Owner Subordinate Security Instrument. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan, and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Section represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment, and such late charge shall be deemed liquidated damages and not additional interest or a penalty. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 8. Notwithstanding anything to the contrary in the Project Owner Subordinate Security Instrument, if a Servicer has been appointed by Lender, any late charges payable hereunder shall not be remitted to Lender and shall instead be paid directly to Servicer, who shall apply such late charges in accordance with the terms of the applicable servicing agreement. Any action regarding the collection of a Late Charge will be without prejudice to any other rights, and shall not act as a waiver of any other rights, that the Servicer or the Lender may have as provided herein, in the Project Owner Subordinate Security Instrument, or at law or in equity.

8. **Default Rate**. So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate per annum (the "Default Rate") equal to the lesser of the Maximum Rate or a rate equal to the Interest Rate plus four percent (4%), in each case compounded monthly (computed in accordance with Schedule A in the same manner in which Note Interest is computed). If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate. Borrower also acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan, that, during the time that any monthly installment under this Note is delinquent, Lender will incur additional costs and expenses arising from its loss of the use of the money due and from the adverse impact on Lender's ability to meet its other obligations and to take advantage of other investment opportunities, and that it is extremely difficult and impractical to determine those additional costs and expenses. Borrower also acknowledges that, during the time that any monthly installment under this Note is delinquent or any other Event of Default has occurred and is continuing, Lender's risk of nonpayment of this Note will be materially increased and Lender is entitled to be compensated for such increased risk. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate as provided above represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional costs and expenses Lender will incur by reason of Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. **Personal Liability of Borrower**.

(a) Notwithstanding anything to the contrary in this Note or the Loan Agreement or the Project Owner Subordinate Security Instrument, except as otherwise provided in this Section 9, neither Borrower nor any person or entity that holds, owns or controls a direct or indirect ownership interest in the Borrower and/or the respective officers, directors, managers, partners, trustees, agents, employees and affiliates of such owners (collectively, "Borrower Related Persons") shall have any personal liability

under this Note or the Project Owner Subordinate Security Instrument for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Project Owner Subordinate Security Instrument, and Lender's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness (in no event shall a Borrower Related Person be obligated under this Note by virtue of it being a Borrower Related Person). This limitation on the liability of Borrower Related Persons shall not limit or impair Lender's enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of Borrower.

(b) In addition to the Borrower's personal liability pursuant to the other provisions of the Note, Borrower shall be personally liable to Lender for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by Lender (the "Losses") as a result of (1) failure of Borrower to pay to Lender upon demand after an Event of Default all Rents to which Lender is entitled under Section 3(a) of the Project Owner Subordinate Security Instrument and the amount of all security deposits collected by Borrower from tenants then in residence; (2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by the Project Owner Subordinate Security Instrument; (3) failure of Borrower to comply with Section 14(d) or (e) of the Project Owner Subordinate Security Instrument relating to the delivery of books and records, statements, schedules, and reports; (4) fraud or material misrepresentation by Borrower or any general partner, managing member, manager, officer, director, partner, member, agent or employee of Borrower in connection with the application for or creation of the Indebtedness or any request for any action or consent by or on behalf of Lender; (5) failure to apply Rents, first, to the payment of reasonable operating expenses and then to amounts ("Debt Service Amounts") payable under this Note or the Project Owner Subordinate Security Instrument (except that Borrower will not be personally liable (i) to the extent that Borrower lacks the legal right to direct the disbursement of such sums because of a bankruptcy, receivership or similar judicial proceeding, or (ii) with respect to Rents that are distributed on account of any calendar year if Borrower has paid all operating expenses and Debt Service Amounts for that calendar year); or (6) failure of Borrower to comply with the provisions of Section 17(a) of the Project Owner Subordinate Security Instrument prohibiting the commission of waste or allowing the impairment or deterioration of the Mortgaged Property.

(c) For purposes of determining Borrower's personal liability under this Section 9, all payments made by Borrower or any guarantor of this Note with respect to the Indebtedness and all amounts received by Lender from the enforcement of its rights under the Project Owner Subordinate Security Instrument shall be applied first to the portion of the Indebtedness for which Borrower has no personal liability.

(d) Borrower shall become personally liable to Lender for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default: (1) Borrower's acquisition of any property or operation of any business not permitted by Section 32 of the Project Owner Subordinate Security Instrument; or (2) a Transfer (including, but not limited to, a lien or encumbrance) that is an Event of Default under Section 21 of the Project Owner Subordinate Security Instrument, other than a Transfer consisting solely of the involuntary removal or involuntary withdrawal of a general partner in a limited partnership or a manager in a limited liability company or any other Permitted Transfer (as defined in the Project Owner Subordinate Security Instrument); or (3) a Bankruptcy Event, as defined by the Project Owner Subordinate Security Instrument (but only if the Bankruptcy Event

occurs with the consent or active participation of Borrower, its General Partner or any Borrower Affiliate (as defined by the Project Owner Subordinate Security Instrument).

(e) In addition to any personal liability for the Indebtedness, Borrower shall be personally liable to Lender for (1) the performance of all of Borrower's obligations under Section 18 of the Project Owner Subordinate Security Instrument (relating to environmental matters) and the Agreement of Environmental Indemnification dated of even date with the Loan Agreement; (2) the costs of any audit under Section 14(d) of the Project Owner Subordinate Security Instrument; and (3) any costs and expenses incurred by Lender in connection with the collection of any amount for which Borrower is personally liable under this Section 9, including out of pocket expenses and reasonable fees of attorneys and expert witnesses and the costs of conducting any independent audit of Borrower's or Borrower's books and records to determine the amount for which Borrower has personal liability.

(f) To the extent that Borrower has personal liability under this Section 9, Lender may exercise its rights against Borrower personally without regard to whether Lender has exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to Lender under this Note or the Project Owner Subordinate Security Instrument or applicable law. For purposes of this Section 9, the term "Mortgaged Property" shall not include any funds that (1) have been applied by Borrower as required or permitted by the Project Owner Subordinate Security Instrument prior to the occurrence of an Event of Default or (2) Borrower was unable to apply as required or permitted by the Project Owner Subordinate Security Instrument because of a bankruptcy, receivership, or similar judicial proceeding. To the fullest extent permitted by applicable law, in any action to enforce Borrower's personal liability under this Section 9, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

(g) Nothing herein or in the Project Owner Subordinate Security Instrument shall be deemed to be a waiver of any right which the Lender or the Servicer may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as such sections may be amended, or corresponding or superseding sections of the Bankruptcy Amendments and Federal Judgeship Act of 1984, to file a claim for the full amount due to the Lender and the Servicer hereunder and under the Project Owner Subordinate Security Instrument or to require that all collateral shall continue to secure the amounts due hereunder and under the Project Owner Subordinate Security Instrument.

(h) Notwithstanding anything to the contrary set forth in this Note and/or any of the other Subordinate Collateral Loan Documents (as defined in the Project Owner Subordinate Security Instrument), Borrower Related Persons will have no liability under this Note and the other Subordinate Collateral Loan Documents, except as specifically provided in this Section 9.

10. **Voluntary and Involuntary Prepayments**.

(a) In connection with any prepayment (i.e., any receipt by Lender of principal, other than principal required to be paid in monthly installments pursuant to Section 3, prior to the Maturity Date) made under this Note, whether voluntary or involuntary, a prepayment premium shall be payable to the extent provided below.

(b) Borrower may voluntarily prepay all (but not less than all) of the unpaid principal balance of this Note on any Loan Payment Date if: (i) Borrower has given Lender prior Written Notice of its

intention to make such prepayment at least twenty (20) days prior to the proposed prepayment date (or such shorter time as agreed to by Lender in its sole discretion) and (ii) Borrower pays (A) the amount of principal being prepaid, (B) all accrued interest, (C) prior to the end of the Prepayment Premium Period, the prepayment premium calculated pursuant to Schedule B, and (D) all other sums due Lender at the time of such prepayment. In connection with any prepayment pursuant to this Section 10(b), the Borrower shall wire transfer the amount required hereunder in immediately available funds by 2:00 p.m., New York City time, on the date of prepayment. For all purposes including the accrual of interest, any prepayment received by Lender on any day other than the last calendar day of a Loan Month shall be deemed to have been received on the last calendar day of such Loan Month.

(c) Upon Lender's exercise of any right of acceleration under this Note, Borrower shall pay to Lender, in addition to the entire unpaid principal balance of this Note outstanding at the time of the acceleration, (i) all accrued interest and all other sums due Lender, and (ii) if such acceleration occurs during the Prepayment Premium Period, the prepayment premium calculated pursuant to Schedule B.

(d) Any application by Lender of any collateral or other security to the repayment of any portion of the unpaid principal balance of this Note prior to the end of the Prepayment Premium Period and in the absence of acceleration shall be deemed to be a partial prepayment by Borrower, requiring the payment to Lender by Borrower of a prepayment premium, calculated pursuant to Schedule B.

(e) The Borrower shall prepay the outstanding principal balance of this Note at the direction of the Lender, in whole or in part, at a price equal to the outstanding principal balance of this Note, plus accrued interest plus any other amounts payable under this Note or the Project Owner Subordinate Security Instrument, upon the occurrence of any event or condition described below:

(1) in whole or in part, if the Mortgaged Property shall have been damaged or destroyed to the extent that it is not practicable or feasible to rebuild, repair or restore the damaged or destroyed property within the period and under the conditions described in the Project Owner Subordinate Security Instrument following such event of damage or destruction; or

(2) in whole or in part, if title to, or the use of, all or a portion of the Mortgaged Property shall have been taken under the exercise of the power of eminent domain by any Governmental Authority which results in a prepayment of this Note under the conditions described in the Project Owner Subordinate Security Instrument; or

(3) in whole or in part, to the extent that insurance proceeds or proceeds of any condemnation award with respect to the Mortgaged Property are not applied to restoration of the Mortgaged Property in accordance with the provisions of the Project Owner Subordinate Security Instrument.

In connection with any such prepayment, the Borrower shall wire transfer immediately available funds by no later than 2:00 p.m., New York City time, on the date fixed by the Lender, which date shall be communicated by the Lender in writing to the Borrower. To the extent that the Borrower receives any insurance proceeds or condemnation awards that are to be applied to the prepayment of this Note, such amounts shall be applied to the prepayment of this Note. No prepayment premium shall be payable with respect to any prepayment required by this Section 10(e).

(f) Any permitted or required prepayment of less than the unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender agrees otherwise in writing.

(g) Borrower recognizes that any prepayment of the unpaid principal balance of this Note, whether voluntary, involuntary or resulting from a default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional expense and frustration or impairment of Lender's ability to meet its commitments to third parties. Borrower agrees to pay to Lender upon demand damages for the detriment caused by any prepayment, and agrees that it is extremely difficult and impractical to ascertain the extent of such damages. Borrower therefore acknowledges and agrees that the formula for calculating prepayment premiums set forth on Schedule B represents a reasonable estimate of the damages Lender will incur because of a prepayment.

(h) Borrower further acknowledges that the prepayment premium provisions of this Note are a material part of the consideration for the Loan, and acknowledges that the terms of this Note are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to the prepayment premium provisions.

(i) Any prepayment premium payable hereunder shall be remitted to Servicer, or if a Servicer has not been appointed by Lender, to Lender.

11. **Costs and Expenses**. To the fullest extent allowed by applicable law, Borrower shall pay all expenses and costs, including, without limitation, out-of-pocket expenses and reasonable fees of attorneys (including, without limitation, in-house attorneys) and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of the Project Owner Subordinate Security Instrument, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding. For purposes of Section 9(e) and this Section 11, attorneys' out of pocket expenses shall include, but are not limited to, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses.

12. **Forbearance**. Any forbearance by Lender in exercising any right or remedy under this Note or the Project Owner Subordinate Security Instrument or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

13. **Waivers**. Except as expressly required by this Note, the Project Owner Subordinate Security Instrument, or the Loan Agreement, presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower and all endorsers and guarantors of this Note and all other third party obligors.

14. **Loan Charges**. Neither this Note nor the Project Owner Subordinate Security Instrument shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in the Project Owner Subordinate Security Instrument, whether considered separately or together with other charges provided for in the Project Owner Subordinate Security Instrument, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

15. **Obligations of the Borrower Absolute and Unconditional.** Subject to Section 9, the obligations of the Borrower to make all payments required under this Note and the Project Owner Subordinate Security Instrument on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder and under the Project Owner Subordinate Security Instrument shall be primary, absolute, unconditional and irrevocable, and shall be paid or performed strictly in accordance with the terms of this Note and the Project Owner Subordinate Security Instrument under any and all circumstances, without notice or demand (except as expressly required by this Note, the Project Owner Subordinate Security Instrument or the Loan Agreement), and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Mortgaged Property or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Mortgaged Property or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Mortgaged Property, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Lender’s legal organization or status, or any default of the Lender hereunder or under the Project Owner Subordinate Security Instrument , and regardless of the invalidity of any action of the Lender or the invalidity of any portion of this Note or the Project Owner Subordinate Security Instrument. Provided further, the obligations of Borrower under this Note and the Project Owner Subordinate Security Instrument shall not be affected by:

(a) any lack of validity or enforceability of the Project Owner Subordinate Security Instrument or any of the Related Documents;

(b) any amendment of, or any waiver or consent with respect to, the Project Owner Subordinate Security Instrument or Related Documents;

(c) the existence of any claim, set-off, defense or other rights which Borrower may have at any time against Lender (other than the defense of payment in accordance with the terms of this Note or the Project Owner Subordinate Security Instrument) or any other Person, whether in connection with

this Note or the Project Owner Subordinate Security Instrument, the Related Documents or any transaction contemplated thereby or any unrelated transaction;

(d) any breach of contract or other dispute between Borrower or its general partner, and Lender; or

(e) any exchange, release or nonperfection of any lien or security interest in any collateral pledged or otherwise provided to secure any of the obligations contemplated herein, in the Project Owner Subordinate Security Instrument or in any Related Document.

The Borrower hereby waives the application to it of the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Note or the Project Owner Subordinate Security Instrument or which releases or purports to release the Borrower therefrom. Nothing contained herein shall be construed as prohibiting the Borrower from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

16. **Commercial Purpose**. Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family, household or agricultural purposes.

17. **Counting of Days**. Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not Business Days.

18. **Notices**. All notices, demands and other communications required or permitted to be given by Lender to Borrower pursuant to this Note shall be in writing, addressed as set forth below, and shall include a reference to "Citi Loan # 23847." Each notice shall be deemed given on the earliest to occur of (a) the date when the notice is received by the addressee; (b) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (c) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

To Borrower: Wisconsin Street Housing, LP
330 W. Victoria Street
Gardena, CA 90248-3527
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

With a copy to:

Casa Linda Development Corporation

2010 Kessler Parkway
Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

With a copy to:

Rick Morrow
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Fax: 512-305-4800

With a copy to:

Garnet LIHTC Fund XLVIII, LLC
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attention: John Condon

If to Lender: City of Edinburg
_____
_____

With a copy to: [TO BE ADDED]

And to:	Citibank, N.A. 390 Greenwich Street, 2nd Floor New York, New York 10013 Attention: Account Specialist Deal ID # 23847 Facsimile: (212) 723-8209
	Citibank, N.A. 325 East Hillcrest Drive, Suite 160 Thousand Oaks, California 91360 Attention: Operations Manager/Asset Manager Deal ID #: 23847 Facsimile: (805) 557-0924
Prior to the Conversion Date:	Citibank, N.A. 390 Greenwich Street, 2nd Floor New York, New York 10013 Attention: Account Specialist Deal ID # 23847 Facsimile: (212) 723-8209
Following the Conversion Date:	Citibank, N.A. c/o Berkadia Commercial Servicing Department 323 Norristown Road, Suite 300 Amber, PA 19002 Attention: Client Relations Manager Deal ID # 23847 Facsimile: (215) 328-0305
And a copy of any notices of default sent to:	Citibank, N.A. 388 Greenwich Street New York, New York 10013 Attention: General Counsel's Office Deal ID No. 23847 Facsimile: (646) 291-5754

The Borrower or the Lender may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 18. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 18, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 18 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

19. **Payments on Non-Business Day**. If the date for the making of any payment under this Note is not a Business Day, such payment shall be due and payable on the next succeeding Business Day.

20. **Terms of Note Governing Payment Matters Control in the Event of any Conflict**. In the event the provisions of the Loan Agreement or the Project Owner Subordinate Security Instrument (other than this Note) conflict with the provisions of this Note which govern the terms of repayment of the Loan or the payment of other amounts due in connection with the Loan (including, without limitation, the provisions of this Note which govern the required payments of principal, interest and other amounts due in connection with the Loan, the manner of payment, the calculation of interest, the payment of the Lender's costs and expenses, the application of payments received by the Lender, the acceleration of amounts owed by the Borrower, late charges, default rates of interest, prepayments, prepayment premiums or maximum rates of interest or similar charges), the provisions of this Note shall govern and control.

21. **Other Agreements**. This Note is evidence of a single advance term loan which will be funded exclusively with the proceeds of the Citi Loan (simultaneously with the funding thereof). In connection therewith, this Note will be collaterally assigned to Citibank, N.A. as security for the Citi Note and as the collateral assignee, Borrower acknowledges Citibank, N.A. shall be entitled to the payment made on this Note and to enforce all rights and remedies of the holder of this Note (including enforcing the Project Owner Subordinate Security Instrument).

22. **Determinations by Lender**. Except to the extent expressly set forth in this Note to the contrary, in any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Note, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Lender, as applicable (or its designated representative) at its sole and exclusive option and in its sole, absolute and reasonable discretion.

23. **Release; Indemnity**.

(a) *Release*. Borrower covenants and agrees that, in performing any of its rights or duties under this Note, neither the Lender, nor its agents or employees, shall be liable for any losses, claims, damages, liabilities and expenses that may be incurred by any of them as a result of such performance, except to the extent such liability for any losses, claims, damages, liabilities or expenses arises out of the willful misconduct or gross negligence of any such party.

(b) *Indemnity*. Borrower hereby agrees to indemnify and hold harmless the Lender and its agents and employees from and against any and all losses, claims, damages, liabilities and expenses including, without limitation, reasonable attorneys' fees and costs and disbursements, which may be imposed or incurred by any of them in connection with this Note, except that no such party will be indemnified for any losses, claims, damages, liabilities or expenses arising out of the willful misconduct or gross negligence of any such party.

24. **Governing Law**. This Note shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

25. **Consent to Jurisdiction and Venue**. Borrower and Lender each agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower and Lender each irrevocably

consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Lender' right to bring any suit, action or proceeding relating to matters arising under this Note against Borrower or any of Borrower's assets in any court of any other jurisdiction.

26. **Severability**. The invalidity, illegality or unenforceability of any provision of this Note shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

27. **Remedies Cumulative**. In the event of Borrower's default under this Note, the Lender may exercise all or any one or more of its rights and remedies available under this Note, at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent the Lender from exercising any other right or remedy available to the Lender. The Lender may exercise any such remedies from time to time as often as may be deemed necessary by the Lender.

28. **No Agency or Partnership**. Nothing contained in this Note shall constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

29. **Entire Agreement; Amendment and Waiver**. This Note contains the complete and entire understanding of the parties with respect to the matters covered. This Note may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Note shall be considered as a general waiver.

30. **Further Assurances**. Borrower shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that Lender may reasonably request, in order to protect any right or interest granted by this Note or to enable Lender to exercise and enforce its rights and remedies under this Note.

31. **Captions**. The captions of the sections of this Note are for convenience only and shall be disregarded in construing this Note.

32. **Servicer**. Borrower hereby acknowledges and agrees that, pursuant to the terms of the Project Owner Subordinate Security Instrument: (a) from time to time, Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under this Note or the Project Owner Subordinate Security Instrument, and to otherwise service the Loan and (b) unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by such servicer with the same force and effect.

33. **Waiver of Trial by Jury**. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND LENDER (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY

JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL. IF THIS PROVISION IS DEEMED UNENFORCEABLE FOR ANY REASON, ANY SUCH DISPUTES SHALL BE RESOLVED PURSUANT TO JUDICIAL REFERENCE ACCORDING TO THE PROVISIONS OF THE PROJECT OWNER SUBORDINATE SECURITY INSTRUMENT.

34. **Time of the Essence**. Time is of the essence with respect to this Note.

35. **Modifications**. All modifications (if any) to the terms of this Note ("Modifications") are set forth on Schedule C attached to this Note. In the event of a Transfer under the terms of the Project Owner Subordinate Security Instrument, some or all of the Modifications to this Note may be modified or rendered void by Lender at its option by notice to Borrower or such transferee.

36. **Attached Schedules**. The following Schedules are attached to this Note and are incorporated by reference herein as if more fully set forth in the text hereof:

Schedule A – Interest Rate

Schedule B – Prepayment Premium

Schedule C – Modifications to Multifamily Permanent Note

The terms of this Note are modified and supplemented as set forth in said Schedules. To the extent of any conflict or inconsistency between the terms of said Schedules and the text of this Note, the terms of said Schedules shall be controlling in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Note or caused this Note to be duly executed and delivered by its authorized representative as of the date first set forth above.

BORROWER:

WISCONSIN STREET HOUSING, LP, a Texas limited partnership

By: Wisconsin Street Housing GP, LLC, a Texas limited liability company, its General Partner

By: Casa Linda Development Corporation, a Texas corporation, its Managing Member

By:_____
Linda S. Brown,
President

SCHEDULE A

PRINCIPAL AND INTEREST PAYMENTS

1. **Interest Rate**. Except as provided in Paragraphs 8 and 14 of this Note, interest ("Note Interest") shall accrue on the unpaid principal of this Note from, and including, the date of this Note until paid in full at an annual rate (the "Interest Rate") as follows:

(a) Fixed Rate. Interest shall accrue at annual rate of three percent (3%).

(b) Maximum Rate. Notwithstanding any other provision of this Note to the contrary, Note Interest shall not exceed the Maximum Rate, as the Maximum Rate may change in accordance with this Note.

(c) Interest Accrual. Note Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. **Monthly Principal and Interest Payments**. Commencing on the First Payment Date and on each Loan Payment Date thereafter until and including the Maturity Date, consecutive monthly installments of principal and interest in the amount of $_____ (based upon a 35 year amortization schedule assuming a 360-day year comprised of twelve 30-day months), shall be payable on each Loan Payment Date until the entire unpaid principal balance evidenced by this Note is fully paid. Any remaining principal and interest, if not sooner paid, shall be due and payable on the Maturity Date.

SCHEDULE B

PREPAYMENT PREMIUM

YIELD MAINTENANCE OPTION:

Any prepayment premium payable under Paragraph 10 of this Note shall be computed as follows:

(a) If the prepayment is made at any time after the date of this Note and before _____ __, 2035 (the "**Yield Maintenance Period End Date**") the prepayment premium shall be the greater of:

(i) 1% of the amount of principal being prepaid; or

(ii) The product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Interest Rate on this Note the Yield Rate (as defined below), on the twenty-fifth Business Day preceding (x) the date upon which any voluntary prepayment will be made, determined in accordance with Section 10 of this Note, or (y) the date Lender accelerates the Loan or otherwise accepts a prepayment pursuant to Paragraph 10(c) or Paragraph 10(d) of this Note,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

r = Yield Rate

n = the number of months remaining between (1) either of the following: (x) in the case of a voluntary prepayment, the last calendar day of the month during which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of this Note and (2) the Yield Maintenance Period End Date]

For purposes of this clause (ii), the "**Yield Rate**" means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. "Treasury constant maturities" (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the "**Fed Release**") under the heading "U.S. government securities") closest to the remaining term of the Prepayment Premium Period, as follows (rounded to three decimal places):

$$\{ ((a - b) \div (x - y)) \times (z - y) \} + b$$

a = the yield for the longer U.S. Treasury constant maturity
b = the yield for the shorter U.S. Treasury constant maturity
x = the term of the longer U.S. Treasury constant maturity
y = the term of the shorter U.S. Treasury constant maturity
z = "n" (as defined in the present value factor calculation above) divided by 12.

