



September 19, 2025

**Via Email**

Jeanna Adams – [jeanna.adams@tdhca.texas.gov](mailto:jeanna.adams@tdhca.texas.gov)

Texas Department of Housing and Community Affairs  
221 E 11<sup>th</sup> Street  
Austin, Texas 78701

Re: Waiver Request;  
TDHCA Application #25490 – Aster Villas, Pharr, Texas;

Dear Ms. Adams,

On behalf of Aster Villas, LP (the “Partnership”) and at the request of the Texas Department Housing and Community Affairs (the “Department”), we are writing to notify the Department of a waiver request of §11.302(d)(1)(B) of the 2025 Qualified Allocation Plan (“QAP”) related to miscellaneous income for Aster Villas (the “Development”). In accordance with §11.207 of the QAP, we are providing information that supports the following:

- The waiver is due to an overwhelming need; and
- By granting the waiver, it better serves the policies and purposes articulated in Tex. Gov’t Code §§2306.001, 2306.002, 2306.359, and 2306.6701;

**BACKGROUND AND NEED**

The Development is located in Pharr, TX, and will be comprised of 196 units serving individuals ages 62 and older at 50%, 60%, 70%, and 80% AMI levels. Fifty of the units will also have Project Based Vouchers (“PBVs”) provided by Pharr Housing Authority, which will serve individuals at or below 30% AMI. As evidenced in the attached Exhibit A, the total demand for affordable units is 10,513, of which there are no current comparable units available. The Development’s total capture rate is 1.9%, which indicates an overwhelming need for additional affordable units in Pharr, TX. A portion of the Development will be for commercial space (9,089 SF), which will be occupied by the Pharr Housing Authority for use as their new administrative headquarters. Pharr Housing Authority is a related party to Pharr Housing Development Corporation, the general partner, developer, and guarantor of the Partnership.

**SERVING POLICIES OF TEXAS GOVERNMENT CODE §2306**

By granting this waiver, the Department will assist Pharr in *providing essential public services for their residents* (§2306.001(1)(A)), by giving the Pharr Housing Authority an opportunity to develop a new administrative headquarters that will be integrated into the design of the Development. The Pharr Housing Authority is currently operating out of a small single-family house, as the former Executive Director sold their previous headquarters, leaving the Housing Authority with insufficient space to properly serve its purpose and mission.

Granting this waiver will also assist the Department in *providing for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income* (§2306.001(2)). The Development will serve AMIs ranging from 30% (via the PBVs) up to 80%, for individuals and families 62 and older.



§2306.002(1) and (2) calls for public policy that *provides a decent, safe, and affordable living environment, with involvement from government at all levels.* The Development will be the first affordable housing development owned by a related party of the Pharr Housing Authority for residents 62+ in Pharr, TX. through utilization of private activity bonds (§2306.359) and low-income housing tax credits (§2306.6701). The Development will directly contribute to providing decent, safe, affordable housing to the Pharr community. The Pharr Housing Authority will have direct involvement in the Development via PBVs, an on-site headquarters, and control of the Partnership through its instrumentality, the Pharr Housing Development Corporation.

#### **§11.302(d)(1)(B) OF THE QAP AND ADDITIONAL SUPPORT**

Underwriting guidelines are outlined in §11.302 of the QAP. Specifically, §11.302(d)(1)(B) states the following:

*“(B) Miscellaneous Income. All ancillary fees and miscellaneous secondary income, including but not limited to, late fees, storage fees, laundry income, interest on deposits, carport and garage rent, washer and dryer rent, telecommunications fees, and other miscellaneous income, are anticipated to be included in a \$5 to \$30 per Unit per month range. Projected income from tenant-based rental assistance will not be considered. Exceptions may be made at the discretion of the Underwriter and must be supported by either the normalized operating history of the Development or other existing comparable properties within the same market area.”*

The Development is currently including miscellaneous income that exceeds the \$30 per unit per month limit. This is due to expected commercial income received from the Pharr Housing Authority that plans to rent the headquarters via a long-term lease with the Partnership at current fair market rent. Included in our waiver request is an excerpt from the appraisal report being performed for Davis Penn, the 221(d)(4) lender for the Development (Exhibit B). Existing market comparable properties that were included in the appraisal have also been provided via the CoStar report (Exhibit C). A draft of the commercial lease is also included in this request, which shows a proposed term of 50 years, with monthly lease payments of \$16,360 (Exhibit D).

The commercial space has been currently estimated at \$405,606 for a white box finish out. This area is the ground floor of one of the residential buildings, and will have residential units positioned above and adjacent to it. The developer plans to enter into a separate GC contract for the white box build out, so this space can be properly accounted for and excluded from eligible basis for generating tax credits. The Pharr Housing Authority will be responsible for the finish out, and will contract this on their own outside of the scope of the tax credit application.

We understand this is a unique scenario, but given this commercial lease will be with a related party to the Partnership and is supported by existing comparable properties within the same market area, we believe this provides sufficient support to be allowed at the Department's discretion, or via a waiver under §11.207 of the QAP.



If you have any questions or would like to discuss these items further, please do not hesitate to contact me directly at (512) 785-3710 or via email at [lora@betcohousinglab.com](mailto:lora@betcohousinglab.com) any time.

Sincerely,

Lora Myrick, Principal  
BETCO Consulting, LLC

CC: Michael Beard, Lazaro Guerra, David Salazar, Felipe Martinez, Tanya Tapia, Teresa Morales, Jonathan Galvan

### INDIVIDUAL UNIT, AMGI BAND, AND OVERALL CAPTURE RATES

For each unit type by number of bedrooms and AMI level, the Individual Unit Capture Rate is defined as the Relevant Supply divided by the eligible demand for that unit. TDHCA defines the AMGI Band Capture Rate as the Relevant Supply divided by the Gross Demand for each AMGI level, and Overall Demand as the Relevant Supply divided by the Gross Demand overall. We have evaluated the Individual Unit, AMGI Band, and Overall Capture Rates for the Subject, as illustrated in the following table (where appropriate). It should be noted that, per TDHCA guidance, individual and AMGI band capture rates are not required for subsidized ("assisted") units.

INDIVIDUAL, AMGI BAND, AND GROSS CAPTURE RATES								
	Subject Units	Relevant Supply Comparable Units	Total Relevant Supply		Gross Demand	Gross Demand + External Demand*		Capture Rate
@50%								
1BR	50	0	50	/	1,106	1,216	=	4.1%
AMGI Band Capture Rate	50	0	50	/	677	745	=	6.7%
@60% (PBV)								
1BR	50	0	50	/	2,045	2,249	=	2.2%
AMGI Band Capture Rate	50	0	50	/	3,219	3,541	=	1.4%
@60%								
1BR	76	0	76	/	360	395	=	19.2%
AMGI Band Capture Rate	76	0	76	/	2,616	2,877	=	2.6%
@70%								
1BR	10	0	10	/	327	360	=	2.8%
AMGI Band Capture Rate	10	0	10	/	1,839	2,023	=	0.5%
@80%								