Notwithstanding any provision to the contrary, if "z" equals a term reported under the U.S. "Treasury constant maturities" subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.

(b) Notwithstanding the provisions of Paragraph 10 of this Note, no prepayment premium shall be payable with respect to any prepayment made on or after the Yield Maintenance Period End Date.

SCHEDULE C

MODIFICATIONS TO MULTIFAMILY PERMANENT NOTE

The following modifications are made to the text of the Note that precedes this Schedule:

None.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Citibank, N.A.
Citi Loan Closing Document Coordinator Address
Attention: Citi Loan Closing Document Coordinator Name

Citi # 23847

SUBORDINATE MULTIFAMILY DEED OF TRUST,
ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(TEXAS)

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.

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EXHIBITS

EXHIBIT A Description of the Land
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EXHIBIT E [RESERVED]

SUBORDINATE MULTIFAMILY DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (TEXAS)

This **SUBORDINATE MULTIFAMILY DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING** (this "Instrument") is dated for reference purposes only as of the ___ day of May, 2016, but will not be effective and binding on the parties hereto until the Closing Date (as hereinafter defined), by **WISCONSIN STREET HOUSING, LP**, a Texas limited partnership, whose address is 330 W. Victoria Street, Gardena, California 90248-3257, as grantor ("Borrower") to Kathy Millhouse, having an address at 325 East Hillcrest Drive, Suite 160, Thousand Oaks, California 91360, as trustee ("Trustee"), for the benefit of **CITY OF EDINBURG**, a Texas municipal corporation, whose address is _____, as beneficiary, and its successors and assigns ("Lender"). Borrower's organizational identification number is _____.

The Loan is made and the Indebtedness is evidenced by the Subordinate Collateral Note in the maximum principal amount of ONE MILLION TWO HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS ($1,275,000.00), maturing seventeen years after the Conversion Date ("Maturity Date"), and is secured by this Instrument. The Conversion Date is as defined in the Senior Loan Agreement (as defined in the Subordinate Collateral Loan Agreement and hereafter used) which will occur upon and subject to the Borrower's satisfaction of the Conditions to Conversion in accordance with the Senior Loan Agreement.

NOW THEREFORE:

Granting Clause. Borrower, in consideration of the Indebtedness and the trust created by this Instrument, irrevocably grants, conveys and assigns to Trustee, in trust, with power of sale, the Mortgaged Property, including the Land located in Edinburg, Hidalgo County, Texas, and described in Exhibit A attached to this Instrument, to have and to hold the Mortgaged Property unto Trustee, Trustee's successor in trust and Trustee's assigns forever, subject, however, to the Permitted Encumbrances.

TO SECURE TO LENDER and its successors and assigns the repayment of the Indebtedness evidenced by the Subordinate Collateral Note executed by Borrower and maturing on the Maturity Date, and all renewals, extensions and modifications of the Indebtedness, including, without limitation, the payment of all sums advanced by or on behalf of Lender to protect the security of this Instrument under Section 12 and the performance of the covenants and agreements of Borrower contained in the Subordinate Collateral Loan Documents.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered except for the Permitted Encumbrances. Borrower covenants that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any Permitted Encumbrances.

This Instrument is also a financing statement and a fixture filing under the Uniform Commercial Code of the Property Jurisdiction and the information set forth on Exhibit C is included for that purpose.

Covenants. Borrower and Lender covenant and agree as follows:

1. DEFINITIONS. The following terms, when used in this Instrument (including when used in the above recitals), shall have the following meanings:

(a) "Affiliate" means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person. The term "control" for these purposes means, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

(b) "Bankruptcy Event" means any one or more of the following:

(i) (A) the commencement of a voluntary case under one or more of the Insolvency Laws by the Borrower; (B) the acknowledgment in writing by the Borrower that it is unable to pay its debts generally as they mature; (C) the making of a general assignment for the benefit of creditors by the Borrower; (D) the commencement of an involuntary case under one or more Insolvency Laws against the Borrower; or (E) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over the Borrower or any substantial part of the assets of the Borrower provided that any proceeding or case under (D) or (E) above is not dismissed within 90 days after filing; or

(ii) Both (A) an involuntary petition under any one or more of the Insolvency Laws is filed against Borrower or Borrower directly or indirectly becomes the subject of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction, or in equity, and (B) Borrower or any Affiliate of Borrower has acted in concert or conspired with such creditors of Borrower (other than Lender) to cause the filing thereof with the intent to interfere with enforcement rights of Lender after the occurrence of an Event of Default.

(c) "Beneficiary Parties" means Lender, Servicer and their respective successors and assigns, together with any lawful owner, holder or pledgee of the Subordinate Collateral Note.

(d) "Borrower" means all persons or entities identified as "Borrower" in the first paragraph of this Instrument, together with their successors and assigns.

(e) "Borrower's Organizational Documents" means, collectively: (i) the certificate of limited partnership of Borrower filed with the Office of the Secretary of State of Texas on _____, as the same may be amended and/or restated from time to time; and (ii) the amended and restated agreement of limited partnership of Borrower dated as of _____ __, 2016, as the same may be amended and/or restated from time to time.

(f) "Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

(g) "Closing Date" has the meaning ascribed thereto in the Subordinate Collateral Loan Agreement.

(h) "Controlling Interest" means (i) greater than 50% of the ownership interests in an entity, or (ii) a percentage ownership interest in an entity of 50% or less if the owner(s) of that interest actually direct(s) the business and affairs of the entity without requirement of consent of any other party.

(i) "Conversion", "Conversion Date" and "Outside Conversion Date" shall have the respective meanings ascribed thereto in the Senior Loan Agreement.

(j) "Credit Enhancer" means a government sponsored enterprise that at any time, directly or indirectly, purchases the Loan or provides credit enhancement with respect to the Loan.

(k) "Credit Enhancer Insurance Standards" means the insurance standards and requirements set forth in the multifamily underwriting guidelines generated by the Credit Enhancer, as in effect from time to time.

(l) "Environmental Agreement" means that certain Agreement of Environmental Indemnification dated as of the date hereof made by Borrower and Guarantor (as defined in the Senior Loan Agreement) for the benefit of Beneficiary Parties identified therein in connection with the Senior Loan.

(m) "Environmental Permit" means any permit, license, or other authorization issued under any Hazardous Materials Law with respect to any activities or businesses conducted on or in relation to the Mortgaged Property.

(n) "Event of Default" means the occurrence of any event listed in Section 22.

(o) "Fixtures" means all property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.

(p) "Governmental Authority" means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

(q) "Hazardous Materials" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive

materials; polychlorinated biphenyls ("PCBs") and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; radon; Mold; toxic or mycotoxin spores; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance (whether or not naturally occurring) now or in the future that (i) is defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "solid waste", "pesticide", "contaminant," or "pollutant", or otherwise classified as hazardous or toxic by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

(r) "Hazardous Materials Laws" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, rule of common law (including, without limitation, nuisance and trespass), consent order, administrative rulings and court judgments and decrees or other government directive in effect now or in the future and including all amendments, that relate to Hazardous Materials or to the protection or conservation of the environment or human health and apply to Borrower or to the Mortgaged Property, including, without limitation, those relating to industrial hygiene, or the use, analysis, generation, manufacture, storage, discharge, release, disposal, transportation, treatment, investigation, or remediation of Hazardous Materials. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Superfund Amendments and Reauthorization Act, the Solid Waste Disposal Act, the Clean Water Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, and their state analogs.

(s) "Imposition Deposits" shall have the meaning ascribed to such term in the Senior Loan Documents.

(t) "Impositions" means (i) the premiums for fire and other hazard insurance, rental loss insurance and such other insurance as Lender may require under Section 19 and (ii) Taxes.

(u) "Improvements" means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.

(v) "Indebtedness" means collectively, the principal of, interest on, and all other amounts due at any time under, the Subordinate Collateral Note, this Instrument or any other Subordinate Collateral Loan Document, including prepayment premiums, late charges, default interest, and advances as provided in Section 12 to protect the security of this Instrument, and any fees or expenses paid by Lender on behalf of Borrower to Lender, or any other party for the Loan or other amounts relating to the Subordinate Collateral Loan Documents which are paid by Lender in accordance with the terms of the Subordinate Collateral Loan Documents;

(w) "Initial Owners" means, with respect to Borrower or any other entity, the persons or entities who on the date of the Subordinate Collateral Note, directly or indirectly, own in the aggregate 100% of the ownership interests in Borrower or that entity.

(x) "Insolvency Laws" means the United States Bankruptcy Code, 11 U.S.C. § 101, et seq., together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding, as amended from time to time, to the extent applicable to the Borrower.

(y) "Land" means the land described in Exhibit A.

(z) "Leases" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals (but excluding the Ground Lease, if any).

(aa) "Lender" means the entity identified as "Lender" in the first paragraph of this Instrument, or any subsequent holder of the Subordinate Collateral Note.

(bb) "Loan" means the loan made by Lender to Borrower in an amount not to exceed the original principal amount of the Subordinate Collateral Note, which loan is evidenced by the Subordinate Collateral Note and secured by, among other things, this Instrument.

(cc) "Material Property Agreements" means any agreement which, in Lender's sole and reasonable discretion, acting in good faith, materially affects the Mortgaged Property, the use thereof or otherwise materially affects the rights of Borrower or Beneficiary Parties in, to, and with respect to the Mortgaged Property or the proceeds therefrom, including, without limitation, each of the following: (i) any agreement regarding the payment in lieu of taxes ("PILOT"), (ii) all covenants, conditions and restrictions, including, without limitation, any declaration subjecting the Mortgaged Property to an association of owners or other community governance, (iii) any agreement regarding the abatement or exemption of real estate taxes, (iv) any easement pursuant to which the Mortgaged Property is granted access to a public right of way, (v) any material lease of all or any portion of the Mortgaged Property (excluding leases of individual residential dwelling units), (vi) any operating agreements relating to the Land or the Improvements, and (vii) any regulatory agreements, declarations, land use restriction agreements or similar instruments affecting the Mortgaged Property including the operation or use thereof.

(dd) "Maturity Date" has the meaning ascribed thereto in the recitals to this Instrument.

(ee) "MMP" means an operations and maintenance plan, moisture management program and/or microbial operations and maintenance program approved by Lender to control water intrusion and prevent the development of Mold or moisture at the Mortgaged Property throughout the term of this Instrument. If required by Lender, the MMP shall contain a provision for (i) staff training, (ii) information to be provided to tenants, (iii) documentation of the plan, (iv) the appropriate protocol for incident response and remediation and (v) routine, scheduled inspections of common space and unit interiors.

(ff) "Mold" means mold, fungus, microbial contamination or pathogenic organisms.

(gg) "Mortgaged Property" means all of Borrower's present and future right, title and interest in and to all of the following:

(i) the Land;

(ii) the Improvements;

(iii) the Fixtures;

(iv) the Personalty;

(v) to the extent assignable, all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(vi) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;

(vii) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

(viii) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(ix) all Rents and Leases;

(x) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, whether the foregoing are now due, past due, or to become due, all undisbursed proceeds of the Loan secured by this Instrument, deposits forfeited by tenants, and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(xi) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated);

(xii) all tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits;

(xiii) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;

(xiv) all documents, writings, books, files, records and other documents arising from or relating to any of the foregoing, whether now existing or hereafter created; and

(xv) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds, and all other cash and non-cash proceeds and products of any of the foregoing.

(hh) "O&M Program" has the meaning ascribed thereto in Section 18(d).

(ii) "Permitted Encumbrances" means the Extended Use Agreement (as defined in Section 49), and any easements, encumbrances or restrictions listed on the schedule of exceptions in the title insurance policy issued to Lender as of the date of recordation of this Instrument insuring Lender's interest in the Mortgaged Property, including, without limitation, the liens securing the Senior Loan.

(jj) "Permitted Transfer" has the meaning ascribed thereto in Section 21(b).

(kk) "Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

(ll) "Personalty" means all:

(i) accounts (including deposit accounts) of Borrower related to the Mortgaged Property;

(ii) Imposition Deposits;

(iii) equipment, goods, supplies and inventory owned by Borrower that are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements (other than Fixtures), including furniture, furnishings, machinery, building materials, tools, books, records (whether in written or electronic form), computer equipment (hardware and software);

(iv) other tangible personal property owned by Borrower which are used now or in the future in connection with the ownership, management or operation of the Land or

Improvements or are located on the Land or in the Improvements (other than Fixtures), including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances;

(v) any operating agreements relating to the Land or the Improvements;

(vi) any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements;

(vii) documents, instruments, chattel paper, claims, deposits, deposit accounts, payment intangibles, investment property, other intangible property, general intangibles, and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land and including subsidy or similar payments received from any sources, including a governmental authority; and

(viii) any rights of Borrower in or under letters of credit.

(mm) "Project" means that 128 unit multifamily project known as The Heights Apartments and located in Edinburg, Hidalgo County, Texas.

(nn) "Property Jurisdiction" means the State of Texas.

(oo) "Rents" means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including subsidy payments received from any sources (including, but not limited to payments under any Housing Assistance Payments Contract or similar agreements), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants.

(pp) "Senior Lender" means the holder of the Senior Loan.

(qq) "Senior Loan" means that certain loan from Citibank, N.A. to Borrower secured by a first lien on the Mortgaged Property.

(rr) "Servicer" means the servicing party that is designated by Lender (or Senior Lender, as its collateral assignee) to service the Loan, together with its successors in such capacity.

(ss) "Subordinate Collateral Loan Agreement" means that certain Loan Agreement dated as of the date hereof among Senior Lender, Borrower and Lender relating to the Loan and the Citi Loan (as defined therein), as the same may be amended, modified or supplemented from time to time.

(tt) "Subordinate Collateral Loan Documents" means collectively, the Subordinate Collateral Loan Agreement, the Subordinate Collateral Note, this Instrument, all guaranties, all indemnity agreements, all O&M Programs, the MMP, and any other documents now or in the future executed by Borrower, or any other person, which governs, secures, and/or evidences the Loan, as such documents may be amended from time to time.

(uu) "Subordinate Collateral Note" means the Multifamily Permanent Subordinate Note, dated the Closing Date, executed by Borrower in favor of Lender.

(vv) "Subordinate Debt" has the meaning ascribed to that term in the Subordinate Collateral Loan Agreement.

(ww) "Taxes" means, collectively, all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Land or the Improvements.

(xx) "Transfer" means (i) a sale, assignment, transfer, or other disposition (whether voluntary, involuntary or by operation of law); (ii) the grant, creation, or attachment of a lien, encumbrance, or security interest (whether voluntary, involuntary or by operation of law); (iii) the issuance or other creation of a direct or indirect ownership interest; or (iv) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity.

(yy) "United States Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq., as amended from time to time.

2. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.

(a) This Instrument is also a security agreement under the Uniform Commercial Code of the Property Jurisdiction for any of the Mortgaged Property which, under applicable law, may be subjected to a security interest under the Uniform Commercial Code of the Property Jurisdiction, whether such Mortgaged Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, "UCC Collateral"), and Borrower hereby grants to Lender a security interest in the UCC Collateral. Borrower hereby authorizes Lender to prepare and file any and all financing statements, continuation statements and financing statement amendments, in such form as Lender may reasonably require to perfect or continue the perfection of this security interest without execution by Borrower. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements and/or amendments that Lender may reasonably require. Without the prior written consent of Lender (which consent shall not be unreasonably withheld, conditioned or delayed), Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral other than liens securing the Senior Loan. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code of the Property Jurisdiction, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies. This Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture.

(b) Subject to Section 21 hereof and Exhibit B hereto, unless Borrower gives at least thirty (30) days' prior written notice to Lender and subject to Section 21 hereof, Borrower shall not: (i) change its name, identity, or structure of organization; (ii) change its state of organization through dissolution, merger, transfer of assets or otherwise; (iii) change its principal place of business (or chief executive office if more than one place of business); or (iv) add to or change any location at which any of the

Mortgaged Property is stored, held or located. Such notice shall be accompanied by new financing statements and/or financing statement amendments in the same form as the financing statements delivered to Lender on the date hereof. Without limiting the foregoing, Borrower hereby authorizes and irrevocably appoints Lender and each of its officers attorneys-in-fact for Borrower to execute, deliver, and file, as applicable, such financing statements, continuation statements or amendments reasonably deemed necessary by Lender in its sole discretion for and on behalf of Borrower, without execution by Borrower. Borrower shall also execute and deliver to Lender modifications or supplements of this Instrument as Lender may reasonably require in connection with any change described in this Section.

3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments of Rents as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the Mortgaged Property. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents shall be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument creates and perfects a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) Except in connection with the Senior Loan, Borrower represents and warrants to Lender that Borrower has not executed any prior assignment of Rents (other than an assignment of Rents securing indebtedness that will be paid off and discharged with the proceeds of the Loan), that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any instrument which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents (other than a security deposit not in excess of one month's rent). Borrower shall not collect or accept payment of any Rents more than two months prior to the due dates of such Rents (other than a security deposit not in excess of one month's rent).

(c) If an Event of Default has occurred and is continuing, Lender may, but shall in no event be required, regardless of the adequacy of Lender's security or the solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its reasonable discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Instrument, or for such other purposes as Lender in its reasonable discretion may deem necessary or desirable. Alternatively, if an Event of

Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte if permitted by applicable law. Lender or the receiver, as the case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon Lender's entering upon and taking possession and control of the Mortgaged Property in accordance with the terms of this Instrument or with respect to the Senior Loan, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property in accordance with the terms of this Instrument or with respect to the Senior Loan, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

(d) If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, except for the gross negligence or willful misconduct of Lender or any Indemnitee (hereinafter defined).

(e) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 12.

(f) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Instrument shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument.

4. ASSIGNMENT OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases, including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose,

the Leases shall not be deemed to be a part of the "Mortgaged Property" as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument creates and perfects a lien on the Leases in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) Unless an Event of Default has occurred and is continuing, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. During the continuance of an Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.

(c) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Instrument or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property, except to the extent arising solely and exclusively from the gross negligence or willful misconduct of Lender or its officers, employees or any other Indemnitee. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

(d) Upon delivery of notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time during the continuance of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.

(e) Borrower shall, promptly upon Lender's request, deliver to Lender an executed copy of each residential Lease then in effect. All Leases for residential dwelling units shall (i) be on forms approved by Lender (which approval shall not be unreasonably withheld, conditioned or delayed), (ii) be for initial terms of at least six (6) months and not more than two (2) years, (iii) not include options to purchase, (iv) be legally valid, binding, and enforceable obligations of the tenants, (v) contain language

expressly stating that such Lease is subordinate to the lien of this Instrument and (vi) comply with all applicable laws.

(f) Except for laundry facilities and cable television services for tenants on market terms and conditions, Borrower shall not lease any portion of the Mortgaged Property for non-residential use except with the prior written consent of Lender and Lender's prior written approval of the Lease agreement (which consent and approval shall not be unreasonably withheld, conditioned or delayed). Borrower shall not modify the terms of, or extend or terminate, any Lease for non-residential use (including any Lease in existence on the date of this Instrument) without the prior written consent of Lender (which consent and approval shall not be unreasonably withheld, conditioned or delayed). Borrower shall, without request by Lender, deliver an executed copy of each non-residential Lease to Lender promptly after such Lease is signed. All non-residential Leases, including renewals or extensions of existing Leases, shall specifically provide that (i) such Leases are subordinate to the lien of this Instrument; (ii) the tenant shall attorn to Lender and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a foreclosure sale or by Lender in any manner; (iii) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a foreclosure sale may from time to time request; (iv) the Lease shall not be terminated by foreclosure or any other transfer of the Mortgaged Property; (v) after a foreclosure sale of the Mortgaged Property, Lender or any other purchaser at such foreclosure sale may, at Lender's or such purchaser's option, accept or terminate such Lease; and (vi) the tenant shall, upon receipt after the occurrence of an Event of Default of a written request from Lender, pay all Rents payable under the Lease to Lender.

(g) Borrower shall not receive or accept Rent under any Lease (whether residential or non-residential) for more than two months in advance (other than a security deposit not in excess of one month's rent).

5. PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER SUBORDINATE COLLATERAL LOAN DOCUMENTS; PREPAYMENT PREMIUM. Borrower shall pay the Indebtedness when due in accordance with the terms of the Subordinate Collateral Note and the other Subordinate Collateral Loan Documents and shall perform, observe and comply with all other provisions of the Subordinate Collateral Note and the other Subordinate Collateral Loan Documents.

6. EXCULPATION. The personal liability of Borrower for payment of the Subordinate Collateral Note and for performance of the other obligations to be performed by Borrower under this Instrument is limited in the manner, and to the extent, provided in the Subordinate Collateral Note.

7. RESERVED

8. RESERVED

9. APPLICATION OF PAYMENTS. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount that is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Instrument and the Subordinate Collateral Note shall remain unchanged.

10. COMPLIANCE WITH LAWS. Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, disability accommodation, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 10. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

11. USE OF PROPERTY. Unless required by applicable law, Borrower shall not (a) allow changes in the use for which all or any part of the Mortgaged Property is being used at the time this Instrument was executed, except for any change in use approved by Lender, (b) convert any individual dwelling units or common areas to commercial use, (c) initiate a change in the zoning classification of the Mortgaged Property or acquiesce in a change in the zoning classification of the Mortgaged Property, (d) establish any condominium or cooperative regime with respect to the Mortgaged Property; (e) combine all or any part of the Mortgaged Property with all or any part of a tax parcel which is not part of the Mortgaged Property, or (f) subdivide or otherwise split any tax parcel constituting all or any part of the Mortgaged Property without the prior consent of Lender.

12. PROTECTION OF LENDER'S SECURITY; INSTRUMENT SECURES FUTURE ADVANCES.

(a) If Borrower fails to perform any of its obligations under this Instrument or any other Subordinate Collateral Loan Document after the expiration of any applicable notice and cure period, or if any action or proceeding (including a Bankruptcy Event) is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, file such documents, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender's interest, including (i) payment of fees, expenses and reasonable fees of attorneys, accountants, inspectors and consultants, (ii) entry upon the Mortgaged Property to make repairs or secure the Mortgaged Property, (iii) procurement of the insurance required by Section 19 (specifically including, without limitation, flood insurance if required by Section 19), and (iv) payment of amounts which Borrower has failed to pay under Sections 15 and 17.

(b) Any amounts disbursed by Lender under this Section 12, or under any other provision of this Instrument that treats such disbursement as being made under this Section 12, shall be secured by this Instrument, shall be added to, and become part of, the principal component of the Indebtedness,

shall be immediately due and payable and shall bear interest from the date of disbursement until paid at the "Default Rate", as defined in the Subordinate Collateral Note.

(c) If the Lender shall elect to pay any sum due with reference to the Project or the Mortgaged Property, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by this Instrument and/or the other Subordinate Collateral Loan Documents, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

(d) Nothing in this Section 12 shall require Lender to incur any expense or take any action.

13. INSPECTION.

(a) Lender and its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Mortgaged Property (including environmental inspections and tests to the extent permitted under Section 18) during normal business hours, or at any other reasonable time, upon reasonable notice to Borrower if the inspection is to include occupied residential units (which notice need not be in writing). Notice to Borrower shall not be required in the case of an emergency, as determined in Lender's reasonable discretion, or when an Event of Default has occurred and is continuing.

(b) If Lender determines that Mold has developed as a result of a water intrusion event or leak, Lender, at Lender's reasonable discretion, may require that a professional inspector inspect the Mortgaged Property as frequently as Lender reasonably determines is necessary until any issue with Mold and its cause(s) are resolved to Lender's reasonable satisfaction. Such inspection shall be limited to a visual and olfactory inspection of the area that has experienced the Mold, water intrusion event or leak. Borrower shall be responsible for the cost of such professional inspection and any remediation deemed to be necessary as a result of the professional inspection. After any issue with Mold, water intrusion or leaks is remedied to Lender's reasonable satisfaction, Lender shall not require a professional inspection any more frequently than once every three years unless Lender is otherwise aware of Mold as a result of a subsequent water intrusion event or leak.

(c) If Lender determines not to conduct an annual inspection of the Mortgaged Property, and in lieu thereof Lender requests a certification, Borrower shall be prepared to provide and must actually provide to Lender a factually correct certification each year that the annual inspection is waived to the following effect: that Borrower represents and warrants that Borrower has not received any written complaint, notice, letter or other written communication from tenants, management agent or governmental authorities regarding odors, indoor air quality, Mold or any activity, condition, event or omission that causes or facilitates the growth of Mold on or in any part of the Mortgaged Property, or if Borrower has received any such written complaint, notice, letter or other written communication, that Borrower has investigated and determined that no Mold activity, condition or event exists or alternatively has fully and properly remediated such activity, condition, event or omission in compliance with the MMP for the Mortgaged Property. If Borrower is unwilling or unable to provide such certification, Lender may require a professional inspection of the Mortgaged Property at Borrower's expense.

14. BOOKS AND RECORDS; FINANCIAL REPORTING.

(a) Borrower shall keep and maintain at all times at the Mortgaged Property or the management agent's offices, and upon Lender's request shall make available at the Mortgaged Property, complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other instruments which affect the Mortgaged Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender upon reasonable advance oral notice.

(b) Borrower shall furnish to Lender all of the following:

(i) (1) except as provided in clause (2) below, within 45 days after the end of each fiscal quarter of Borrower, a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each fiscal quarter, (2) within 120 days after the end of each fiscal year of Borrower, (A) a statement of income and expenses for Borrower's operation of the Mortgaged Property for such fiscal year, (B) a statement of changes in financial position of Borrower relating to the Mortgaged Property for such fiscal year, and (C) when requested by Lender, a balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of such fiscal year; and (3) any of the foregoing at any other time upon Lender's request;

(ii) Within 45 days after the end of each fiscal year of Borrower, and at any other time upon Lender's request, a rent schedule for the Mortgaged Property showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;

(iii) within 120 days after the end of each fiscal year of Borrower, and at any other time upon Lender's request, an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;

(iv) within 120 days after the end of each fiscal year of Borrower, and at any other time upon Lender's request, a statement that identifies all owners of any partnership interest in Borrower and the interest held by each, if Borrower is a corporation, all officers and directors of Borrower, and if Borrower is a limited liability company, all managers who are not members;

(v) upon Lender's request, a monthly property management report for the Mortgaged Property, showing the number of inquiries made and rental applications received from tenants or prospective tenants and deposits received from tenants and any other information requested by Lender;

(vi) upon Lender's request, a balance sheet, a statement of income and expenses for Borrower and a statement of changes in financial position of Borrower for Borrower's most recent fiscal year;

(vii) annually, if applicable, within 60 days of the date required for submission by the agency in the Property Jurisdiction responsible for monitoring the low income housing tax credit program, a low income housing tax credit compliance report in form and substance acceptable to Lender; and

(viii) if required by Lender, within 30 days of the end of each calendar month, a monthly statement of income and expenses for such calendar month on a year-to-date basis for Borrower's operation of the Mortgaged Property.

(c) Each of the statements, schedules and reports required by Section 14(b) shall be certified to be complete and accurate by an individual having authority to bind Borrower and shall be in such form and contain such detail as Lender may reasonably require. Lender also may require that any statements, schedules or reports required by Section 14(b) be audited, if applicable, at Borrower's expense by independent certified public accountants reasonably acceptable to Lender.

(d) If Borrower fails to provide in a timely manner the statements, schedules and reports required by Section 14(b), Lender shall have the right to have Borrower's books and records audited, at Borrower's expense, by independent certified public accountants selected by Lender in order to obtain such statements, schedules and reports, and all related costs and expenses of Lender shall become immediately due and payable and shall become an additional part of the Indebtedness as provided in Section 12.

(e) If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender upon written demand all books and records relating to the Mortgaged Property or its operation.

(f) Borrower authorizes Lender to obtain a credit report on Borrower at any time.

15. TAXES; OPERATING EXPENSES.

(a) Subject to the provisions of Section 15(d), Borrower shall pay, or cause to be paid, all Taxes before past due and before the imposition of any interest, fine, penalty or cost for nonpayment.

(b) Borrower shall pay (i) the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including insurance premiums, utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added (subject to Borrower's right to contest or bond around such expenses to the extent and as provided in the Subordinate Collateral Loan Documents), and (ii) insurance premiums at least 30 days prior to the expiration date of each policy of insurance, unless applicable law specifies some lesser period.

(c) Reserved

(d) Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Taxes or other utility or similar charges that could become a lien on the Mortgaged Property ("Impositions"), other than insurance premiums, if (i) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (ii) the Mortgaged Property is not in danger of being sold or forfeited, (iii) Borrower deposits with Lender reserves sufficient to pay the contested amount, if requested by Lender, and (iv) Borrower furnishes whatever additional security is required in the proceedings or is requested by Lender, which may include the delivery to Lender of the reserves established by Borrower to pay the contested amount.

(e) Borrower shall promptly deliver to Lender copies of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender on or before the date this Instrument requires such Impositions to be paid, copies of receipts evidencing that such payments were made.

(f) All payments made by Borrower to Lender pursuant to this Instrument or any of the Subordinate Collateral Loan Documents shall be free and clear of any and all tax liabilities whatsoever (other than United States federal income taxation payable by Lender) and, to the extent Lender is required to pay any such tax liabilities, Borrower shall reimburse Lender in respect of any such payment of taxes and, immediately upon request therefor from Lender, shall deliver to Lender copies of receipts evidencing the payment of such taxes.

16. LIENS; ENCUMBRANCES. Borrower acknowledges that, to the extent provided in Section 21, the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance (a "Lien") on the Mortgaged Property (other than the lien of this Instrument and the Permitted Encumbrances) or on certain ownership interests in Borrower, whether voluntary, involuntary or by operation of law, and whether or not such Lien has priority over the lien of this Instrument, is a "Transfer" which constitutes an Event of Default and subjects Borrower to personal liability under the Subordinate Collateral Note. Borrower shall maintain the lien created by this Instrument as a subordinate mortgage lien upon the Mortgaged Property, subject to no other Liens or encumbrances other than Permitted Encumbrances.

17. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY.

(a) Borrower shall not commit waste or permit impairment or deterioration of the Mortgaged Property, other than ordinary wear and tear.

(b) Borrower shall not abandon the Mortgaged Property.

(c) Borrower shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair (unless Senior Lender has elected to apply the applicable insurance proceeds to the Indebtedness or amounts outstanding under the Senior Loan Documents).

(d) Borrower shall keep the Mortgaged Property in good repair (normal wear and tear excepted), including the replacement of Personalty and Fixtures with items of equal or better function and quality.

(e) Borrower shall provide for professional management of the Mortgaged Property by a residential rental property manager reasonably satisfactory to Lender at all times, under a contract approved by Lender (which approval shall not be unreasonably withheld, conditioned or delayed), in writing, which contract must be terminable upon not more than thirty (30) days notice without the necessity of establishing cause and without payment of a penalty or termination fee by Borrower or its successors. There shall be no change in the property manager or any contract for the management of the Mortgaged Property without Lender's prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed). Lender shall have the right to require that Borrower and any new property manager enter into an Assignment of Management Agreement on a form reasonably approved by Lender. If required by Lender (whether before or after an Event of Default), Borrower will cause any Affiliate of Borrower to whom fees are payable for the management of the Mortgaged Property to enter into an agreement with Lender, in a form reasonably approved by Lender, providing for subordination of those fees and such other provisions as Lender may require. "Affiliate of Borrower" means any Person controlled by, under common control with, or which controls Borrower (the term "control" for these purposes means the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

(f) Borrower shall give notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument. Borrower shall not (and shall not permit any tenant or other person to) remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property, including any removal, demolition or alteration occurring in connection with a rehabilitation of all or part of the Mortgaged Property, except (i) in connection with the replacement of tangible Personalty, (ii) repairs and replacements in connection with making an individual unit ready for a new occupant, and (iii) as expressly permitted under the other Subordinate Collateral Loan Documents.

(g) Unless otherwise waived by Lender in writing, Borrower must have or must establish and must adhere to the MMP. If Borrower is required to have an MMP, Borrower must keep all MMP documentation at the Mortgaged Property or at the management agent's office and available for Lender or its agents to review during any annual assessment or inspection of the Mortgaged Property that is required by Lender.

18. ENVIRONMENTAL HAZARDS.

(a) Except for matters described in Section 18(b), Borrower shall not cause or permit any of the following:

(i) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties) or any other property of Borrower that is adjacent to the Mortgaged Property;

(ii) the transportation of any Hazardous Materials to, from, or across the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties);

(iii) any occurrence or condition on the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties) or any other property of Borrower that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws;

(iv) any violation of or noncompliance with the terms of any Environmental Permit with respect to the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property;

(v) the imposition of any environmental lien against the Mortgaged Property; or

(vi) any violation or noncompliance with the terms of any O&M Program.

The matters described in clauses (i) through (vi) above, except as otherwise provided in Section 18(b), are referred to collectively in this Section 18 as "Prohibited Activities or Conditions".

(b) Prohibited Activities or Conditions shall not include lawful conditions permitted by an O&M Program or the safe and lawful use and storage of quantities of (i) pre-packaged supplies, cleaning materials, petroleum products, household products, paints, solvents, lubricants and other materials customarily used in the construction, renovation, operation, maintenance or use of comparable multifamily properties, (ii) cleaning materials, household products, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of residential dwelling units in the Mortgaged Property; and (iii) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Mortgaged Property's parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.

(c) Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Instrument) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

(d) If and as required by Lender, Borrower shall also establish a written operations and maintenance program with respect to certain Hazardous Materials. Each such operations and maintenance program and any additional or revised operations and maintenance programs established for the Mortgaged Property pursuant to this Instrument must be approved by Lender and shall be referred to herein as an "O&M Program." Borrower shall comply in a timely manner with, and cause all employees, agents, and contractors of Borrower and any other persons present on the Mortgaged Property to comply with each O&M Program. Borrower shall pay all costs of performance of Borrower's obligations under any O&M Program, and any Beneficiary Party's out-of-pocket costs incurred by such Beneficiary Party in connection with the monitoring and review of each O&M Program and Borrower's performance shall be paid by Borrower upon demand by such Beneficiary Party. Any such out-of-pocket costs of such Beneficiary Party which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12.

(e) Without limitation of the foregoing, (i) Borrower hereby agrees to implement and maintain during the entire term of the Loan the O&M Program(s) required by Lender, and (ii) if asbestos-containing materials are found to exist at the Mortgaged Property, the O&M Program with respect thereto shall be undertaken consistent with the Guidelines for Controlling Asbestos-Containing Materials in Buildings (USEPA, 1985) and other relevant guidelines and applicable Hazardous Materials Laws.

(f) With respect to any O&M Program, Lender may require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify; (ii) amendments to such O&M Program to address changing circumstances, laws or other matters, including, without limitation, variations in response to reports provided by environmental consultants; and (iii) execution of an Operations and Maintenance Agreement relating to such O&M Program satisfactory to Lender.

(g) Borrower represents and warrants to Beneficiary Parties that, except as otherwise disclosed in the Environmental Reports (as defined in the Environmental Agreement), to the best of Borrower's knowledge:

(i) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions;

(ii) to the best of Borrower's knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed, and Borrower has provided Lender with copies of all reports and information acquired in such inquiries;

(iii) the Mortgaged Property does not now contain any underground storage tanks, and, the Mortgaged Property has not contained any underground storage tanks in

the past. If there is an underground storage tank located on the Mortgaged Property that has been disclosed in the Environmental Reports, that tank complies with all requirements of Hazardous Materials Laws;

(iv) Borrower has complied with and will continue to comply with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials. Without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;

(v) no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit or Hazardous Materials Law;

(vi) there are no actions, suits, claims or proceedings pending or, to the best of Borrower's knowledge after reasonable and diligent inquiry, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition;

(vii) Borrower has not received any complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property; and

(viii) no prior Remedial Work (as defined below) has been undertaken, and no Remedial Work is ongoing, with respect to the Mortgaged Property during Borrower's ownership thereof or, to the best of Borrower's knowledge, at any time prior to Borrower's ownership thereof; and

(ix) Borrower has disclosed in the Environmental Agreement all material facts known to Borrower or contained in Borrower's records the nondisclosure of which could cause any representation or warranty made herein or any statement made in the Environmental Agreement to be false or materially misleading.

The representations and warranties in this Section 18 shall be continuing representations and warranties that shall be deemed to be made by Borrower throughout the term of the Loan, until the Indebtedness has been paid in full or otherwise discharged.

(h) Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events:

(i) Borrower's discovery of any Prohibited Activity or Condition;

(ii) Borrower's receipt of or actual knowledge of any complaint, order, notice of violation or other communication from any tenant, management agent, Governmental Authority or other person with regard to present or future alleged

Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;

(iii) Borrower's receipt of or actual knowledge of any personal injury claim, proceeding or cause of action directly or indirectly arising as a result of the presence of asbestos or other Hazardous Materials on or from the Mortgaged Property;

(iv) Borrower's discovery that any representation or warranty in this Section 18 has become untrue after the date of this Instrument; and

(v) Borrower's breach of any of its obligations under this Section 18.

Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Instrument, the Subordinate Collateral Note, or any other Subordinate Collateral Loan Document.

(i) Borrower shall pay promptly the costs of any environmental inspections, tests or audits ("Environmental Inspections") reasonably required by Lender or any Beneficiary Party in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender's consent to any Transfer under Section 21, or required by Lender following a reasonable determination by Lender that Prohibited Activities or Conditions may exist. Any such costs incurred by Lender (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses, engineers, technical consultants and investigatory fees, whether incurred in connection with any judicial or administrative process or otherwise) that Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12. The results of all Environmental Inspections made by Lender shall at all times remain the property of Lender and Lender shall have no obligation to disclose or otherwise make available to Borrower or any other party such results or any other information obtained by Lender in connection with such Environmental Inspections; provided, however, upon Borrower's request in connection with an Environmental Inspection conducted by or on behalf of Borrower and at Borrower's expense, Lender shall make available to Borrower such results or any other information obtained by Lender in connection with its Environmental Inspections. Lender hereby reserves the right, and Borrower hereby expressly authorizes Lender, to make available to any party with an interest or prospective interest in the Mortgaged Property, or otherwise affiliated with, engaged by, or otherwise under the control of any of the Beneficiary Parties, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections made by Lender with respect to the Mortgaged Property. Borrower consents to Lender notifying any such party (either as part of a notice of sale or otherwise) of the results of any of Lender's Environmental Inspections. Borrower acknowledges that Lender cannot control or otherwise ensure the truthfulness or accuracy of the results of any of its Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount which a party may bid at such sale. Borrower agrees that Lender shall have no liability whatsoever as a result of delivering the results of any of its Environmental Inspections to any third party, and Borrower hereby releases and forever discharges Lender from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any of Lender's

Environmental Inspections, except to the extent caused solely and exclusively by the gross negligence or willful misconduct of Lender or its employees, officers or any other Indemnitee.

(j) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work ("Remedial Work") is necessary to comply with or cure a violation of any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property under any Hazardous Materials Law, or is otherwise reasonably required by Lender as a consequence of any Prohibited Activity or Condition or to prevent the occurrence of a Prohibited Activity or Condition, Borrower shall, by the earlier of (i) the applicable deadline required by such Hazardous Materials Law or (ii) thirty (30) days after written notice from Lender demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by such Hazardous Materials Law. Borrower shall promptly provide Lender with a cost estimate from an environmental consultant reasonably acceptable to Lender to complete any required Remedial Work. If required by Lender, Borrower shall promptly establish with Lender a reserve fund in the amount of such estimate. If in Lender's reasonable opinion the amount reserved at any time during the Remedial Work is insufficient to cover the work remaining to complete the Remediation or achieve compliance, Borrower shall increase the amount reserved in compliance with Lender's written request. All amounts so held in reserve, until disbursed, are hereby pledged to Lender as security for payment of Borrower's obligations under this Instrument. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Borrower shall reimburse Lender on demand for the cost of doing so. Any reimbursement due from Borrower to Lender shall become part of the Indebtedness as provided in Section 12.

(k) Borrower shall comply with all Hazardous Materials Laws applicable to the Mortgaged Property. Without limiting the generality of the previous sentence, Borrower shall (i) obtain and maintain all Environmental Permits required by Hazardous Materials Laws and comply with all conditions of such Environmental Permits; (ii) cooperate with any inquiry by any Governmental Authority; and (iii) comply with any governmental or judicial order that arises from any alleged Prohibited Activity or Condition.

(l) BORROWER SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND BENEFICIARY PARTIES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, EMPLOYEES, AGENTS, ATTORNEYS, TRUSTEES, HEIRS AND LEGAL REPRESENTATIVES (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST ALL LOSSES, PROCEEDINGS, CLAIMS, DAMAGES, PENALTIES AND COSTS (WHETHER INITIATED OR SOUGHT BY GOVERNMENTAL AUTHORITIES OR PRIVATE PARTIES), INCLUDING, WITHOUT LIMITATION, FEES AND OUT-OF-POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, ENGINEERING FEES, ENVIRONMENTAL CONSULTANT FEES, INVESTIGATORY FEES, AND REMEDIATION COSTS (INCLUDING, WITHOUT LIMITATION, ANY FINANCIAL ASSURANCES REQUIRED TO BE POSTED FOR COMPLETION OF REMEDIAL WORK AND COSTS ASSOCIATED WITH ADMINISTRATIVE OVERSIGHT), AND ANY OTHER LIABILITIES OF WHATEVER KIND AND WHATEVER NATURE, WHETHER INCURRED IN CONNECTION WITH ANY JUDICIAL OR ADMINISTRATIVE PROCESS OR OTHERWISE, ARISING DIRECTLY OR INDIRECTLY FROM ANY OF THE FOLLOWING:

(i) ANY BREACH OF ANY REPRESENTATION OR WARRANTY OF BORROWER IN THIS SECTION 18;

(ii) ANY FAILURE BY BORROWER TO PERFORM ANY OF ITS OBLIGATIONS UNDER THIS SECTION 18;

(iii) THE EXISTENCE OR ALLEGED EXISTENCE OF ANY PROHIBITED ACTIVITY OR CONDITION;

(iv) THE PRESENCE OR ALLEGED PRESENCE OF HAZARDOUS MATERIALS ON OR UNDER THE MORTGAGED PROPERTY (WHETHER AS A RESULT OF ACTIVITIES ON THE MORTGAGED PROPERTY OR ON SURROUNDING PROPERTIES) OR IN ANY OF THE IMPROVEMENTS OR ON OR UNDER ANY PROPERTY OF BORROWER THAT IS ADJACENT TO THE MORTGAGED PROPERTY;

(v) THE ACTUAL OR ALLEGED VIOLATION OF ANY HAZARDOUS MATERIALS LAW;

(vi) ANY LOSS OR DAMAGE RESULTING FROM A LOSS OF PRIORITY OF THIS INSTRUMENT OR ANY OTHER SUBORDINATE COLLATERAL LOAN DOCUMENT DUE TO AN IMPOSITION OF AN ENVIRONMENTAL LIEN AGAINST THE MORTGAGED PROPERTY; AND

(vii) ANY PERSONAL INJURY CLAIM, PROCEEDING OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY ARISING AS A RESULT OF THE PRESENCE OF ASBESTOS OR OTHER HAZARDOUS MATERIALS ON OR FROM THE MORTGAGED PROPERTY.

(m) COUNSEL SELECTED BY BORROWER TO DEFEND INDEMNITEES SHALL BE SUBJECT TO THE APPROVAL OF THOSE INDEMNITEES (WHICH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED). IN ANY CIRCUMSTANCES IN WHICH THE INDEMNITY UNDER THIS SECTION 18 APPLIES, ANY BENEFICIARY PARTY MAY EMPLOY ITS OWN LEGAL COUNSEL AND CONSULTANTS TO PROSECUTE, DEFEND OR NEGOTIATE ANY CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING AT BORROWER'S EXPENSE, AND SUCH BENEFICIARY PARTY, WITH THE PRIOR WRITTEN CONSENT OF BORROWER (WHICH SHALL NOT BE UNREASONABLY WITHHELD, DELAYED OR CONDITIONED) MAY SETTLE OR COMPROMISE ANY ACTION OR LEGAL OR ADMINISTRATIVE PROCEEDING. BORROWER SHALL REIMBURSE SUCH BENEFICIARY PARTY UPON DEMAND THEREFOR, FOR ALL COSTS AND EXPENSES INCURRED BY SUCH BENEFICIARY PARTY, INCLUDING, WITHOUT LIMITATION, ALL COSTS OF SETTLEMENTS ENTERED INTO IN GOOD FAITH, AND THE FEES AND OUT OF POCKET EXPENSES OF SUCH ATTORNEYS AND CONSULTANTS.

(n) BORROWER SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF THOSE INDEMNITEES (WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED) WHO ARE NAMED AS PARTIES TO A CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING (A "CLAIM"), SETTLE OR COMPROMISE THE CLAIM IF

THE SETTLEMENT (1) RESULTS IN THE ENTRY OF ANY JUDGMENT THAT DOES NOT INCLUDE AS AN UNCONDITIONAL TERM THE DELIVERY BY THE CLAIMANT OR PLAINTIFF TO BENEFICIARY PARTIES OF A WRITTEN RELEASE OF THOSE INDEMNITEES, REASONABLY SATISFACTORY IN FORM AND SUBSTANCE TO LENDER; OR (2) MAY MATERIALLY AND ADVERSELY AFFECT BENEFICIARY PARTIES, AS DETERMINED BY LENDER IN ITS DISCRETION.

(o) BORROWER'S OBLIGATION TO INDEMNIFY THE INDEMNITEES SHALL NOT BE LIMITED OR IMPAIRED BY ANY OF THE FOLLOWING, OR BY ANY FAILURE OF BORROWER TO RECEIVE NOTICE OF OR CONSIDERATION FOR ANY OF THE FOLLOWING:

(i) ANY AMENDMENT OR MODIFICATION OF ANY SUBORDINATE COLLATERAL LOAN DOCUMENT;

(ii) ANY EXTENSIONS OF TIME FOR PERFORMANCE REQUIRED BY ANY SUBORDINATE COLLATERAL LOAN DOCUMENT;

(iii) ANY PROVISION IN ANY SUBORDINATE COLLATERAL LOAN DOCUMENT LIMITING BENEFICIARY PARTIES' RECOURSE TO PROPERTY SECURING THE INDEBTEDNESS, OR LIMITING THE PERSONAL LIABILITY OF BORROWER OR ANY OTHER PARTY FOR PAYMENT OF ALL OR ANY PART OF THE INDEBTEDNESS;

(iv) THE ACCURACY OR INACCURACY OF ANY REPRESENTATIONS AND WARRANTIES MADE BY BORROWER UNDER THIS INSTRUMENT OR ANY OTHER SUBORDINATE COLLATERAL LOAN DOCUMENT;

(v) THE RELEASE OF BORROWER OR ANY OTHER PERSON, BY BENEFICIARY PARTIES OR BY OPERATION OF LAW, FROM PERFORMANCE OF ANY OBLIGATION UNDER ANY SUBORDINATE COLLATERAL LOAN DOCUMENT;

(vi) THE RELEASE OR SUBSTITUTION IN WHOLE OR IN PART OF ANY SECURITY FOR THE INDEBTEDNESS; AND

(vii) FAILURE BY BENEFICIARY PARTIES TO PROPERLY PERFECT ANY LIEN OR SECURITY INTEREST GIVEN AS SECURITY FOR THE INDEBTEDNESS.

(p) BORROWER SHALL, AT ITS OWN COST AND EXPENSE, DO ALL OF THE FOLLOWING:

(i) PAY OR SATISFY ANY JUDGMENT OR DECREE THAT MAY BE ENTERED AGAINST ANY INDEMNITEE OR INDEMNITEES IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING INCIDENT TO ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS SECTION 18;

(ii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES PAID OR INCURRED IN CONNECTION WITH ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS SECTION 18; AND

(iii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES, INCLUDING, WITHOUT LIMITATION, FEES AND OUT OF POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, PAID OR INCURRED IN CONNECTION WITH THE ENFORCEMENT BY INDEMNITEES OF THEIR RIGHTS UNDER THIS SECTION 18, OR IN MONITORING AND PARTICIPATING IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING.

(q) THE PROVISIONS OF THIS SECTION 18 SHALL BE IN ADDITION TO ANY AND ALL OTHER OBLIGATIONS AND LIABILITIES THAT BORROWER MAY HAVE UNDER APPLICABLE LAW OR UNDER ANY OTHER SUBORDINATE COLLATERAL LOAN DOCUMENT, AND EACH INDEMNITEE SHALL BE ENTITLED TO INDEMNIFICATION UNDER THIS SECTION 18 WITHOUT REGARD TO WHETHER ANY OTHER BENEFICIARY PARTY OR THAT INDEMNITEE HAS EXERCISED ANY RIGHTS AGAINST THE MORTGAGED PROPERTY OR ANY OTHER SECURITY, OR PURSUED ANY OTHER RIGHTS AVAILABLE UNDER THE SUBORDINATE COLLATERAL LOAN DOCUMENTS OR APPLICABLE LAW. IF BORROWER CONSISTS OF MORE THAN ONE PERSON OR ENTITY, THE OBLIGATION OF THOSE PERSONS OR ENTITIES TO INDEMNIFY THE INDEMNITEES UNDER THIS SECTION 18 SHALL BE JOINT AND SEVERAL. THE OBLIGATION OF BORROWER TO INDEMNIFY THE INDEMNITEES UNDER THIS SECTION 18 SHALL SURVIVE ANY REPAYMENT OR DISCHARGE OF THE INDEBTEDNESS, ANY FORECLOSURE PROCEEDING, ANY FORECLOSURE SALE, ANY DELIVERY OF ANY DEED IN LIEU OF FORECLOSURE, AND ANY RELEASE OF RECORD OF THE LIEN OF THIS INSTRUMENT.

(r) Notwithstanding anything herein to the contrary, (i) Borrower shall have no obligation hereunder to indemnify any Indemnitee for any liability under this Section 18 to the extent that the Prohibited Activity or Condition giving rise to such liability resulted solely from the gross negligence or willful misconduct of any Indemnitee, and (ii) Borrower's liability under this Section 18 shall not extend to cover the violation of any Hazardous Materials Laws or Prohibited Activities or Conditions that first arise, commence or occur as a result of actions of Lender, its successors, assigns or designees, after the satisfaction, discharge, release, assignment, termination or cancellation of this Instrument following the payment in full of the Subordinate Collateral Note and all other sums payable under the Subordinate Collateral Loan Documents or after the actual dispossession from the entire Mortgaged Property of Borrower and all entities which control, are controlled by, or are under common control with Borrower following foreclosure of this Instrument or acquisition of the Mortgaged Property by a deed in lieu of foreclosure..

19. PROPERTY AND LIABILITY INSURANCE.

(a) Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time reasonably require, which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, business income coverage and extra expense insurance, coverage against acts of terrorism, mold and earthquake coverage. Borrower acknowledges and agrees that Lender's insurance requirements may change from time to time throughout the term of the Indebtedness. If Lender so reasonably requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. If any portion of the Improvements is at any time located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area now or hereafter having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood in an amount equal to the maximum amount available under the National Flood Insurance Program or any successor thereto.

(b) All premiums on insurance policies required under Section 19(a) shall be paid on or prior to the date such premium is due. All such policies shall also be in a form approved by Lender (which approval shall not be unreasonably withheld, conditioned or delayed). All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Subject to the rights of the Senior Lender or any other holder of a loan secured by a deed of trust or mortgage recorded prior to this Instrument, Lender shall have the right to hold the original policies or duplicate original policies of all insurance required by Section 19(a). Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to Lender the original (or a duplicate original) of a renewal policy in form satisfactory to Lender.

(c) All insurance policies and renewals of insurance policies required by this Section 19 shall be in such amounts and for such periods as Lender may from time to time require consistent with Lender's then current practices and standards, and shall be issued by insurance companies reasonably satisfactory to Lender.

(d) During any period of construction and/or rehabilitation, and at all times prior to occupancy of the Project by any tenants following the completion of the construction and/or rehabilitation of the Project in accordance with the Subordinate Collateral Loan Agreement, the following provisions shall apply, in addition to the other provisions of this Section 19 and without limiting the generality of the other provisions of this Section 19:

(i) Borrower shall provide (or cause to be provided), maintain and keep in force, the following insurance coverage:

(A) Builder's "all risk" insurance or the equivalent coverage, including theft, to insure all buildings, machinery, equipment, materials, supplies, temporary structures and all other property of any nature on-site, off-site and while in transit which is to be used in fabrication, erection, installation and construction and/or rehabilitation of the Project, and to remain in effect until the entire Project has been completed and accepted by Borrower and is first occupied by any tenants (provided that in any event, such coverage shall remain in effect until such time as Borrower has

provided Lender with evidence of property insurance covering the Improvements and meeting the requirements of this Section 19). Such insurance shall be provided on a replacement cost value basis and shall include foundations, other underground property, tenant improvements and personal property. If tenant improvements and personal property are not included in the above coverage, they may be insured separately by Borrower provided coverage is acceptable to Lender. Builders "all risk" insurance shall (i) be on a nonreporting, completed value form, (ii) cover soft costs, debris removal expense (including removal of pollutants), resulting loss and damage to property due to faulty or defective workmanship or materials and error in design or specification, loss while the property is in the care, custody and control of others to whom the property may be entrusted, (iii) provide that Borrower can complete and occupy the Mortgaged Property without further written consent from the insurer, and (iv) cover loss of income resulting from delay in occupancy and use of the Mortgaged Property due to loss. During the initial construction and/or rehabilitation of the Project and until such time as the Project is first occupied by any tenants, the Borrower shall not be required to maintain property insurance as required by this Section 19 for so long as Builder's "all risk" insurance or equivalent coverage is maintained in accordance with this paragraph.

(B) If any portion of the Mortgaged Property is or becomes located in an area identified by the United States Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 and Flood Disaster Protection Act of 1973, as amended, Borrower shall also keep the improvements and the equipment located thereon insured against loss by flood in an amount at least equal to the principal amount of the Loan or the maximum limits of coverage available with respect to the Mortgaged Property, whichever is less. All such insurance shall also cover continuing expenses not directly involved in the direct cost of construction, rehabilitation or renovation, including interest on money borrowed to finance construction, rehabilitation or renovation, continuing interest on the Loan, advertising, promotion, real estate taxes and other assessments, the cost of renegotiating leases, and other expenses incurred as the result of property loss or destruction by the insured peril. Such coverage shall not contain any monthly limitation.

(ii) If Lender fails to receive proof and evidence of the insurance required hereunder, Lender shall have the right, but not the obligation, to obtain or cause to be obtained current coverage and in its sole discretion, advance funds to pay the premiums for it. If Lender makes an advance for such purpose, Borrower shall repay such advance immediately on demand therefor, and such advance shall be considered to be a demand loan to Borrower bearing interest at the Default Rate (as defined by the Subordinate Collateral Note) and secured by the Mortgaged Property.

(e) Borrower shall maintain at all times commercial general liability insurance, workers' compensation insurance and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time reasonably require, consistent with Lender's then current practices and

standards (and from and after the Conversion Date, any applicable Credit Enhancer Insurance Standards).

(f) Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

(g) In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Subject to the rights of the Senior Lender or any other holder of a loan secured by a deed of trust or mortgage recorded prior to this Instrument, Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such property damage insurance policies, to collect and receive the proceeds of property damage insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require Lender to incur any expense or take any action. Lender may, at Lender's option, (i) hold the balance of such proceeds to be used to reimburse Borrower for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or to a condition approved by Lender (the "Restoration"), or (ii) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall apply the proceeds in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar multifamily properties.

(h) Lender shall not exercise its option to apply insurance proceeds to the payment of the Indebtedness if all of the following conditions are met: (i) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (ii) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration (and complete construction of the Project in accordance with the Subordinate Collateral Loan Agreement and the Plans and Specifications, as defined in the Senior Loan Documents, if such construction has not been completed at such time); (iii) Lender determines, in its discretion, that the net operating income generated by the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (iv) Lender determines, in its discretion, that the Restoration will be completed before the earlier of (A) one year before the maturity date of the Subordinate Collateral Note (or one year before the Outside Conversion Date, if Conversion has not yet occurred) or (B) one year after the date of the loss or casualty; and (v) upon Lender's request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained pursuant to this Instrument.

(i) If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

(j) Unless Lender otherwise agrees in writing, any application of any insurance proceeds to the Indebtedness shall not extend or postpone the due date of any annual installments referred to in the

Subordinate Collateral Note or change the amount of such installments, except as provided in the Subordinate Collateral Note.

(k) Borrower agrees to execute such further evidence of assignment of any insurance proceeds as Lender may require.

(l) Borrower further agrees that to the extent that Borrower obtains any form of property damage insurance for the Mortgaged Property or any portion thereof that insures perils not required to be insured against by Lender, such policy of property damage insurance shall include a standard mortgagee clause and shall name Lender as loss payee and, within ten (10) days following Borrower's purchase of such additional insurance, Borrower shall cause to be delivered to Lender a duplicate original policy of insurance with respect to such policy. Any insurance proceeds payable to Borrower under such policy shall be additional security for the Indebtedness and Lender shall have the same rights to such policy and proceeds as it has with respect to insurance policies required by Lender pursuant to this Section 19 (except that Lender shall not require that the premium for such additional insurance be included among the Imposition Deposits).

20. CONDEMNATION.

(a) Borrower shall promptly notify Lender in writing of any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a "Condemnation"), and shall deliver to the Lender copies of any and all papers served in connection with such Condemnation. Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 20 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.

(b) Subject to the rights of the Senior Lender or any other holder of a loan secured by a deed of trust or mortgage recorded prior to this Instrument, Lender may apply such awards or proceeds, after the deduction of Lender's expenses incurred in the collection of such amounts (including, without limitation, fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees, whether incurred in connection with any judicial or administrative process or otherwise), at Lender's option, to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness in accordance with the provisions of the Subordinate Collateral Note as to application of payments to the Indebtedness, with the balance, if any, to Borrower. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of payments due under the Subordinate Collateral Note or change the amount of such payments, except as otherwise provided in the Subordinate Collateral Note. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

Borrower covenants that it shall comply with all applicable legal requirements or internal requirements of Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect. Without limiting the foregoing, Borrower shall not take any action, or permit any action to be taken, that would cause Borrower's representations and warranties in this Section 20 to become untrue or inaccurate at any time during the term of the Loan. Upon Lender's request from time to time during the term of the Loan, Borrower shall certify in writing to Lender that Borrower's representations, warranties and obligations under this Section 20 remain true and correct in all material respects and have not been breached, and in addition, upon request of Lender, Borrower covenants to provide all information required to satisfy requesting Lender's obligations under all applicable legal requirements or internal requirements of Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, during the term of the Loan. Borrower shall immediately notify Lender in writing of Borrower's actual knowledge that any of such representations, warranties or covenants are no longer true and have been breached or if Borrower has a reasonable basis to believe that they may no longer be true or have been breached or that any other violation of the applicable legal requirements or internal requirements of Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, has occurred or is being investigated by Governmental Authorities. In connection with such an event, Borrower shall comply with all applicable legal requirements or internal requirements of Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect and directives of Governmental Authorities and, at Lender's request, provide to Lender copies of all notices, reports and other communications exchanged with, or received from, Governmental Authorities relating to such an event. Borrower shall also reimburse Lender for any expense incurred by Lender in evaluating the effect of such an event on the Loan and Lender's interest in the collateral for the Loan, in obtaining necessary license from Governmental Authorities as may be necessary for Lender to enforce its rights under the Subordinate Collateral Loan Documents, and in complying with all applicable legal requirements or internal requirements of Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect applicable to Lender as a result of the existence of such an event and for any penalties or fines imposed upon Lender as a result thereof.

21. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER.

(a) The occurrence of any of the following events shall constitute an Event of Default under this Instrument:

(i) other than the lien of this Instrument and the Permitted Encumbrances, a Transfer of all or any part of the Mortgaged Property or any interest in the Mortgaged Property;

(ii) a Transfer of a Controlling Interest in Borrower;

(iii) a Transfer of a Controlling Interest in any entity which owns, directly or indirectly through one or more intermediate entities, a Controlling Interest in Borrower;

(iv) if Borrower is a trust, the termination or revocation of such trust; unless the trust is terminated as a result of the death of an individual trustor, in which event Lender must be notified and such Borrower must be replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c)

hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged);

(v) the merger, dissolution, liquidation, or consolidation of (i) Borrower, or (ii) any legal entity holding, directly or indirectly, a Controlling Interest in Borrower;

(vi) a conversion of Borrower from one type of legal entity into another type of legal entity (including the conversion of a general partnership into a limited partnership and the conversion of a limited partnership into a limited liability company), whether or not there is a Transfer; if such conversion results in a change in any assets, liabilities, legal rights or obligations of Borrower (or of any general partner of Borrower, as applicable), by operation of law or otherwise;

(vii) a Transfer of the economic benefits or right to cash flows attributable to the ownership interests in Borrower, separate from the Transfer of the underlying ownership interests, unless the Transfer of the underlying ownership interests would otherwise not be prohibited by this Instrument; and

(viii) the filing, recording, or consent to filing or recording of any plat or map subdividing, replatting or otherwise affecting the Mortgaged Property or any other replat or subdivision of the Mortgaged Property, whether or not any such action affects the priority of the lien of this Instrument.

Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 21.

(b) The occurrence of any of the following events shall not constitute an Event of Default under this Instrument, notwithstanding any provision of Section 21(a) to the contrary (each, a "Permitted Transfer"):

(i) a Transfer to which Lender has consented;

(ii) except as provided in Section 21(a)(vi) and (vii), a Transfer that occurs by devise, descent, pursuant to the provisions of a trust, or by operation of law upon the death of a natural person;

(iii) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;

(iv) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by or permitted pursuant to the Subordinate Collateral Loan Documents or consented to by Lender;

(v) the grant of an easement, servitude, or restrictive covenant if, before the grant, Lender determines that the easement, servitude, or restrictive covenant will not materially affect the operation or value of the Mortgaged Property or Lender's

interest in the Mortgaged Property, and Borrower pays to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request;

(vi) the creation of a mechanic's, materialman's, or judgment lien against the Mortgaged Property which is released of record or otherwise remedied to Lender's satisfaction within 45 days after Borrower has actual or constructive notice of the existence of such lien; and

(vii) the conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under this Instrument.

(c) Lender shall consent to a Transfer that would otherwise violate this Section 21 if, prior to the Transfer, Borrower has satisfied each of the following requirements:

(i) the submission to Lender of all information required by Lender to make the determination required by this Section 21(c);

(ii) the absence of any Event of Default;

(iii) the transferee meets all of the eligibility, credit, management, and other standards (including any standards with respect to previous relationships between Lender and the transferee and the organization of the transferee) customarily applied by Lender at the time of the proposed Transfer to the approval of borrowers in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by Lender in exchange for such additional conditions as Lender may require;

(iv) the Mortgaged Property, at the time of the proposed Transfer, meets all standards as to its physical condition that are customarily applied by Lender at the time of the proposed Transfer to the approval of properties in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by Lender in exchange for such additional conditions as Lender may require;

(v) if transferor or any other person has obligations under any Subordinate Collateral Loan Document, the execution by the transferee or one or more individuals or entities acceptable to Lender of an assumption agreement that is acceptable to Lender and that, among other things, requires the transferee to perform all obligations of transferor or such person set forth in such Subordinate Collateral Loan Document, and may require that the transferee comply with any provisions of this Instrument or any other Subordinate Collateral Loan Document which previously may have been waived by Lender;

(vi) Lender's receipt of all of the following:

(A) a non refundable review fee in the amount of $3,000 and a transfer fee equal to 1 percent of the outstanding Indebtedness immediately prior to the Transfer; and

(B) Borrower's reimbursement of all of Lender's out-of-pocket costs (including reasonable attorneys' fees) incurred in reviewing the Transfer request, to the extent such expenses exceed $3,000; and

(vii) Borrower has agreed to Lender's conditions to approve such Transfer, which may include, but are not limited to (A) providing additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of the Mortgaged Property, and (B) amending the Subordinate Collateral Loan Documents to (i) delete any specially negotiated terms or provisions previously granted for the exclusive benefit of transferor and (ii) restore to original provisions of the standard Lender's form multifamily loan documents, to the extent such provisions were previously modified.

(d) For purposes of this Section, the following terms shall have the meanings set forth below:

(i) A Transfer of a "**Controlling Interest**" shall mean:

(A) with respect to any entity, the following:

(1) if such entity is a general partnership or a joint venture, a Transfer of any general partnership interest or joint venture interest which would cause the Initial Owners to own less than 51% of all general partnership or joint venture interests in such entity;

(2) if such entity is a limited partnership, (A) a Transfer of any general partnership interest, or (B) a Transfer of any partnership interests which would cause the Initial Owners to own less than 51% of all limited partnership interests in such entity;

(3) if such entity is a limited liability company or a limited liability partnership, (A) a Transfer of any membership or other ownership interest which would cause the Initial Owners to own less than 51% of all membership or other ownership interests in such entity, (B) a Transfer of any membership, or other interest of a manager, in such entity that results in a change of manager, or (C) a change of the non-member manager;

(4) if such entity is a corporation (other than a Publicly-Held Corporation) with only one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than 51% of voting stock in such corporation;

(5) if such entity is a corporation (other than a Publicly-Held Corporation) with more than one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than a sufficient number

of shares of voting stock having the power to elect the majority of directors of such corporation; and

(6) if such entity is a trust (other than a Publicly-Held Trust), the removal, appointment or substitution of a trustee of such trust other than (A) in the case of a land trust, or (B) if the trustee of such trust after such removal, appointment, or substitution is a trustee identified in the trust agreement approved by Lender; and/or

(B) any agreement (including provisions contained in the organizational and/or governing documents of Borrower) or Transfer not specified in clause (A), the effect of which, either immediately or after the passage of time or occurrence of a specified event or condition, including the failure of a specified event or condition to occur or be satisfied, would (i) cause a change in or replacement of the Person that controls the management and operations of the Borrower or (ii) limit or otherwise modify the extent of such Person's control over the management and operations of Borrower.

(ii) "**Publicly-Held Corporation**" shall mean a corporation the outstanding voting stock of which is registered under Section 12(b) or 12(g) of the Securities and Exchange Act of 1934, as amended.

(iii) "**Publicly-Held Trust**" shall mean a real estate investment trust the outstanding voting shares or beneficial interests of which are registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

(e) Lender shall be provided with written notice of all Transfers under this Section 21, whether or not such Transfers are permitted under Section 21(b) or approved by Lender under Section 21(c), no later than 10 days prior to the date of the Transfer.

22. EVENTS OF DEFAULT. The occurrence of any one or more of the following shall constitute an Event of Default under this Instrument:

(a) (i) any failure by Borrower to pay or deposit any payment of principal, interest, any payment with a specified due date, or any other scheduled payment or deposit required by the Subordinate Collateral Note, this Instrument or any other Subordinate Collateral Loan Document when such payment or deposit is due or (ii) any failure by Borrower to pay or deposit any unscheduled payment or deposit, or other payment or deposit without a specified due date, required by the Subordinate Collateral Note, this Instrument or any other Subordinate Collateral Loan Document, within five (5) days after written notice from Lender;

(b) any failure by Borrower to maintain the insurance coverage required by Section 19;

(c) any failure by Borrower to comply with the provisions of Section 33;

(d) fraud or material misrepresentation or material omission by Borrower, or any of its respective officers, directors, trustees, general partners, managing members, managers, agents or representatives in connection with (i) the application for the Loan, (ii) any financial statement, rent roll,

or other report or information provided to Lender during the term of the Indebtedness, or (iii) any request for Lender's consent to any proposed action;

(e) any of Borrower's representations and warranties in this Instrument is false or misleading in any material respect;

(f) any Event of Default under Section 21;

(g) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's sole and reasonable judgment, will result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property;

(h) any failure by Borrower to perform or comply with any of its obligations under this Instrument (other than those specified in this Section 22), as and when required, which continues for a period of thirty (30) days after written notice of such failure by Lender to Borrower; provided, however, if such failure is susceptible of cure but cannot reasonably be cured within such thirty (30) day period, and the Borrower shall have commenced to cure such failure within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for an additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such failure, such additional period not to exceed sixty (60) days. However, no such notice or grace period shall apply to the extent such failure will, in Lender's sole and reasonable judgment, absent immediate exercise by Lender of a right or remedy under this Instrument, result in harm to Lender, impairment of the Subordinate Collateral Note or this Instrument or any other security given under any other Subordinate Collateral Loan Document;

(i) any failure by Borrower to perform any of its obligations as and when required under any Subordinate Collateral Loan Document other than this Instrument which continues beyond all applicable notice, grace and cure periods, if any, specified in that Subordinate Collateral Loan Document;

(j) any exercise by the holder of any debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable;

(k) the occurrence of a Bankruptcy Event;

(l) any Event of Default (as defined in any of the Subordinate Collateral Loan Documents);

(m) any breach of, or event of default under, any other document or agreement relating to the Loan or the provision of low income housing tax credits to the Mortgaged Property to which Borrower is a party, which continues beyond the expiration of all applicable notice, grace and cure periods thereunder;

(n) any amendment, modification, waiver or termination of any of the provisions of Borrower's Organizational Documents without the prior written consent of Lender (which consent shall not be unreasonably withheld, conditioned or delayed), other than (i) modifications necessary to reflect the occurrence of a Permitted Transfer or (ii) modifications that do not: (A) impose any additional or greater obligations on Borrower or any of the partners, managers or members of Borrower, (B) reduce or

relieve Borrower or any of the partners, managers or members of Borrower of any of their obligations, (C) modify the timing, amounts, number, conditions or other terms of the installments or other payment obligations of the partners or members of Borrower or (D) impair the collateral for the Loan; provided, however, that Borrower shall promptly provide to Lender a copy of any modifications to Borrower's Organizational Documents that do not require Lender's consent;

(o) (i) any breach of any Material Property Agreement by Borrower or its officers, directors, employees, agents or tenants that continues beyond all applicable notice, grace and cure periods; or (ii) any failure by Borrower or its officers, directors, employees, partners or agents to deliver concurrently (in case of notices given) or promptly (in case of notices received) copies of any and all notices received or given thereby to Lender with respect to any Material Property Agreement;

(p) if Borrower is a trust, the termination or revocation of any such trust; unless the trust is terminated as a result of the death of an individual trustor, in which event Lender must be notified and such Borrower must be replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged); or

23. REMEDIES CUMULATIVE. Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument or any other Subordinate Collateral Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

24. FORBEARANCE.

(a) Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Instrument, the Subordinate Collateral Note, or any other Subordinate Collateral Loan Document; release anyone liable for the payment of any amounts under this Instrument, the Subordinate Collateral Note, or any other Subordinate Collateral Loan Document; accept a renewal of the Subordinate Collateral Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Subordinate Collateral Note or change the amount of the monthly installments payable under the Subordinate Collateral Note; and otherwise modify this Instrument, the Subordinate Collateral Note, or any other Subordinate Collateral Loan Document.

(b) Any forbearance by Lender in exercising any right or remedy under the Subordinate Collateral Note, this Instrument, or any other Subordinate Collateral Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy, or the subsequent exercise of any right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender.

Lender's receipt of any awards or proceeds under Sections 19 and 20 shall not operate to cure or waive any Event of Default.

25. LOAN CHARGES. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in any Subordinate Collateral Loan Document, whether considered separately or together with other charges levied in connection with any other Subordinate Collateral Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the principal of the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness which constitutes interest, as well as all other charges levied in connection with the Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note.

26. WAIVER OF STATUTE OF LIMITATIONS. BORROWER HEREBY WAIVES THE RIGHT TO ASSERT ANY STATUTE OF LIMITATIONS AS A BAR TO THE ENFORCEMENT OF THE LIEN OF THIS INSTRUMENT OR TO ANY ACTION BROUGHT TO ENFORCE ANY SUBORDINATE COLLATERAL LOAN DOCUMENT.

27. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Instrument, the Subordinate Collateral Note, any other Subordinate Collateral Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Instrument waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Instrument.

28. FURTHER ASSURANCES. Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements or amendments, transfers and assurances as Lender may reasonably require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Instrument and the Subordinate Collateral Loan Documents. In furtherance thereof, on the request of Lender, Borrower shall re-execute or ratify any of the Subordinate Collateral Loan Documents or execute any other documents or take such other actions as may be necessary to effect the assignment, pledge or other transfer of the Loan to any party that may purchase, insure, credit enhance or otherwise finance all or any part of the Loan, including, without limitation, any Credit Enhancer (including Freddie Mac or Fannie Mae), the U.S. Department of Housing and Urban Development, or any insurance company, conduit lender or any other lender or investor.

29. ESTOPPEL CERTIFICATE. Within 10 days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any

person designated by Lender, as of the date of such statement, (i) that the Subordinate Collateral Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Subordinate Collateral Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Subordinate Collateral Note; (iii) the date to which interest under the Subordinate Collateral Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Instrument or any of the other Subordinate Collateral Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Subordinate Collateral Loan Documents; and (vi) any additional facts reasonably requested by Lender.

30. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE.

(a) This Instrument, and any Subordinate Collateral Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the Property Jurisdiction.

(b) Borrower and Lender each agrees that any controversy arising under or in relation to the Subordinate Collateral Note, this Instrument, or any other Subordinate Collateral Loan Document shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies that shall arise under or in relation to the Subordinate Collateral Note, any security for the Indebtedness, or any other Subordinate Collateral Loan Document. Borrower and Lender each irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing in this Section 30 is intended to limit Lender's right to bring any suit, action or proceeding relating to matters under this Instrument in any court of any other jurisdiction.

31. NOTICE.

(a) All notices, demands and other communications required or permitted to be given by Lender to Borrower pursuant to this Instrument shall be in writing, addressed as set forth below, and shall include a reference to "Citi Deal ID # 23847." Each notice shall be deemed given on the earliest to occur of (a) the date when the notice is received by the addressee; (b) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (c) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

To Borrower: Wisconsin Street Housing, LP
330 W. Victoria Street
Gardena, CA 90248-3527
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660

Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

With a copy to:

Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

With a copy to:

Rick Morrow
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Fax: 512-305-4800

With a copy to:

Garnet LIHTC Fund XLVIII, LLC
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attention: John Condon

If to Lender:	City of Edinburg _____ _____
With a copy to:	[TO BE ADDED]
And to:	Citibank, N.A. 390 Greenwich Street, 2nd Floor New York, New York 10013 Attention: Account Specialist Deal ID # 23847 Facsimile: (212) 723-8209
	Citibank, N.A. 325 East Hillcrest Drive, Suite 160 Thousand Oaks, California 91360 Attention: Operations Manager/Asset Manager Deal ID #: 23847 Facsimile: (805) 557-0924
Prior to the Conversion Date:	Citibank, N.A. 390 Greenwich Street, 2nd Floor New York, New York 10013 Attention: Account Specialist Deal ID # 23847 Facsimile: (212) 723-8209
Following the Conversion Date:	Citibank, N.A. c/o Berkadia Commercial Servicing Department 323 Norristown Road, Suite 300 Amber, PA 19002 Attention: Client Relations Manager Deal ID # 23847 Facsimile: (215) 328-0305
And a copy of any notices of default sent to:	Citibank, N.A. 388 Greenwich Street New York, New York 10013 Attention: General Counsel's Office Deal ID No. 23847 Facsimile: (646) 291-5754

Any party may change such party's address for the notice or demands required under this Instrument by providing written notice of such change of address to the other parties by written notice as provided herein.

(b) Any notice under the Subordinate Collateral Note and any other Subordinate Collateral Loan Document that does not specify how notices are to be given shall be given in accordance with this Section 31.

32. CHANGE IN SERVICER. If there is a change of the Servicer, Borrower will be given notice of the change.

33. SINGLE ASSET BORROWER. Until the Indebtedness is paid in full, Borrower (a) shall not acquire any real or personal property other than the Mortgaged Property and personal property related to the operation and maintenance of the Mortgaged Property; (b) shall not operate any business other than the management and operation of the Mortgaged Property; and (c) shall not maintain its assets in a way difficult to segregate and identify.

34. SUCCESSORS AND ASSIGNS BOUND. This Instrument shall bind, and the rights granted by this Instrument shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower.

35. JOINT AND SEVERAL LIABILITY. If more than one person or entity signs this Instrument as Borrower, the obligations of such persons and entities shall be joint and several. Notwithstanding anything to the contrary set forth in this Instrument, Wisconsin Street Housing GP, LLC, a Texas limited liability company (together with its successors and assigns), shall have no liability under this Agreement, except as specifically provided for in the Subordinate Collateral Note. Notwithstanding anything to the contrary set forth in this Instrument, except as set forth in the Subordinate Collateral Note, neither Borrower nor any person or entity that holds a direct or indirect ownership interest in the Borrower, and the respective officers, directors, managers, partners, trustees, agents, employees and affiliates of such owners shall have any personal liability under this Instrument for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under this Instrument, and Lender's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness.

36. RELATIONSHIP OF PARTIES; NO THIRD PARTY BENEFICIARY.

(a) The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Instrument shall create any other relationship between Lender and Borrower.

(b) No creditor of any party to this Instrument and no other person (other than a holder of the Subordinate Collateral Note and Servicer) shall be a third party beneficiary of this Instrument or any other Subordinate Collateral Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement (a "Servicing Arrangement") between Lender and any Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower shall not be a third party beneficiary of any Servicing Arrangement, and (iii) no payment by Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

37. SEVERABILITY; AMENDMENTS. The invalidity or unenforceability of any provision of this Instrument shall not affect the validity or enforceability of any other provision, and all other provisions shall remain in full force and effect. This Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Instrument. This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought; provided, however, that in the event of a Transfer (other than a Permitted Transfer), any or some or all of the Modifications to Instrument set forth in Section 3 of Exhibit B (if any) (which amend Section 21(b) of this Instrument) may be modified or rendered void by Lender at Lender's option to the extent that such modifications were negotiated exclusively for the benefit of the transferor, by notice to Borrower or the transferee.

38. CONSTRUCTION. The captions and headings of the sections of this Instrument are for convenience only and shall be disregarded in construing this Instrument. Any reference in this Instrument to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Instrument or to a Section of this Instrument. All Exhibits attached to or referred to in this Instrument are incorporated by reference into this Instrument. Any reference in this Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Instrument includes the plural and use of the plural includes the singular. As used in this Instrument, the term "including" means "including, but not limited to."

39. SERVICER.

(a) Borrower further acknowledges that Lender may from time to time and in accordance with the terms of the Subordinate Collateral Loan Agreement, appoint a Servicer or a replacement servicer to collect payments, escrows and deposits, to give and receive notices under the Subordinate Collateral Note, this Instrument, or the other Subordinate Collateral Loan Documents, and to otherwise service the Loan. Borrower hereby acknowledges and agrees that, unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by Servicer with the same force and effect, including, without limitation, the collection of payments, the giving of notice, the holding of escrows, inspection of the Mortgaged Property, inspections of books and records, the request for documents or information, and the granting of consents and approvals. Borrower further agrees that, unless Lender instructs Borrower to the contrary in writing, (i) any notices, books or records, or other documents or information to be delivered under this Instrument, the Subordinate Collateral Note, or any other Subordinate Collateral Loan Document shall also be simultaneously delivered to the Servicer at the address provided for notices to Servicer pursuant to Section 31 hereof, (ii) any payments to be made under the Subordinate Collateral Note or for escrows under Section 7 of this Instrument or under any of the other Subordinate Collateral Loan Documents shall be made to Servicer. In the event Borrower receives conflicting notices regarding the identity of the Servicer or any other subject, any such notice from Lender shall govern.

(b) Borrower further acknowledges and agrees that, for the purpose of determining whether a security interest is created or perfected under the Uniform Commercial Code of the Property Jurisdiction, any escrows or other funds held by Servicer pursuant to the Subordinate Collateral Loan Documents shall be deemed to be held by Lender.

40. DISCLOSURE OF INFORMATION. Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including but not limited to trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Without limiting the generality of the foregoing, without notice to or the consent of Borrower, Lender may disclose to any title insurance company which insures any interest of Lender under this Instrument (whether as primary insurer, coinsurer or reinsurer) any information, data or material in its possession relating to Borrower, the Loan, the Improvements or the Mortgaged Property. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including but not limited to any right of privacy.

41. NO CHANGE IN FACTS OR CIRCUMSTANCES. Borrower warrants that all information in Borrower's application for the Loan and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with Borrower's application for the Loan are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

42. SUBROGATION. If, and to the extent that, the proceeds of the Loan are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a "Prior Lien"), such loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

43. FINANCING STATEMENT. As provided in Section 2, this Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture and for the purposes of such financing statement: (a) the Debtor shall be Borrower and the Secured Party shall be Lender; (b) the addresses of Borrower as Debtor and of Lender as Secured Party are as specified above in the first paragraph of this Instrument; (c) the name of the record owner is Borrower; (d) the types or items of collateral consist of any part of the Mortgaged Property which is or may become a Fixture; and (e) the organizational identification number of Borrower (if any) as Debtor is set forth on Exhibit C.

44. STATE SPECIFIC PROVISIONS [RESERVED].

45. ATTACHED EXHIBITS. The following Exhibits are attached to this Instrument and are incorporated by reference herein as if more fully set forth in the text hereof:

☒ Exhibit A Description of the Land.

☒ Exhibit B Modifications to Instrument.

☒ Exhibit C Financing Statement Information.

The terms of this Instrument are modified and supplemented as set forth in said Exhibits. To the extent of any conflict or inconsistency between the terms of said Exhibits and the text of this Instrument, the terms of said Exhibits shall be controlling in all respects.

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46. WAIVER OF TRIAL BY JURY.

TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER AND LENDER EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Instrument or caused this Instrument to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

WISCONSIN STREET HOUSING, LP, a Texas limited partnership

By: Wisconsin Street Housing GP, LLC, a Texas limited liability company, its General Partner

By: Casa Linda Development Corporation, a Texas corporation, its Managing Member

By:_____
Linda S. Brown,
President

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2016, by Linda S. Brown, President of Casa Linda Development Corporation, a Texas corporation, on behalf of said corporation, Managing Member of Wisconsin Street Housing GP, LLC, a Texas limited liability company, acting in its capacity as general partner of WISCONSIN STREET HOUSING, LP, a Texas limited partnership.

_____
Notary Public, State of Texas

EXHIBIT A

DESCRIPTION OF THE LAND

EXHIBIT B

MODIFICATIONS TO INSTRUMENT

The following modifications are made to the text of the Instrument that precedes this Exhibit:

1. Section 3(a) is deleted in its entirety and replaced with the following:

   a. As part of the consideration for the Indebtedness, Borrower grants a security interest to Lender in the Rents, in accordance with the Texas Assignment of Rents Act (codified as Chapter 64 of the Texas Property Code). Notwithstanding any other provision hereof or in any of the Subordinate Collateral Loan Documents to the contrary, all provisions related to the assignment of rents are subject to the terms, provisions, and conditions of the Texas Assignment of Rents Act ("**TARA**"), as codified in Tex. Prop. Code, Chapter 64, as the same may be amended, modified or supplemented from time to time. To the extent that specific terms and requirements of this Instrument or any other Subordinate Collateral Loan Document, including the Subordinate Collateral Loan Agreement, conflict with the specific terms and requirements of TARA, (i) to the extent such terms and requirements of TARA may be superseded by an agreement between the parties, the specific terms and requirements of this Instrument or the other Subordinate Collateral Loan Documents hereby supercede such specific terms and requirements of TARA; and (ii) to the extent that such terms and requirements of TARA cannot be superseded by an agreement between the parties, the specific terms and requirements of TARA shall control, and the parties further agree that all other terms and requirements of this Instrument or the other Subordinate Collateral Loan Documents shall not otherwise be impaired or superseded thereby and shall remain in full force and effect. This Instrument is intended to be a Security Instrument for purposes of TARA and the Indebtedness shall be a secured obligation for purposes of TARA. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments as Lender may from time to time reasonably require to effect the terms of this Section 3(a). Borrower and Lender intend this assignment and grant of a security interest of Rents to be an assignment for security of the Indebtedness. Rents shall be deemed to be a part of the "**Mortgaged Property**". It is the intention of the Borrower that this Instrument create and perfect a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Instrument.

2. Section 21(a) of the Instrument is amended by adding the following at the end of such Section:

"(xii) notwithstanding anything to the contrary herein or in Borrower's Organizational Documents, a Transfer or pledge of an interest in Borrower or any partner or member of Borrower to a 501(c)(3) nonprofit corporation, or a limited liability company whose sole member is a 501(c)(3) nonprofit corporation, without the prior written consent of Lender following full review and underwriting by Lender of the proposed transferee."

3. Section 21(b) of the Instrument is amended by adding the following at the end of such Section:

"(viii) Provided that (i) Borrower owns the Mortgaged Property and remains the borrower under the Note and (ii) Tax Credit Partners IV, L.P., a California limited partnership, or its

permitted transferee (the "Equity Investor"), has not less than a 99.99% partnership interest in Borrower:

(A) the removal by Equity Investor of Borrower's managing general partner (the "Managing General Partner") as managing general partner of Borrower and its replacement as managing general partner by Equity Investor, Equity Investor Sponsor (as hereinafter defined), an affiliate of Equity Investor or an affiliate of Equity Investor Sponsor, which removal shall be in accordance with the terms of the amended and restated partnership agreement of Borrower, provided that (i) the entity replacing the removed Managing General Partner must be a single purpose entity, and (ii) after such replacement, Equity Investor Sponsor, the Equity Investor, an affiliate of Equity Investor Sponsor and/or an affiliate of Equity Investor must own not less than 51% of the managing general partnership interests, managing member interests or controlling shareholder interests, as applicable, in the entity which replaced the removed Managing General Partner (as used herein, "Equity Investor Sponsor" means Transamerica Affordable Housing, Inc., AEGON, N.V. and each of their respective affiliates, successors and assigns); or

(B) (i) a Transfer of general partnership interests in Equity Investor of Borrower to (A) an affiliate of Equity Investor, Equity Investor Sponsor or an affiliate of Equity Investor Sponsor, or (B) an entity whose management is controlled by Equity Investor, Equity Investor Sponsor, an affiliate of Equity Investor Sponsor or an affiliate of Equity Investor, or (ii) so long as Victoria Capital, LLC, a California limited liability company, remains or Equity Investor Sponsor or an affiliate of Equity Investor Sponsor is the sole managing general partner, sole manager or sole general partner, as applicable, of Equity Investor, the Transfer of non-managing partnership interests or limited partnership interests, as applicable, in Equity Investor; or

(C) a Transfer of limited partnership interests in Borrower to any entity of which an affiliate of Equity Investor or Equity Investor Sponsor (or their respective successors in interest) is the general partner, or managing member, or controlling shareholder."

"(ix) A Transfer of non-managing partnership interests in the Managing General Partner held by a member of the Managing General Partner, to (A) non-minor immediate family members; or (B) trusts established for the benefit of the transferor and/or immediate family members; provided, however, that (1) such Transfer of ownership interests will not cause a change in the management and control of Managing General Partner, and after which Transfer, the managing member of Managing General Partner shall maintain the same right and ability to manage and control Borrower and Managing General Partner as existed prior to the Transfer and (2) Lender shall be provided with advance written notice of all such Transfers permitted under this Section 21(b)(ix) no later than 5 days before the date of the Transfer."

"(x) A Transfer of the managing member interest in the Managing General Partner to a wholly-owned affiliate of such managing member of the Managing General Partner."

Borrower must provide Lender with: (i) advance written notice of the identity of any entity replacing the Managing General Partner or a Guarantor pursuant to this Section 21(b), and (ii) upon request by Lender from time to time, the names of all owners of interests in Borrower, whether such interests are owned directly or indirectly."

4. Section 21(c) of the Instrument is amended by adding the following at the end of such Section:

(x) Notwithstanding the foregoing, the one percent (1%) transfer fee and the $3,000 review fee described above shall not be due in the event of a Permitted Transfer in accordance with the terms of Section 21(b); provided that the transferor and the transferee shall be required to comply with all other requirements of this Section 21(c).

5. Section 31(a) of the Instrument is amended to add the following at the end of such Paragraph:

"Lender agrees that, so long as Equity Investor has a continuing ownership interest in Borrower, effective notice to Borrower under the Subordinate Collateral Loan Documents shall require delivery of a copy of such notice to Equity Investor. Such notice shall be given in the manner provided in this Section 31(a), at Equity Investor's address set forth below:

Tax Credit Partners IV, L.P.
c/o Victoria Capital, LLC
330 West Victoria Street
Gardena, CA 90248
Attention: Legal Department

And to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

And to:

Garnet LIHTC Fund XLVIII, LLC
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And to:

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

And to:

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attention: John Condon

Lender agrees that, notwithstanding its rights to invoke the remedies permitted by Section 44 of the Instrument, upon the breach of any covenant or agreement by Borrower in this Instrument (including, but not limited to, the covenants to pay when due sums secured by this Instrument) or any other Subordinate Collateral Loan Document, Lender shall not, so long as Equity Investor has a continuing ownership interest in Borrower, conduct a foreclosure sale of the Mortgaged Property or receive a deed-in-lieu of foreclosure, until such time as Equity Investor has first been given 30 days written notice of such default and has failed, within such 30-day period to cure such default; provided, however, that Lender shall be entitled, during such 30-day period, to continue to accelerate the Note and to pursue its remedies."

6. Section 44 is deleted in its entirety and replaced with the following:

44. ACCELERATION; REMEDIES.

Except as otherwise expressly provided in the Subordinate Collateral Loan Documents, at any time during the existence and continuance of an Event of Default, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by Texas law or provided in this Instrument or in any other Subordinate Collateral Loan Document. Borrower acknowledges that the power of sale granted in this Instrument may be exercised by Lender without prior judicial hearing. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing such remedies, including reasonable attorneys' fees, costs of documentary evidence, abstracts and title reports.

If Lender invokes the power of sale, Lender may, by and through the Trustee, or otherwise, sell or offer for sale the Mortgaged Property in such portions, order and parcels as Lender may determine, with or without having first taken possession of the Mortgaged Property, to the highest bidder for cash at public auction. Such sale shall be made at the designated place in the county in which all or any part of the Land to be sold is situated (whether the parts or parcel, if any, situated in different counties are contiguous or not, and without the necessity of having any Personalty present at such sale) on the first Tuesday of any month between the hours of 10:00 a.m. and 4:00 p.m., after advertising the time, place and terms of sale and that portion of the Mortgaged Property to be sold by posting or causing to be posted written or printed notice of sale at least twenty-one (21) days before the date of the sale at the designated place in the county in which the sale is to be made and at the designated place in any other county in which a portion of the Land may be situated, and by filing such notice with the County Clerk(s) of the county(s) in

which all or a portion of the Land may be situated, which notice may be posted and filed by the Trustee acting, or by any person acting for the Trustee, and Lender has, at least twenty-one (21) days before the date of the sale, served written or printed notice of the proposed sale by certified mail on each debtor obligated to pay the Indebtedness according to Lender's records by the deposit of such notice, enclosed in a postpaid wrapper, properly addressed to such debtor at debtor's most recent address as shown by Lender's records, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service.

Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Mortgaged Property so sold in fee simple with covenants of general warranty. Borrower covenants and agrees to defend generally the purchaser's title to the Mortgaged Property against all claims and demands. The recitals in Trustee's deed shall be prima facie evidence of the truth of the statements contained in those recitals. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including reasonable Trustee's fees not to exceed 2% of the gross sale price (unless higher fees are customary in the jurisdiction where the Mortgaged Property is located) and attorneys' fees and costs of title evidence; (b) to the Indebtedness in such order as Lender, in Lender's discretion, directs; and (c) the excess, if any, to the person or persons legally entitled to the excess.

If all or any part of the Mortgaged Property is sold pursuant to this Section 44, Borrower will be divested of any and all interest and claim to the Mortgaged Property, including any interest or claim to all insurance policies, utility deposits, bonds, loan commitments and other intangible property included as a part of the Mortgaged Property. Additionally, after a sale of all or any part of the Land, Improvements, Fixtures and Personalty, Borrower will be considered a tenant at sufferance of the purchaser of the same, and the purchaser shall be entitled to immediate possession of such property. If Borrower shall fail to vacate the Mortgaged Property immediately, the purchaser may and shall have the right, without further notice to Borrower, to go into any justice court in any precinct or county in which the Mortgaged Property is located and file an action in forcible entry and detainer, which action shall lie against Borrower or its assigns or legal representatives, as a tenant at sufferance. This remedy is cumulative of any and all remedies the purchaser may have under this Instrument or otherwise.

In any action for a deficiency after a foreclosure under this Instrument occurring prior to the Conversion Date, if any person against whom recovery is sought requests the court in which the action is pending to determine the fair market value of the Mortgaged Property, as of the date of the foreclosure sale, the following shall be the basis of the court's determination of fair market value:

(a) the Mortgaged Property shall be valued "as is" and in its condition as of the date of foreclosure, and no assumption of increased value because of post-foreclosure repairs, refurbishment, restorations or improvements shall be made;

(b) any adverse effect on the marketability of title because of the foreclosure or because of any other title condition not existing as of the date of this Instrument shall be considered;

(c) the valuation of the Mortgaged Property shall be based upon an assumption that the foreclosure purchaser desires a prompt resale of the Mortgaged Property for cash within a six month-period after foreclosure;

(d) although the Mortgaged Property may be disposed of more quickly by the foreclosure purchaser, the gross valuation of the Mortgaged Property as of the date of foreclosure shall be discounted for a hypothetical reasonable holding period (not to exceed six months) at a monthly rate equal to the

average monthly interest rate on the Subordinate Collateral Note for the twelve months before the date of foreclosure;

(e) the gross valuation of the Mortgaged Property as of the date of foreclosure shall be further discounted and reduced by reasonable estimated costs of disposition, including brokerage commissions, title policy premiums, environmental assessment and clean-up costs, tax and assessment, prorations, costs to comply with legal requirements and attorneys' fees;

(f) expert opinion testimony shall be considered only from a licensed appraiser certified by the State of Texas and, to the extent permitted under Texas law, a member of the Appraisal Institute, having at least five years' experience in appraising property similar to the Mortgaged Property in the county where the Mortgaged Property is located, and who has conducted and prepared a complete written appraisal of the Mortgaged Property taking into considerations the factors set forth in this Instrument; no expert opinion testimony shall be considered without such written appraisal;

(g) evidence of comparable sales shall be considered only if also included in the expert opinion testimony and written appraisal referred to in the preceding paragraph; and

(h) an affidavit executed by Lender to the effect that the foreclosure bid accepted by Trustee was equal to or greater than the value of the Mortgaged Property determined by Lender based upon the factors and methods set forth in subparagraphs (a) through (g) above before the foreclosure shall constitute prima facie evidence that the foreclosure bid was equal to or greater than the fair market value of the Mortgaged Property on the foreclosure date.

Lender may, at Lender's option, comply with these provisions in the manner permitted or required by Title 5, Section 51.002 of the Texas Property Code (relating to the sale of real estate) or by Chapter 9 of the Texas Business and Commerce Code (relating to the sale of collateral after default by a debtor), as those titles and chapters now exist or may be amended or succeeded in the future, or by any other present or future articles or enactments relating to same subject. Unless expressly excluded, the Mortgaged Property shall include Rents collected before a foreclosure sale, but attributable to the period following the foreclosure sale, and Borrower shall pay such Rents to the purchaser at such sale. At any such sale:

(a) whether made under the power contained in this Instrument, Section 51.002, the Texas Business and Commerce Code, any other legal requirement or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it shall not be necessary for Trustee to have physically present, or to have constructive possession of, the Mortgaged Property (Borrower shall deliver to Trustee any portion of the Mortgaged Property not actually or constructively possessed by Trustee immediately upon demand by Trustee) and the title to and right of possession of any such property shall pass to the purchaser as completely as if the property had been actually present and delivered to the purchaser at the sale;

(b) each instrument of conveyance executed by Trustee shall contain a general warranty of title, binding upon Borrower;

(c) the recitals contained in any instrument of conveyance made by Trustee shall conclusively establish the truth and accuracy of the matters recited in the Instrument, including nonpayment of the Indebtedness and the advertisement and conduct of the sale in the manner provided in this Instrument and otherwise by law and the appointment of any successor Trustee;

(d) all prerequisites to the validity of the sale shall be conclusively presumed to have been satisfied;

(e) the receipt of Trustee or of such other party or officer making the sale shall be sufficient to discharge to the purchaser or purchasers for such purchaser(s)' purchase money, and no such purchaser or purchasers, or such purchaser(s)' assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication of such purchase money;

(f) to the fullest extent permitted by law, Borrower shall be completely and irrevocably divested of all of Borrower's right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold, and such sale shall be a perpetual bar to any claim to all or any part of the property sold, both at law and in equity, against Borrower and against any person claiming by, through or under Borrower; and

to the extent and under such circumstances as are permitted by law, Lender may be a purchaser at any such sale.

7. The following new Sections are added to the Instrument after the last numbered Section:

47. **RECOURSE LIABILITY**. So long as Equity Investor has a continuing ownership interest in Borrower, the provisions of Section 9 of the Subordinate Collateral Note, as they relate to Events of Default described in Section 9(d) of the Subordinate Collateral Note, shall be operative only after Equity Investor has been given thirty (30) days notice of the applicable Event(s) of Default described in Section 9(d) of the Subordinate Collateral Note, together with an opportunity within such thirty (30) day period to remedy the applicable Event(s) of Default. In all events, Lender shall be entitled during such thirty (30) day period to exercise all of its rights and remedies under this Instrument upon the occurrence of such Event of Default other than foreclosure of the Mortgaged Property.

48. **SENIOR LOAN.** Notwithstanding anything to the contrary set forth in this Instrument and/or the other Subordinate Collateral Loan Documents, all of the rights of Lender and obligations of Borrower under this Instrument and the other Subordinate Collateral Loan Documents are subject and subordinate to the obligations of Borrower to, and rights of, Senior Lender under the Senior Loan Documents.

49. EXTENDED LOW-INCOME HOUSING COMMITMENT. Lender agrees that the lien of this Instrument shall be subordinate to any extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) (the "Extended Use Agreement") recorded against the Mortgaged Property; provided that such Extended Use Agreement, by its terms, must terminate upon foreclosure under this Instrument or upon a transfer of the Mortgaged Property by instrument in lieu of foreclosure, in accordance with Section 42(h)(6)(E) of the Internal Revenue Code.

50. **ANNUAL LIHTC REPORTING REQUIREMENTS**. Borrower must submit to Lender each year at the time of annual submission of Borrower's financial analysis of operations, a copy of the following sections of Borrower's federal tax return: Internal Revenue Forms 1065, 8586, 8609 and Form 8609, Schedule A, which must reflect the total low-income housing tax credits ("LIHTCs") allocated to the Mortgaged Property and the LIHTCs claimed for the Mortgaged Property in the preceding year.

51. **CROSS-DEFAULT**. Borrower acknowledges and agrees that (a) any failure by Borrower or the Project to qualify for low income housing tax credits pursuant to the provisions of Section 42 of the Internal

Revenue Code and (b) any default, event of default, or breach (however such terms may be defined) after the expiration of all applicable notice, grace and/or cure periods under the Extended Use Agreement, or as otherwise provided by the agency in the Property Jurisdiction responsible for monitoring the low income housing tax credit program shall be an Event of Default under this Instrument and that any costs, damages or other amounts, including reasonable attorney's fees incurred by Lender as a result of such an Event of Default by Borrower, including amounts paid to cure any default or event of default, under the Extended Use Agreement shall be an obligation of Borrower and become a part of the Indebtedness secured by this Instrument.

52. **ANNUAL COMPLIANCE**. Borrower shall submit to Lender on an annual basis, evidence that the Mortgaged Property is in ongoing compliance with all income, occupancy and rent restrictions under the Extended Use Agreement relating to the Mortgaged Property. Such submissions shall be made contemporaneously with Borrower's reports required to be made to the regulator under the Extended Use Agreement

53. [RESERVED].

54. TRUSTEE.

(a) Trustee may resign by giving of notice of such resignation in writing to Lender. If Trustee shall die, resign or become disqualified from acting under this Instrument or shall fail or refuse to act in accordance with this Instrument when requested by Lender or if for any reason and without cause Lender shall prefer to appoint a substitute trustee to act instead of the original Trustee named in this Instrument or any prior successor or substitute trustee, Lender shall have full power to appoint a substitute trustee and, if preferred, several substitute trustees in succession who shall succeed to all the estate, rights, powers and duties of the original Trustee named in this Instrument. Such appointment may be executed by an authorized officer, agent or attorney-in-fact of Lender (whether acting pursuant to a power of attorney or otherwise), and such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by Lender.

(b) Any successor Trustee appointed pursuant to this Section shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of the predecessor Trustee with like effect as if originally named as Trustee in this Instrument; but, nevertheless, upon the written request of Lender or such successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and monies held by the Trustee ceasing to act to the successor Trustee.

Trustee may authorize one or more parties to act on Trustee's behalf to perform the ministerial functions required of Trustee under this Instrument, including the transmittal and posting of any notices.

55. ADDITIONAL PROVISIONS REGARDING ASSIGNMENT OF RENTS.

In no event shall the assignment of Rents or Leases in Section 3 and Section 4 cause the Indebtedness to be reduced by an amount greater than the Rents actually received by Lender and applied by Lender to the

Indebtedness, whether before, during or after (i) an Event of Default, or (ii) a suspension or revocation of the license granted to Borrower in Section 3(b) with regard to the Rents. Borrower and Lender specifically intend that the assignment of Rents and Leases in Section 3 and Section 4 is not intended to result in a pro tanto reduction of the Indebtedness. The assignment of Rents and Leases in Section 3 and Section 4 is not intended to constitute a payment of, or with respect to, the Indebtedness and, therefore, Borrower and Lender specifically intend that the Indebtedness shall not be reduced by the value of the Rents and Leases assigned. Such reduction shall occur only if, and to the extent that, Lender actually receives Rents pursuant to Section 3 and applies such Rents to the Indebtedness. Borrower agrees that the value of the license granted with regard to the Rents equals the value of the absolute assignment of Rents to Lender. The assignment of Rents contained in Section 3 and Section 4 shall automatically terminate upon the release of this Instrument.

56. LOAN CHARGES.

Borrower and Lender intend at all times to comply with the laws of the State of Texas governing the maximum rate or amount of interest payable on or in connection with the Indebtedness (or applicable United States federal law to the extent that it permits Lender 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 payable under the Subordinate Collateral Note, this Instrument or any other Subordinate Collateral Loan Document, or contracted for, charged, taken, reserved or received with respect to the Indebtedness, or if acceleration of the maturity of the Indebtedness, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by any applicable law, then Borrower and Lender expressly intend that all excess amounts collected by Lender shall be applied to reduce the unpaid principal balance of the Indebtedness (or, if the Indebtedness has been or would thereby be paid in full, shall be refunded to Borrower), and the provisions of the Subordinate Collateral Note, this Instrument and the other Subordinate Collateral Loan Documents immediately shall be deemed reformed and the amounts thereafter collectible under the Subordinate Collateral Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Subordinate Collateral Loan Documents. The right to accelerate the maturity of the Indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the Indebtedness until payment in full so that the rate or amount of interest on account of the Indebtedness does not exceed the applicable usury ceiling. Notwithstanding any provision contained in the Note, this Instrument or any other Subordinate Collateral Loan Document that permits the compounding of interest, including any provision by which any accrued interest is added to the principal amount of the Indebtedness, the total amount of interest that Borrower is obligated to pay and Lender is entitled to receive with respect to the Indebtedness shall not exceed the amount calculated on a simple (i.e., noncompounded) interest basis at the maximum rate on principal amounts actually advanced to or for the account of Borrower, including all current and prior advances and any advances made pursuant to the Instrument or any other Subordinate Collateral Loan Document (such as for the payment of Impositions and similar expenses or costs).

57. ENTIRE AGREEMENT.

THIS INSTRUMENT, THE SUBORDINATE COLLATERAL NOTE AND THE OTHER SUBORDINATE COLLATERAL LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT

BETWEEN THE PARTIES AND CANNOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

58. 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 HIM 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. BORROWER HEREBY INDEMNIFIES TRUSTEE AGAINST ALL OUT-OF-POCKET LIABILITY TO A THIRD PARTY AND REASONABLE EXPENSES THAT HE MAY INCUR IN THE PERFORMANCE OF HIS DUTIES HEREUNDER, EXCEPT TO THE EXTENT THE SAME RESULTS FROM TRUSTEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

59. MISCELLANEOUS

(a) Final Maturity of Indebtedness. The final maturity of the Indebtedness shall be the maturity date as stated in the Subordinate Collateral Note.

All capitalized terms used in this Exhibit not specifically defined herein shall have the meanings set forth in the text of the Instrument that precedes this Exhibit.

BORROWER'S INITIALS: _____

EXHIBIT C

FINANCING STATEMENT INFORMATION

1.	Name and Address of Debtor:	Wisconsin Street Housing, LP 330 W. Victoria Gardena, CA 90248-3527 With a copy to: Casa Linda Development Corporation 2010 Kessler Parkway Dallas, Texas 75208 Attention: Linda S. Brown Fax: 888.811.2360
2.	State of Formation:	Texas
	Type of Entity:	Limited Partnership
	Organizational I.D.#:	802275219
3.	Name and Address of Secured Party:	City of Edinburg Lender Address For Notices: _____ _____
4.	The Collateral is:	Fixtures (as that term is described in the Uniform Commercial Code of Property State attached to the Land described in Exhibit A attached to this Instrument.

EXCEPTIONS TO NON-RECOURSE GUARANTY
(Project Owner Subordinate Loan)

THIS EXCEPTIONS TO NON-RECOURSE GUARANTY (this "Guaranty") is entered into as of the ___ day of May, 2016, by HIGHRIDGE COSTA HOUSING PARTNERS, LLC, a Delaware limited liability company (collectively, "Guarantor", whether one or more), for the benefit of Beneficiary Parties (as defined below). The date of this Guaranty as set forth above is for reference purposes only, and this Guaranty will not be effective and binding until the Closing Date (as defined by the Loan Agreement).

RECITALS:

A. WISCONSIN STREET HOUSING, LP, a Texas limited partnership (the "Borrower") has applied to City of Edinburg (the "Lender"), for a loan (the "Project Owner Subordinate Loan") for the development and/or operation of a 128-unit multifamily residential project located in Edinburg, Hidalgo County, Texas, known or to be known as The Heights Apartments (the "Mortgaged Property").

B. Simultaneously with the execution of this Guaranty and as a part of the same transaction, the Borrower has executed and delivered to the Lender the Multifamily Permanent Subordinate Note (the "Project Owner Subordinate Note") in the maximum principal amount of $1,275,000.00, together with the other Project Owner Subordinate Loan Documents (each as hereinafter defined), which are intended to evidence and secure the Project Owner Subordinate Loan.

C. The Project Owner Subordinate Loan is secured by, among other things, that certain Subordinate Multifamily Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing (the "Project Owner Subordinate Security Instrument"), dated as of the date hereof, encumbering the property described on Exhibit A attached thereto, and incorporated by reference herein.

D. Lender has collaterally assigned the Project Owner Subordinate Loan to Citibank, N.A. ("Bank").

E. The Project Owner Subordinate Loan will be advanced to Borrower as provided for in that certain Subordinate Loan Agreement ("Loan Agreement") dated as of the date hereof between Lender and Bank, and joined in by Borrower (the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument, the Loan Agreement and all other documents governing, securing, and/or evidencing the Project Owner Subordinate Loan, including this Guaranty, are collectively referred to as the "Project Owner Subordinate Loan Documents").

F. The term "Beneficiary Parties" as used herein shall mean Lender, any Servicer and their respective successors and assigns. The term "Beneficiary Parties" shall also include any lawful owner, holder or pledgee of the Project Owner Subordinate Note.

G. As a condition to the making of the Project Owner Subordinate Loan, Beneficiary Parties require that Guarantor execute this Guaranty.

H. Guarantor will directly or indirectly derive a material financial benefit from the making of the Project Owner Subordinate Loan.

NOW, THEREFORE, in order to induce Lender to make the Project Owner Subordinate Loan to Borrower, and in consideration thereof, Guarantor agrees as follows:

1. **Defined Terms**. Capitalized terms used but not defined in this Guaranty shall have the meanings assigned to them in the Project Owner Subordinate Security Instrument.

2. **Scope of Guaranty**. Guarantor represents to Beneficiary Parties that Guarantor has a direct or indirect ownership in Borrower and/or will otherwise derive a material financial benefit from the making of the Project Owner Subordinate Loan. Guarantor hereby does jointly, severally and unconditionally guaranty to Beneficiary Parties the full and prompt payment when due, whether at maturity or earlier, by reason of acceleration or otherwise, and at all times thereafter, and the full and prompt performance when due, of all of the following (collectively, the "Guaranteed Obligations"):

(a) All amounts for which Borrower is personally liable under the Project Owner Subordinate Note, including, without limitation, all amounts under Section 9 of the Project Owner Subordinate Note.

(b) The payment and performance of all of Borrower's obligations under Section 18 of the Project Owner Subordinate Security Instrument (the "Environmental Provisions") and under that certain Agreement of Environmental Indemnification dated as of the date hereof from Borrower and Guarantor for the benefit of Beneficiary Parties (the "Environmental Agreement").

(c) All costs and expenses, including out of pocket expenses and reasonable fees of attorneys and expert witnesses, incurred by Beneficiary Parties in enforcing their rights under this Guaranty.

For purposes of determining Guarantor's liability under this Guaranty, all payments made by Borrower with respect to the Indebtedness and all amounts received by Beneficiary Parties from the enforcement of their rights under the Project Owner Subordinate Security Instrument or the other Project Owner Subordinate Loan Documents shall be applied first to the portion of the Indebtedness for which neither Borrower nor Guarantor has personal liability.

3. **Guarantor's Obligations Survive Foreclosure**. The obligations of Guarantor under this Guaranty shall survive any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the Project Owner Subordinate Security Instrument or the other Project Owner Subordinate Loan Documents, and, in addition, the obligations of Guarantor relating to Borrower's obligations under Section 18 of the Project Owner Subordinate Security Instrument (Environmental Hazards) and under Section 6 of the Environmental Agreement shall survive any repayment or discharge of the Indebtedness.

4. **Guaranty of Payment and Performance**. Guarantor's obligations under this Guaranty constitute an unconditional and continuing guaranty of payment and performance and not merely a guaranty of collection. Guarantor hereby irrevocably and unconditionally covenants and agrees that Guarantor is liable for the Guaranteed Obligations as a primary obligor. The Guaranteed Obligations and this Guaranty are separate, distinct and in addition to any liability and/or obligations that Borrower or Guarantor may have under any other guaranty or indemnity executed by Borrower or Guarantor in connection with the Project Owner Subordinate Loan, and no other agreement, guaranty or indemnity executed in connection with the Project Owner Subordinate Loan shall act to reduce or set off any of Guarantor's liability hereunder.

5. **Unconditional Guaranty**. The obligations of Guarantor under this Guaranty shall be performed without demand by Beneficiary Parties and shall be unconditional irrespective of the genuineness, validity, regularity or enforceability, in whole or in part, of the Guaranteed Obligations, the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument or any other Project Owner Subordinate Loan Document, and without regard to any other circumstance which might otherwise constitute a legal or equitable discharge of a surety, a guarantor, a borrower or a mortgagor. Guarantor hereby waives the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety, a guarantor, a borrower or a mortgagor. Guarantor hereby waives the benefits of any right of discharge under any and all statutes or other laws relating to a guarantor, a surety, a borrower or a mortgagor, and any other rights of a guarantor, a surety, a borrower or a mortgagor, thereunder. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Guaranty, the Security Documents, and/or the other Project Owner Subordinate Loan Documents, Guarantor hereby waives, to the fullest extent permitted by law, diligence in collecting the Indebtedness, presentment, demand for payment, protest, all notices with respect to the Project Owner Subordinate Note and this Guaranty which may be required by statute, rule of law or otherwise to preserve Beneficiary Parties' rights against Guarantor under this Guaranty, including, but not limited to, notice of acceptance, notice of any amendment of the Project Owner Subordinate Loan Documents, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, and notice of the incurring by Borrower of any obligation or indebtedness. Guarantor also waives, to the fullest extent permitted by law, all rights to require Beneficiary Parties to (a) proceed against Borrower or any other guarantor of Borrower's payment or performance with respect to the Indebtedness (an "Other Guarantor"), (b) if Borrower or any Other Guarantor is a partnership, proceed against any general partner of Borrower or the Other Guarantor, (c) proceed against or exhaust any collateral held by Beneficiary Parties to secure the repayment of the Indebtedness, (d) pursue any other remedy it may now or hereafter have against Borrower, or, if Borrower is a partnership, any general partner of Borrower, or (e) record the Project Owner Subordinate Security Instrument or to file any financing statement or to otherwise enforce, perfect, protect, secure or insure any lien or security interest given as security in connection with the Security Documents. Guarantor further waives, to the fullest extent permitted by applicable law, (a) any right to revoke this Guaranty as to any future advances under the Project Owner Subordinate Security Instrument or the other Project Owner Subordinate Loan Documents, (b) any defenses that could arise with respect to an amendment or modification of the Guaranteed Obligations by operation of law, action of any court or the amendment of any of the Project Owner Subordinate Loan Documents, (c) any defense that Beneficiary Parties have waived any Guaranteed Obligation by failing to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy and (d) any other event or circumstance that may constitute a defense of Borrower or Guarantor to payment of the Guaranteed Obligations.

6. **Modification of Project Owner Subordinate Loan Documents**. At any time or from time to time and any number of times, without notice to Guarantor and without affecting the liability of Guarantor, (a) the time for payment of the principal of or interest on the Indebtedness may be extended or the Indebtedness may be renewed in whole or in part; (b) the time for Borrower's performance of or compliance with any covenant or agreement contained in the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument or any other Project Owner Subordinate Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived; (c) the maturity of the Indebtedness may be accelerated as provided in the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument, or any other Project Owner Subordinate Loan Document; (d) the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument, or any other Project Owner

Subordinate Loan Document may be modified or amended by Beneficiary Parties and Borrower in any respect, including, but not limited to, an increase in the principal amount; and (e) any security for the Indebtedness may be modified, exchanged, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Indebtedness.

7. **Joint and Several Liability**. If more than one person executes this Guaranty, the obligations of those persons under this Guaranty and any Other Guarantor shall be joint and several. Beneficiary Parties, in their sole and absolute discretion, may (a) bring suit against Guarantor, or any one or more of the persons constituting Guarantor, and any Other Guarantor, jointly and severally, or against any one or more of them; (b) compromise or settle with any one or more of the persons constituting Guarantor or any Other Guarantor for such consideration as Beneficiary Parties may deem proper; (c) release one or more of the persons constituting Guarantor, or any Other Guarantor, from liability; and/or (d) otherwise deal with Guarantor and any Other Guarantor, or any one or more of them, in any manner, and no such action shall impair the rights of Beneficiary Parties to collect from Guarantor any amount guaranteed by Guarantor under this Guaranty. Nothing contained in this paragraph shall in any way affect or impair the rights or obligations of Guarantor with respect to any Other Guarantor.

8. **Subordination of Borrower's Indebtedness to Guarantor**. Any indebtedness of Borrower held by Guarantor now or in the future is and shall be subordinated to the Indebtedness of Borrower to Beneficiary Parties under the Project Owner Subordinate Loan Documents. After the occurrence and during the continuance of an Event of Default or the occurrence and during the continuance of an event which would, with the giving of notice or the passage of time, or both, constitute an Event of Default, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any amount of such indebtedness until the Guaranteed Obligations are paid in full. To the extent that Guarantor receives payment of any of the indebtedness of Borrower in violation of the preceding sentence, the same shall be collected, enforced and received by Guarantor, as trustee for Beneficiary Parties, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

9. **Waiver of Subrogation**. Guarantor agrees to withhold the exercise of any and all subrogation and reimbursement rights against Borrower, against any other person, and against any collateral or security for the Indebtedness and Guarantor shall have no right of, and hereby waives any claim for, subrogation or reimbursement against Borrower or any managing member or general partner of Borrower by reason of any payment by Guarantor under this Guaranty, whether such right or claim arises at law or in equity or under any contract or statute, until (a) the Indebtedness has been indefeasibly paid and satisfied in full, (b) all obligations owed to Beneficiary Parties have been fully performed, (c) there has expired the maximum possible period thereafter during which any payment made by Borrower to Beneficiary Parties with respect to the Indebtedness, could be deemed a preference under the United States Bankruptcy Code and (d) Lender has released, transferred or disposed of all its right, title and interest in such collateral or security.

10. **Preference**. If any payment by Borrower is held to constitute a preference under any applicable bankruptcy, insolvency, or similar laws, or if for any other reason any of Beneficiary Parties is required to refund any sums to Borrower, such refund shall not constitute a release of any liability of Guarantor under this Guaranty. It is the intention of Beneficiary Parties and Guarantor that Guarantor's obligations under this Guaranty shall not be discharged except by Guarantor's or Borrower's (or by a party on Guarantor's and/or Borrower's behalf) performance of such obligations and then only to the extent of such performance.

11. **Reinstatement**. If at any time any payment of any amounts due under the Project Owner Subordinate Loan Documents by Borrower, Guarantor or any other Person is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of Borrower or Guarantor or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment has been due but not made at such time.

12. **Guarantor's Financial Condition.**

(a) Guarantor hereby represents and warrants to Beneficiary Parties that as of the date hereof and throughout the term of the Project Owner Subordinate Loan, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor is and will be solvent and has and will have (i) assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and (ii) property and assets sufficient to satisfy and repay its obligations and liabilities. Guarantor hereby covenants and agrees that during the term of the Project Owner Subordinate Loan, except for the payment of employee salaries and benefits and dividends in the ordinary course of business, it shall not sell, pledge, mortgage or otherwise transfer any of its assets, or any interest therein, on terms materially less favorable than would be obtained in an arms-length transaction for fair consideration.

(b) Guarantor hereby represents and warrants to Beneficiary Parties that all financial statements and other financial data previously delivered to Lender in connection with the application for the Project Owner Subordinate Loan and/or this Guaranty relating to the Guarantor are true, correct and complete in all material respects. Such financial statements fairly present the financial positions of all Persons who are the subjects thereof as of the respective dates thereof. Guarantor further represents and warrants to Beneficiary Parties that, except as previously disclosed to Lender in writing, no material adverse change has occurred as of the date hereof and no material adverse change shall have occurred as of the date of each advance of the Project Owner Subordinate Loan, in such financial position, or in the business, operations, assets, management, ownership, condition (financial or otherwise) or prospects of Guarantor, since the respective dates of such financial statements and financial data. Except as otherwise previously disclosed to Lender in writing, Guarantor has no knowledge of any material contractual obligations of Guarantor which might have a material adverse effect upon the ability of Guarantor to perform Guarantor's obligations under this Guaranty.

(c) Guarantor shall furnish or cause to be furnished to Lender: (i) within ten (10) days of Lender's request, a copy of the most recent year's federal tax return for such Guarantor, and (ii) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year of Guarantor, copies of the following financial statements of Guarantor for such fiscal year, prepared, and audited by an independent certified public accountant reasonably acceptable to Lender, in accordance with generally accepted accounting principles: (A) a balance sheet as of the end of such fiscal year (including supporting schedules), and (B) a statement of income and capital accounts for such fiscal year.

(d) Guarantor shall from time to time, upon request by Lender, deliver to Lender such other financial statements as Lender may reasonably require.

13. **(RESERVED).**

14. **(RESERVED)**.

15. **Determinations by Lender**. Except to the extent expressly set forth in this Guaranty to the contrary, in any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Guaranty, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Lender, as applicable (or its designated representative) at its sole and exclusive option and in its sole, absolute and reasonable discretion.

16. **Governing Law**. This Guaranty shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

17. **Consent to Jurisdiction and Venue**. Guarantor and the Beneficiary Parties each agrees that any controversy arising under or in relation to this Guaranty shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Guaranty. Guarantor and the Beneficiary Parties each irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Beneficiary Parties' right to bring any suit, action or proceeding relating to matters arising under this Guaranty against Guarantor or any of Guarantor's assets in any court of any other jurisdiction.

18. **Successors and Assigns**. This Guaranty shall be binding upon Guarantor and its heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, and shall inure to the benefit of the Beneficiary Parties and their respective successors, successors-in-interest and assigns. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, of such parties. References to a "person" or "persons" shall be deemed to include individuals and entities. Guarantor acknowledges and agrees that any Beneficiary Party, at its option, may assign its respective rights and interests under this Guaranty and the other Project Owner Subordinate Loan Documents in whole or in part and upon such assignment all the terms and provisions of this Guaranty or the other Project Owner Subordinate Loan Documents shall inure to the benefit of such assignee to the extent so assigned. Guarantor may not assign or delegate its rights, interests or obligations under this Guaranty without first obtaining Lender's prior written consent.

19. **Severability**. The invalidity, illegality or unenforceability of any provision of this Guaranty shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

20. **Expenses**. Guarantor shall pay to the Beneficiary Parties, upon demand therefor, the amount of any and all expenses, including, without limitation, reasonable attorneys' fees (including reasonable time charges of attorneys who may be employees of Beneficiary Parties), which the Beneficiary Parties may incur in connection with (a) the exercise or enforcement of any of their rights hereunder, (b) the failure by Guarantor to perform or observe any of the provisions hereof, or (c) the breach by Guarantor of any representation or warranty of Guarantor set forth herein. Guarantor shall also pay to the Beneficiary Party who incurs any such expenses, interest on such expenses computed at the Default Rate set forth in the Project Owner Subordinate Note from the date on which such expenses are incurred to the date of payment thereof.

21. **Remedies Cumulative**. In the event of Guarantor's default under this Guaranty, and such default is not cured within thirty (30) days after Lender's delivery to Guarantor of written notice thereof, or if any Event of Default is then existing under and as defined in the Project Owner Subordinate Security Instrument, the Beneficiary Parties may exercise all or any one or more of their rights and remedies available under this Guaranty, at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent the Beneficiary Parties from exercising any other right or remedy available to the Beneficiary Parties. The Beneficiary Parties may exercise any such remedies from time to time as often as may be deemed necessary by the Beneficiary Parties.

22. **No Agency or Partnership**. Nothing contained in this Guaranty shall constitute any Beneficiary Party as a joint venturer, partner or agent of Guarantor, or render any Beneficiary Party liable for any debts, obligations, acts, omissions, representations or contracts of Guarantor.

23. **Entire Agreement; Amendment and Waiver**. This Guaranty contains the complete and entire understanding of the parties with respect to the matters covered herein. Guarantor acknowledges that Guarantor has received copies of the Project Owner Subordinate Note, the Environmental Agreement and all other Project Owner Subordinate Loan Documents. This Guaranty may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Guaranty shall be considered as a general waiver.

24. **Further Assurances**. Guarantor shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that any Beneficiary Party may reasonably request, in order to protect any right or interest granted by this Guaranty or to enable the Beneficiary Party to exercise and enforce its rights and remedies under this Guaranty.

25. **Notices; Change of Guarantor's Address**. All notices given under this Guaranty shall be in writing and shall be sent to the respective addresses of the parties, in the manner set forth in the Project Owner Subordinate Security Instrument. Notices to Guarantor may be sent to the address of Borrower set forth in the Project Owner Subordinate Security Instrument. Guarantor agrees to notify Lender (in the manner for giving notices provided in the Project Owner Subordinate Security Instrument) of any change in Guarantor's address within ten (10) Business Days after such change of address occurs.

26. **Counterparts**. To the extent Guarantor consists of more than one party, this Guaranty may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

27. **Captions**. The captions of the sections of this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.

28. **Servicer**. Guarantor hereby acknowledges and agrees that, pursuant to the terms of the Project Owner Subordinate Security Instrument: (a) from time to time, Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under the Project Owner Subordinate Note, this Guaranty or the other Project Owner Subordinate Loan Documents, and to otherwise service the Project Owner

Subordinate Loan and (b) unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by such servicer with the same force and effect.

29. **Beneficiary Parties as Third Party Beneficiary**. Each of the Beneficiary Parties shall be a third party beneficiary of this Guaranty for all purposes.

30. **Waiver of Trial by Jury**. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF GUARANTOR AND THE BENEFICIARY PARTIES (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS GUARANTY OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

31. **Time of the Essence**. Time is of the essence with respect to this Guaranty.

32. **Modifications**. All modifications (if any) to the terms of this Guaranty ("Modifications") are set forth on Exhibit A attached to this Guaranty. In the event of a Transfer under the terms of the Project Owner Subordinate Security Instrument, some or all of the Modifications to this Guaranty may be modified or rendered void by Lender at its option by notice to Guarantor.

33. **Attached Exhibits**. The following Exhibits are attached to this Guaranty and are incorporated by reference herein as if more fully set forth in the text hereof:

Exhibit A – Modifications to Exceptions to Non-Recourse Guaranty
Exhibit B – [RESERVED]

The terms of this Guaranty are modified and supplemented as set forth in said Exhibits. To the extent of any conflict or inconsistency between the terms of said Exhibits and the text of this Guaranty, the terms of said Exhibits shall be controlling in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Exceptions to Non-Recourse Guaranty or caused this Exceptions to Non-Recourse Guaranty to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

GUARANTOR:

HIGHRIDGE COSTA HOUSING PARTNERS, LLC,
a Delaware limited liability company

By:_____
Michael A. Costa, President

Address:

330 West Victoria Street
Gardena, California 90248
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

And a copy to:

Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

(acknowledgment follows on subsequent page)

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 the document.

STATE OF CALIFORNIA
COUNTY OF _____
On _____ ____, 20____ before me,_____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature: _____

(affix seal in above space)

EXHIBIT A

Modifications to Exceptions to Non-Recourse Guaranty

The following modifications are made to the text of the Guaranty that precedes this Exhibit:

[NONE]

AGREEMENT OF ENVIRONMENTAL INDEMNIFICATION

THIS AGREEMENT OF ENVIRONMENTAL INDEMNIFICATION (this "Agreement") is entered into as of the ___ day of May, 2016, by WISCONSIN STREET HOUSING, LP, a Texas limited partnership ("Borrower"); and HIGHRIDGE COSTA HOUSING PARTNERS, LLC, a Delaware limited liability company (collectively, "Guarantor", whether one or more); and together with Borrower, collectively the "Indemnitor", for the benefit of Beneficiary Parties (as defined herein). The date of this Agreement as set forth above is for reference purposes only, and this Agreement will not be effective and binding until the Closing Date (as defined by the Project Owner Subordinate Loan Agreement).

RECITALS:

A. The Borrower has applied to City of Edinburg (the "Lender") for a loan (the "Project Owner Subordinate Loan") in the amount of $1,275,000.00, for the development and/or operation of a 128-unit multifamily residential project located in Edinburg, Hidalgo County, Texas, known or to be known as The Heights Apartments (the "Mortgaged Property").

B. Simultaneously with the execution of this Agreement and as a part of the same transaction, the Borrower has executed and delivered to the Lender the Multifamily Permanent Subordinate Note (the "Project Owner Subordinate Note") in the maximum principal amount of $1,275,000.00, together with the other Project Owner Subordinate Loan Documents (each as hereinafter defined), which are intended to evidence and secure the Project Owner Subordinate Loan.

C. The Project Owner Subordinate Loan is secured by, among other things, that certain Subordinate Multifamily Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing (the "Project Owner Subordinate Security Instrument"), dated as of the date hereof, encumbering the Mortgaged Property, incorporated by reference herein, and will be advanced to Borrower pursuant to that certain Subordinate Loan Agreement ("Project Owner Subordinate Loan Agreement") dated as of the date hereof between Lender, Citibank, N.A. ("Bank"), and Borrower (the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument, the Project Owner Subordinate Loan Agreement and all other documents governing, securing, and/or evidencing the Project Owner Subordinate Loan, including this Agreement, are collectively referred to as the "Project Owner Subordinate Loan Documents").

D. The term "Beneficiary Parties" as used herein shall mean Lender, any Servicer and their respective successors and assigns. The term "Beneficiary Parties" shall also include any lawful owner, holder or pledgee of the Project Owner Subordinate Note.

E. Guarantor acknowledges that it will receive substantial economic and other benefits from the extension by Lender of the financing evidenced by the Project Owner Subordinate Note.

F. As a condition to the making of the Project Owner Subordinate Loan, each Indemnitor is required to enter into this Agreement.

NOW THEREFORE, in consideration for the making of the Project Owner Subordinate Loan, and in order to induce Beneficiary Parties to consummate said transactions, each Indemnitor agrees for the benefit of Beneficiary Parties as follows:

1. **Recitals**. The parties agree the recitals are true and correct, and are incorporated herein by reference.

2. **Certain Definitions**. Capitalized terms used but not defined in this Agreement shall have the meanings assigned to them in the Project Owner Subordinate Security Instrument. The following terms, when used herein, shall have the following meanings:

(a) "Hazardous Materials" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; radon; Mold; toxic or mycotoxin spores; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling under any Hazardous Materials Law; and any other material or substance (whether or not naturally occurring) now or in the future that (i) is defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "solid waste," "pesticide," "contaminant," or "pollutant" or otherwise classified as hazardous or toxic by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

(b) "Hazardous Materials Law" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, rules of common law (including without limitation nuisance and trespass), consent order, administrative rulings and court judgments and decrees or other government directive in effect now or in the future and including all amendments, that relate to Hazardous Materials or to the protection or conservation of the environment or human health and apply to any Indemnitor or to the Mortgaged Property, including without limitation those relating to industrial hygiene, or the use, analysis, generation, manufacture, storage, discharge, release, disposal, transportation, treatment, investigation or remediation of Hazardous Materials. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Superfund Amendments and Reauthorization Act, the Solid Waste Disposal Act, the Clean Water Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, and their state analogs.

(c) "Indemnitees" for purposes of this Agreement, means collectively Beneficiary Parties and their successors, assigns, and transferees and the officers, directors, shareholders, partners, members, trustees, heirs, legal representatives, employees and agents of Beneficiary Parties and their successors, assigns and transferees.

(d) "Mold" means mold, fungus, microbial contamination or pathogenic organisms.

(e) "O&M Program" shall have the meaning set forth in Section 3(d) hereof.

3. **Prohibited Activities or Conditions**.

(a) Except for matters described in Section 3(b), no Indemnitor shall cause or permit any of the following:

(i) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties) or any other property of any Indemnitor that is adjacent to the Mortgaged Property;

(ii) the transportation of any Hazardous Materials to, from, or across the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties);

(iii) any occurrence or condition on the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties) or any other property of any Indemnitor that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws;

(iv) any violation of or noncompliance with the terms of any Environmental Permit with respect to the Mortgaged Property or any property of any Indemnitor that is adjacent to the Mortgaged Property;

(v) the imposition of any environmental lien against the Mortgaged Property; or

(vi) any violation or noncompliance with the terms of any O&M Program.

The matters described in clauses (i) through (vi) above, except as otherwise provided in Section 3(b), are referred to collectively in this Agreement as "Prohibited Activities or Conditions".

(b) Prohibited Activities or Conditions shall not include lawful conditions permitted by an O&M Program or the safe and lawful use and storage of quantities of (1) pre-packaged supplies, cleaning materials, petroleum products, household products, paints, solvents, lubricants and other materials customarily used in the construction, operation, maintenance or use of comparable multifamily properties, (2) cleaning materials, household products, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of residential dwelling units in the Mortgaged Property; and (3) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Mortgaged Property's parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.

(c) Each Indemnitor shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date hereof) to prevent its employees, agents, and contractors, and all tenants and other occupants of the Mortgaged Property from causing or permitting any Prohibited Activities or Conditions. Indemnitor shall not lease or allow the sublease or

use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

(d) If and as reasonably required by Lender, Borrower shall also establish a written operations and maintenance program with respect to certain Hazardous Materials. Each such operations and maintenance program and any additional or revised operations and maintenance programs established for the Mortgaged Property pursuant to this Agreement must be approved by Lender (which approval shall not be unreasonably withheld, conditioned or delayed), and shall be referred to herein as an "O&M Program." Borrower shall comply in a timely manner with, and cause all of its employees, agents, and contractors and any other persons present on the Mortgaged Property to comply with each O&M Program. Borrower shall pay all costs of performance of its obligations under any O&M Program, and any Beneficiary Party's out-of-pocket costs reasonably incurred by such Beneficiary Party in connection with the monitoring and review of each O&M Program and Borrower's performance shall be paid by Borrower upon demand therefor by such Beneficiary Party.

(e) Without limitation of the foregoing, (1) Borrower hereby agrees to implement and maintain during the entire term of the Project Owner Subordinate Loan the moisture management program/microbial operations and maintenance program as described to Bank in writing prior to the date hereof, and (2) if asbestos-containing materials are found to exist at the Mortgaged Property, the O&M Program with respect thereto shall be undertaken consistent with the Guidelines for Controlling Asbestos-Containing Materials in Buildings (USEPA, 1985) and other relevant guidelines and applicable Hazardous Materials Laws.

(f) With respect to any O&M Program, Lender may require (1) periodic notices or reports to Lender in form, substance and at such intervals as Lender may reasonably specify; (2) amendments to such O&M Program to address changing circumstances, laws or other matters, including without limitation variations in response to reports provided by environmental consultants; and (3) execution of an Operations and Maintenance Agreement relating to such O&M Program reasonably satisfactory to Lender.

4. **Representations and Warranties**. Each Indemnitor represents and warrants to Beneficiary Parties that, except as otherwise disclosed in the environmental reports described on Exhibit A (the "Environmental Reports"):

(a) Indemnitor has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions;

(b) to the best of Indemnitor's knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed; and Indemnitor has provided Lender with copies of all reports and information acquired in such inquiries;

(c) the Mortgaged Property (1) does not now contain any underground storage tanks, and, (2) to the best of Indemnitor's knowledge, has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Mortgaged Property which has been disclosed in the Environmental Reports, that tank complies with all requirements of Hazardous Materials Laws;

(d) Indemnitor has complied with and will continue to comply with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials. Without limiting the generality of the foregoing, Indemnitor has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;

(e) no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit or Hazardous Materials Law;

(f) there are no actions, suits, claims or proceedings pending or, to the best of Indemnitor's knowledge after reasonable and diligent inquiry, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition;

(g) Indemnitor has not received any complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Indemnitor that is adjacent to the Mortgaged Property;

(h) no prior Remedial Work (as defined below) has been undertaken, and no Remedial Work is ongoing, with respect to the Mortgaged Property during Borrower's ownership thereof or, to the best of Indemnitor's knowledge after reasonable and diligent inquiry, at any time prior to Borrower's ownership thereof, except as set forth in the Environmental Reports; and

(i) Indemnitor has disclosed herein all material facts known to Indemnitor or contained in Indemnitor's records, the nondisclosure of which could cause any representation and warranty made herein or any statement made in the Environmental Report to be false or materially misleading.

The representations and warranties in this Agreement shall be continuing representations and warranties that shall be deemed to be made by each Indemnitor throughout the term of the Project Owner Subordinate Loan until the Indebtedness has been paid in full or otherwise discharged.

5. **Covenants of Indemnitor**. Each Indemnitor does hereby covenant and agree with Indemnitees that:

(a) Indemnitor shall promptly notify Lender in writing upon the occurrence of any of the following events:

(i) Indemnitor's discovery of any Prohibited Activity or Condition;

(ii) Indemnitor's receipt of or actual knowledge of any complaint, order, notice of violation or other communication from any tenant, management agent, Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of any Indemnitor that is adjacent to the Mortgaged Property;

(iii) Indemnitor's receipt of or actual knowledge of any personal injury claim, proceeding or cause of action directly or indirectly arising as a result of the presence of asbestos or other Hazardous Materials on or from the Mortgaged Property;

(iv) Indemnitor's discovery that any representation or warranty in this Agreement has become untrue after the date of this Agreement; and

(v) Any Indemnitor's breach of any of its obligations under this Agreement.

Any such notice given by Indemnitor shall not relieve Indemnitor of, or result in a waiver of, any obligation under this Agreement, or any Project Owner Subordinate Loan Document.

(b) Indemnitor shall pay promptly the costs of any environmental inspections, tests or audits ("Environmental Inspections") reasonably required by Lender or any Beneficiary Party in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender's consent to any Transfer, or required by Lender following a reasonable determination by Lender that Prohibited Activities or Conditions may exist. The results of all Environmental Inspections shall at all times remain the property of Lender, and Lender shall make available to Indemnitor such results or any other information obtained by Lender in connection with its Environmental Inspections. Lender hereby reserves the right, and Indemnitor hereby expressly authorizes Lender, to make available to any party with an interest or prospective interest in the Mortgaged Property, or otherwise affiliated with, engaged by, or otherwise under the control of, any of the Beneficiary Parties, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections with respect to the Mortgaged Property. Indemnitor consents to Lender notifying any such party (either as part of a notice of sale or otherwise) of the results of any Environmental Inspections. Indemnitor acknowledges that Beneficiary Parties cannot control or otherwise ensure the truthfulness or accuracy of the results of any of the Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount which a party may bid at such sale. Indemnitor agrees that no Beneficiary Party shall have any liability whatsoever as a result of delivering the results of any of the Environmental Inspections to any third party, and Indemnitor hereby releases and forever discharges Beneficiary Parties from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any Environmental Inspections.

(c) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work ("Remedial Work") is necessary to comply with or cure a violation of any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property under any Hazardous Materials Law, or is otherwise reasonably required by Lender as a consequence of any Prohibited Activity or Condition or to prevent the occurrence of a Prohibited Activity or Condition, Indemnitor shall, by the earlier of (1) the applicable deadline required by such Hazardous Materials Law or (2) thirty (30) days after written notice from Lender, demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by such Hazardous Materials Law. Indemnitor shall promptly provide Lender with a cost estimate from an environmental consultant reasonably acceptable to Lender to complete any required Remedial Work. If reasonably required by Lender, Indemnitor shall promptly establish with Lender a reserve fund in the amount of such estimate. If, in Lender's reasonable opinion, the amount

reserved at any time during the Remedial Work is insufficient to cover the work remaining to complete the Remediation or achieve compliance, Indemnitor shall increase the amount reserved in compliance with Lender's written request. All amounts so held in reserve, until disbursed, are pledged to Lender as security for payment of Indemnitor's obligations under this Agreement. If Indemnitor fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Indemnitor shall reimburse Beneficiary Parties on demand for the cost of doing so.

(d) Indemnitor shall comply with all Hazardous Materials Laws applicable to the Mortgaged Property. Without limiting the generality of the previous sentence, Indemnitor shall (1) obtain and maintain all Environmental Permits required by Hazardous Materials Laws and comply with all conditions of such Environmental Permits; (2) cooperate with any inquiry by any Governmental Authority; and (3) comply with any governmental or judicial order that arises from any alleged Prohibited Activity or Condition.

6. **Indemnification**.

(a) INDEMNITOR SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND INDEMNITEES FROM AND AGAINST ALL LOSSES, PROCEEDINGS, CLAIMS, DAMAGES, PENALTIES AND COSTS (WHETHER INITIATED OR SOUGHT BY GOVERNMENTAL AUTHORITIES OR PRIVATE PARTIES), INCLUDING, WITHOUT LIMITATION, FEES AND OUT-OF-POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, ENGINEERING FEES, ENVIRONMENTAL CONSULTANT FEES, INVESTIGATORY FEES AND REMEDIATION COSTS (INCLUDING, WITHOUT LIMITATION, ANY FINANCIAL ASSURANCES REQUIRED TO BE POSTED FOR COMPLETION OF REMEDIAL WORK AND COSTS ASSOCIATED WITH ADMINISTRATIVE OVERSIGHT), AND OF ANY LIABILITIES OF WHATEVER KIND AND NATURE, WHETHER INCURRED IN CONNECTION WITH ANY JUDICIAL OR ADMINISTRATIVE PROCESS OR OTHERWISE, ARISING DIRECTLY OR INDIRECTLY FROM ANY OF THE FOLLOWING:

(i) ANY BREACH OF ANY REPRESENTATION OR WARRANTY OF ANY INDEMNITOR IN THIS AGREEMENT;

(ii) ANY FAILURE BY ANY INDEMNITOR TO PERFORM ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT;

(iii) THE EXISTENCE OR ALLEGED EXISTENCE OF ANY PROHIBITED ACTIVITY OR CONDITION;

(iv) THE PRESENCE OR ALLEGED PRESENCE OF HAZARDOUS MATERIALS ON OR UNDER THE MORTGAGED PROPERTY OR IN ANY OF THE IMPROVEMENTS OR ON OR UNDER ANY PROPERTY OF ANY INDEMNITOR THAT IS ADJACENT TO THE MORTGAGED PROPERTY;

(v) THE ACTUAL OR ALLEGED VIOLATION OF ANY HAZARDOUS MATERIALS LAW;

(vi) ANY LOSS OR DAMAGE RESULTING FROM A LOSS OF PRIORITY OF THE PROJECT OWNER SUBORDINATE SECURITY INSTRUMENT OR ANY OTHER PROJECT OWNER SUBORDINATE LOAN DOCUMENT DUE TO AN IMPOSITION OF A LIEN AGAINST THE MORTGAGED PROPERTY; AND

(vii) ANY PERSONAL INJURY CLAIM, PROCEEDING OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY ARISING AS A RESULT OF THE PRESENCE OF ASBESTOS OR OTHER HAZARDOUS MATERIALS ON OR FROM THE MORTGAGED PROPERTY.

(b) COUNSEL SELECTED BY ANY INDEMNITOR TO DEFEND INDEMNITEES SHALL BE SUBJECT TO THE APPROVAL OF THOSE INDEMNITEES (WHICH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED). IN ANY CIRCUMSTANCES IN WHICH THE INDEMNITY UNDER THIS AGREEMENT APPLIES, ANY BENEFICIARY PARTY MAY EMPLOY ITS OWN LEGAL COUNSEL AND CONSULTANTS TO PROSECUTE, DEFEND OR NEGOTIATE ANY CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING AT INDEMNITOR'S EXPENSE, AND SUCH BENEFICIARY PARTY, WITH THE PRIOR WRITTEN CONSENT OF INDEMNITOR (WHICH SHALL NOT BE UNREASONABLY WITHHELD, DELAYED OR CONDITIONED) MAY SETTLE OR COMPROMISE ANY ACTION OR LEGAL OR ADMINISTRATIVE PROCEEDING. INDEMNITOR SHALL REIMBURSE SUCH BENEFICIARY PARTY UPON DEMAND THEREFOR, FOR ALL COSTS AND EXPENSES INCURRED BY SUCH BENEFICIARY PARTY, INCLUDING, WITHOUT LIMITATION, ALL COSTS OF SETTLEMENTS ENTERED INTO IN GOOD FAITH AND THE FEES AND OUT-OF-POCKET EXPENSES OF SUCH ATTORNEYS AND CONSULTANTS.

(c) INDEMNITOR SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF THOSE INDEMNITEES (WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED) WHO ARE NAMED AS PARTIES TO A CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING (A "CLAIM"), SETTLE OR COMPROMISE THE CLAIM IF THE SETTLEMENT (1) RESULTS IN THE ENTRY OF ANY JUDGMENT THAT DOES NOT INCLUDE AS AN UNCONDITIONAL TERM THE DELIVERY BY THE CLAIMANT OR PLAINTIFF TO BENEFICIARY PARTIES OF A WRITTEN RELEASE OF THOSE INDEMNITEES, SATISFACTORY IN FORM AND SUBSTANCE TO LENDER; OR (2) MAY MATERIALLY AND ADVERSELY AFFECT BENEFICIARY PARTIES, AS DETERMINED BY LENDER IN ITS REASONABLE DISCRETION.

(d) INDEMNITOR'S OBLIGATION TO INDEMNIFY THE INDEMNITEES SHALL NOT BE LIMITED OR IMPAIRED BY ANY OF THE FOLLOWING, OR BY ANY FAILURE OF ANY INDEMNITOR OR ANY GUARANTOR TO RECEIVE NOTICE OF OR CONSIDERATION FOR ANY OF THE FOLLOWING:

(i) ANY AMENDMENT OR MODIFICATION OF ANY PROJECT OWNER SUBORDINATE LOAN DOCUMENT;

(ii) ANY EXTENSIONS OF TIME FOR PERFORMANCE REQUIRED BY ANY PROJECT OWNER SUBORDINATE LOAN DOCUMENT;

(iii) ANY PROVISION IN ANY PROJECT OWNER SUBORDINATE LOAN DOCUMENT LIMITING BENEFICIARY PARTIES' RECOURSE TO ANY PROPERTY SECURING THE INDEBTEDNESS, OR LIMITING THE PERSONAL LIABILITY OF ANY INDEMNITOR OR ANY OTHER PARTY FOR PAYMENT OF ALL OR ANY PART OF THE INDEBTEDNESS;

(iv) THE ACCURACY OR INACCURACY OF ANY REPRESENTATIONS AND WARRANTIES MADE BY ANY INDEMNITOR UNDER THIS AGREEMENT OR ANY PROJECT OWNER SUBORDINATE LOAN DOCUMENT;

(v) THE RELEASE OF ANY INDEMNITOR OR ANY OTHER PERSON, BY BENEFICIARY PARTIES OR BY OPERATION OF LAW, FROM PERFORMANCE OF ANY OBLIGATION UNDER ANY PROJECT OWNER SUBORDINATE LOAN DOCUMENT;

(vi) THE RELEASE OR SUBSTITUTION IN WHOLE OR IN PART OF ANY SECURITY FOR THE INDEBTEDNESS; AND

(vii) FAILURE BY BENEFICIARY PARTIES TO PROPERLY PERFECT ANY LIEN OR SECURITY INTEREST GIVEN AS SECURITY FOR THE INDEBTEDNESS.

(e) INDEMNITOR SHALL, AT ITS OWN COST AND EXPENSE, DO ALL OF THE FOLLOWING:

(i) PAY OR SATISFY ANY JUDGMENT OR DECREE THAT MAY BE ENTERED AGAINST ANY INDEMNITEE OR INDEMNITEES IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING INCIDENT TO ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS AGREEMENT;

(ii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES PAID OR INCURRED IN CONNECTION WITH ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS AGREEMENT; AND

(iii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES, INCLUDING, WITHOUT LIMITATION, FEES AND OUT-OF-POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, PAID OR INCURRED IN CONNECTION WITH THE ENFORCEMENT BY INDEMNITEES OF THEIR RIGHTS UNDER THIS AGREEMENT, OR IN MONITORING AND PARTICIPATING IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING.

(f) Notwithstanding anything herein to the contrary, (i) Indemnitor shall have no obligation hereunder to indemnify any Indemnitee for any liability under this Section 6 to the extent that the Prohibited Activity or Condition giving rise to such liability resulted solely from the gross negligence or willful misconduct of any Indemnitee, and (ii) Indemnitor's liability under this Section 6 shall not extend to cover the violation of any Hazardous Materials Laws or Prohibited Conditions that first arise, commence or occur as a result of actions of any Indemnitee or Beneficiary Parties, or their successors, assigns or designees, after the satisfaction, discharge, release, assignment, termination or cancellation of the Project Owner Subordinate Security Instrument following the payment in full of the Project Owner

Subordinate Note and all other sums payable under the Project Owner Subordinate Loan Documents or after the actual dispossession from the entire Mortgaged Property of the Borrower and all entities which control, are controlled by, or are under common control with the Borrower or any other Indemnitor following foreclosure of the Project Owner Subordinate Security Instrument or acquisition of the Mortgaged Property by a deed in lieu of foreclosure.

7. **Survival**. This Agreement shall survive the satisfaction or release of the Project Owner Subordinate Security Instrument and the other Project Owner Subordinate Loan Documents by full and final payment of all obligations of Indemnitor to Beneficiary Parties, by foreclosure of Borrower's equity of redemption in the Mortgaged Property (whether by power of sale or judicial proceedings), by deed in lieu of foreclosure or by any other comparable means and the conveyance or disposition of any Indemnitor's interest in the Mortgaged Property, and shall continue in full force and effect forever, irrespective of any such foreclosure and/or satisfaction of the obligations of any Indemnitor in connection with the Project Owner Subordinate Loan.

8. **Conflicting Provisions**. Borrower acknowledges and agrees that its covenants and obligations hereunder are in addition to, and separate and distinct from, the obligations under the Project Owner Subordinate Security Instrument.

9. **Joint and Several Liability**. If more than one person executes this Agreement, the obligations of those persons under this Agreement and any other Indemnitor (an "Other Indemnitor") shall be joint and several. Beneficiary Parties, in their sole and absolute discretion, may (a) bring suit against Indemnitor, or any one or more of the persons constituting Indemnitor, and any Other Indemnitor, jointly and severally, or against any one or more of them; (b) compromise or settle with any one or more of the persons constituting Indemnitor or any Other Indemnitor for such consideration as Beneficiary Parties may deem proper; (c) release one or more of the persons constituting Indemnitor, or any Other Indemnitor, from liability; and/or (d) otherwise deal with Indemnitor and any Other Indemnitor, or any one or more of them, in any manner, and no such action shall impair the rights of Beneficiary Parties to collect from Indemnitor any amount owed by Indemnitor under this Agreement. Nothing contained in this paragraph shall in any way affect or impair the rights or obligations of Indemnitor with respect to any Other Indemnitor. Neither Borrower nor any person or entity that holds a direct or indirect ownership interest in the Borrower, and the respective officers, directors, managers, partners, trustees, agents, employees and affiliates of such owners (collectively, "Borrower Related Persons") shall have any personal liability under this Agreement except as provided in the Project Owner Subordinate Note.

10. [RESERVED].

11. **Determinations by Lender**. Except to the extent expressly set forth in this Agreement to the contrary, in any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Lender, as applicable (or its designated representative) at its sole and exclusive option and in its sole, absolute and reasonable discretion.

12. **Release; Indemnity**.

(a) ***Release***. Without limitation to the provisions of Section 6, Indemnitor covenants and agrees that, in performing any of their rights or duties under this Agreement, neither the Beneficiary Parties, nor their agents or employees, shall be liable for any losses, claims, damages, liabilities and

expenses that may be incurred by any of them as a result of such performance, except to the extent such liability for any losses, claims, damages, liabilities or expenses arises out of the willful misconduct or gross negligence of any such party.

(b) ***Indemnity***. Without limitation to the provisions of Section 6, Indemnitor hereby agrees to indemnify and hold harmless the Beneficiary Parties and their respective agents and employees from and against any and all losses, claims, damages, liabilities and expenses including, without limitation, reasonable attorneys' fees and costs and disbursements, which may be imposed or incurred by any of them in connection with this Agreement, except that no such party will be indemnified for any losses, claims, damages, liabilities or expenses arising out of the willful misconduct or gross negligence of any such party.

13. **Governing Law**. This Agreement shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

14. **Consent to Jurisdiction and Venue**. Indemnitor and the Beneficiary Parties each agrees that any controversy arising under or in relation to this Agreement shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Agreement. Indemnitor and the Beneficiary Parties each irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Beneficiary Parties' right to bring any suit, action or proceeding relating to matters arising under this Agreement against Indemnitor or any of Indemnitor's assets in any court of any other jurisdiction.

15. **Successors and Assigns**. This Agreement shall be binding upon Indemnitor and its heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, and shall inure to the benefit of the Beneficiary Parties and their respective successors, successors-in-interest and assigns. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, of such parties. References to a "person" or "persons" shall be deemed to include individuals and entities. Indemnitor acknowledges and agrees that Lender, at its option, may assign its respective rights and interests under this Agreement and the other Project Owner Subordinate Loan Documents in whole or in part and upon such assignment all the terms and provisions of this Agreement or the other Project Owner Subordinate Loan Documents shall inure to the benefit of such assignee to the extent so assigned. Indemnitor may not assign or delegate its rights, interests or obligations under this Agreement without first obtaining Lender's prior written consent.

16. **Severability**. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

17. **Expenses**. Indemnitor shall pay to the Beneficiary Parties, upon demand therefor, the amount of any and all expenses, including, without limitation, reasonable attorneys' fees (including reasonable time charges of attorneys who are employees of Beneficiary Parties), which the Beneficiary Parties may actually incur in connection with (a) the exercise or enforcement of any of their rights hereunder, (b) the failure by Indemnitor to perform or observe any of the provisions hereof, or (c) the breach by Indemnitor of any

representation or warranty of Indemnitor set forth herein. Such expenses, together with interest thereon computed at the Default Rate set forth in the Project Owner Subordinate Note from the date on which such expenses are incurred to the date of payment thereof, shall constitute indebtedness secured by the Project Owner Subordinate Security Instrument.

18. **Remedies Cumulative**. In the event of Indemnitor's default under this Agreement, and such default is not cured within thirty (30) days after Lender's delivery to Indemnitor of written notice thereof, or if any Event of Default is then existing under and as defined in the Project Owner Subordinate Security Instrument, the Beneficiary Parties may exercise all or any one or more of their rights and remedies available under this Agreement, at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent the Beneficiary Parties from exercising any other right or remedy available to the Beneficiary Parties. The Beneficiary Parties may exercise any such remedies from time to time as often as may be deemed necessary by the Beneficiary Parties.

19. **No Agency or Partnership**. Nothing contained in this Agreement shall constitute any Beneficiary Party as a joint venturer, partner or agent of Indemnitor, or render any Beneficiary Party liable for any debts, obligations, acts, omissions, representations or contracts of Indemnitor.

20. **Transfer of Mortgaged Property or Ownership Interests in Borrower**. If a Transfer (as defined in the Project Owner Subordinate Security Instrument) of all or part of the Mortgaged Property or of an ownership interest in Borrower, shall occur or be contemplated, which Transfer requires the prior written consent of Lender pursuant to the terms and provisions of the Project Owner Subordinate Security Instrument, the transferee(s) shall be required to assume Borrower's duties and obligations under this Agreement and the other Project Owner Subordinate Loan Documents and shall be required to execute and deliver to Lender such documents as Lender reasonably requires to effectuate such assumption of duties and obligations. No Transfer requiring the prior written consent of Lender pursuant to the terms of the Project Owner Subordinate Security Instrument and assumption shall relieve the transferor of any of its duties or obligations under this Agreement or any of the other Project Owner Subordinate Loan Documents, unless the Borrower has obtained the prior written consent of Lender to the release of such duties and obligations (which consent shall not be unreasonably withheld, conditioned or delayed).

21. **Entire Agreement; Amendment and Waiver**. This Agreement contains the complete and entire understanding of the parties with respect to the matters covered herein. This Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Agreement shall be considered as a general waiver.

22. **Further Assurances**. Indemnitor shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that any Beneficiary Party may reasonably request, in order to protect any right or interest granted by this Agreement or to enable the Beneficiary Party to exercise and enforce its rights and remedies under this Agreement.

23. **No Amendment; Conflicts**. Nothing contained in this Agreement shall be construed to amend, modify, alter, change or supersede the terms and provisions of the Project Owner Subordinate Note, the Project

Owner Subordinate Security Instrument or the Project Owner Subordinate Loan Agreement; and, if there is a conflict between the terms and provisions of this Agreement and those of the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument or the Project Owner Subordinate Loan Agreement, then the terms and provisions of the Project Owner Subordinate Note, the Project Owner Subordinate Security Instrument or the Project Owner Subordinate Loan Agreement shall control.

24. **Notices**. All notices given under this Agreement shall be in writing and shall be sent to the respective addresses of the parties, in the manner set forth in the Project Owner Subordinate Security Instrument.

25. **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

26. **Captions**. The captions of the sections of this Agreement are for convenience only and shall be disregarded in construing this Agreement.

27. **Servicer**. Indemnitor hereby acknowledges and agrees that, pursuant to the terms of the Project Owner Subordinate Security Instrument: (a) from time to time, Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under the Project Owner Subordinate Note, this Agreement or the other Project Owner Subordinate Loan Documents, and to otherwise service the Project Owner Subordinate Loan and (b) unless Indemnitor receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by such servicer with the same force and effect.

28. **Beneficiary Parties as Third Party Beneficiary**. Each of the Beneficiary Parties shall be a third party beneficiary of this Agreement for all purposes.

29. **Waiver of Trial by Jury**. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF INDEMNITOR AND THE BENEFICIARY PARTIES (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

30. **Time of the Essence**. Time is of the essence with respect to this Agreement.

31. **Modifications**. All modifications (if any) to the terms of this Agreement ("Modifications") are set forth on Exhibit B attached to this Agreement. In the event of a Transfer under the terms of the Project Owner Subordinate Security Instrument, some or all of the Modifications to this Agreement may be modified or rendered void by Lender at its option by notice to Indemnitor or such transferee.

32. **Attached Exhibits**. The following Exhibits are attached to this Agreement and are incorporated by reference herein as if more fully set forth in the text hereof:

(a) Exhibit A – Environmental Reports

(b) Exhibit B – Modifications to Agreement of Environmental Indemnification

The terms of this Agreement are modified and supplemented as set forth in said Exhibits. To the extent of any conflict or inconsistency between the terms of said Exhibits and the text of this Agreement, the terms of said Exhibits shall be controlling in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the undersigned has duly executed and delivered this Agreement of Environmental Indemnification or caused this Agreement of Environmental Indemnification to be duly executed and delivered by its authorized representative as of the date first set forth above. Each of the undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

WISCONSIN STREET HOUSING, LP, a Texas limited partnership

By: Wisconsin Street Housing GP, LLC, a Texas limited liability company, its General Partner

By: Casa Linda Development Corporation, a Texas corporation, its Managing Member

By:_____
Linda S. Brown,
President

Address:

Wisconsin Street Housing, LP
330 W. Victoria Street
Gardena, CA 90248-3527
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

With a copy to:

Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, Texas 75208
Attention: Linda S. Brown
Fax: 888.811.2360

With a copy to:

Rick Morrow

Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Fax: 512-305-4800

With a copy to:

Garnet LIHTC Fund XLVIII, LLC
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

With a copy to:

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Attn: LIHTC Reporting
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Fax: 319-355-8030

With a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attention: John Condon

GUARANTOR:

HIGHRIDGE COSTA HOUSING PARTNERS, LLC
a Delaware limited liability company

By:_____
Michael A. Costa, President

Address:

330 W. Victoria Street
Gardena, CA 90248-3527
Attention: Legal Department

With a copy to:

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Email: schernove@chernovelaw.com

EXHIBIT A

ENVIRONMENTAL REPORTS

EXHIBIT B

MODIFICATIONS TO
AGREEMENT OF ENVIRONMENTAL INDEMNIFICATION

The following modifications are made to the text of the Agreement that precedes this Exhibit:

[None.]

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COUNCIL REGULAR MEETING
MAY 17, 2016

Consider Resolution Authorizing the City Manager and/or His Designee to Act On Behalf of the City of Edinburg for Landfill Permit Application Process; Authorizing the Solid Waste Management Director to Act on Behalf of the City as Landfill Operator and Establishing Golder Associates as The Engineer of Record for The Landfill Permit Application Process. [Ramiro L. Gomez, Director Solid Waste Management]

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STAFF COMMENTS AND RECOMMENDATION:
We are requesting your consideration for the approval of a resolution designating and authorizing the City Manager and/or his Designee, the Director of Solid Waste Management, as his designee, to act on behalf of the City of Edinburg to submit a permit amendment application for its Municipal Solid Waste Landfill TCEQ Permit 956B with the TCEQ for a lateral expansion and to act on any other necessary actions to carry out the intent of this resolution to increase solid waste disposal capacity for the City.

The resolution further designates the Director of Solid Waste Management as the Landfill Operator and thereby authorizes him to act on behalf of the City of Edinburg in regards to the amendment, modification, operations, maintenance, compliance and reporting of the landfill and is hereby authorized to sign any application, certification, compliance document/report, and submit any and all additional information as may be requested and/or required by the TCEQ or any federal, state and/or local regulatory agency.

The Resolution further appoints Golder Associates Inc. as the Engineer of Record, under the direction of the City Manager, and/or his designee; to act and respond on behalf of the City of Edinburg for the purpose of preparing and submitting an amendment application for the lateral expansion of the Municipal Solid Waste Landfill TCEQ Permit 956B with the TCEQ.

This request is based on compliance with the Texas Administrative Code, Title 30 Part 1 Chapter 330, Subchapter B, Rule § 330.59, Contents of Part I of the application and with Title 30 Chapter 305, Subchapter C, Rule § 305.44 Signatories to Applications.

Funding is available within each facility's 2015-2016 Fiscal Year Operating Budget.

RECOMMENDATION:

Approve Resolution Authorizing the City Manager and/or His Designee to Act On Behalf of The City of Edinburg for Landfill Permit Application Process; Authorizing the Solid Waste Management Director to Act on Behalf of the City as Landfill Operator and Establishing Golder Associates as The Engineer of Record for The Landfill Permit Application Process.

	REVIEWED BY:	**PREPARED BY:**
/s/Richard M. Hinojosa	/s/ Ricardo Palacios by CP	\s\Ramiro L. Gomez, Jr.
Richard M. Hinojosa City Manager	Ricardo Palacios CityAttorney	Ramiro Gomez Director of Solid Waste Management

****

RECORD OF VOTE:

APPROVED	_____
DISAPPROVED	_____
TABLED	_____
NO ACTION	_____

Richard Molina Mayor Pro-Tem	J. R. Betancourt Councilmember	Richard H. Garcia Mayor	Homer Jasso, Jr. Councilmember	David Torres Councilmember

RESOLUTION NO._

STATE OF TEXAS	**§**	**RESOLUTION OF THE CITY OF EDINBURG, AUTHORIZING THE CITY MANAGER AND/OR HIS DESIGNEE TO ACT ON BEHALF OF CITY FOR LANDFILL PERMIT APPLICATION PROCESS; AUTHORIZING THE SOLID WASTE DIRECTOR TO ACT ON BEHALF OF THE CITY AS LANDFILL OPERATOR.**
COUNTY OF HIDALGO	**§**	
CITY OF EDINBURG	**§**	

WHEREAS, the City of Edinburg desires to expand its Municipal Solid Waste Landfill; and

WHEREAS, it is the intent of the City Council of the City of Edinburg to submit an amendment application for its Municipal Solid Waste Landfill TCEQ Permit MSW-956B for lateral expansion to the Texas Commission of Environmental Quality (TCEQ); and

WHEREAS, the proposed expansion will increase solid waste disposal capacity and guarantee long-term service capabilities for the residents of the City and the region; and

WHEREAS, the City of Edinburg deems it appropriate to designate the City Manager, and/or his Designee, the Director of Solid Waste Management, as his designee, as the City's authorized official to act on behalf of the City of Edinburg to submit a permit amendment application for its municipal solid waste landfill TCEQ permit; and

WHEREAS, the City of Edinburg further deems it appropriate to designate the Director of Solid Waste Management as the Landfill Operator; and

WHEREAS, the City of Edinburg has retained the Engineering Firm of Golder Associates, Inc., to prepare an application and submit for a permit amendment and deems it appropriate to appoint Golder Associates, Inc. as the Engineer of record.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, THAT:

SECTION 1: The City Manager and/or Director of Solid Waste Management, as his Designee, is hereby designated and authorized to act on behalf of the City of Edinburg to submit a permit amendment application for its municipal solid waste landfill TCEQ Permit MSW-956B with the TCEQ for a lateral expansion and to act on any other necessary actions to carry out the intent of this resolution to increase solid waste disposal capacity for the City.

SECTION 2: Golder Associates Inc. is hereby appointed as the engineer of record, under the direction of the City Manager, and/or his designee; to act and respond on behalf of the City of Edinburg for the purpose of preparing and submitting an amendment application for the lateral expansion of the municipal solid waste landfill TCEQ Permit MSW-956B with the TCEQ.

SECTION 3: The Director of Solid Waste Management, duly licensed to operate a Municipal Solid Waste Processing and Disposal Unit(s), is hereby authorized to act on behalf of the City of Edinburg as the Landfill Operator in regards to the amendment, modification, operations, maintenance, compliance and reporting of the landfill and is hereby authorized to sign any application, certification, compliance document/report, and submit any and all additional information as may be requested and/or required by the TCEQ or any federal, state and/or local regulatory agency.

SECTION 4: SEVERABILITY. If any section, part or provision of this Resolution is declared unconstitutional or invalid, by any court of competent jurisdiction, then in that event, it is expressly provided and it is the intention of the City Council, in passing this Resolution, that its parts shall be severable, and all other parts of this Resolution shall not be affected thereby, and they shall remain in full force and effect.

SECTION 5: EFFECTIVE DATE. This resolution shall take effect from and after its passage.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present and which was held in accordance with Texas Government Coad Ann. § 551.041 (Vernon 1994), on the _____ of 2016.

CITY OF EDINBURG

BY:_____
Richard H. Garcia, Mayor

ATTEST:

BY:_____
Mayra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:
Palacios, Garza and Thompson, P.C.

BY:_____
City Attorney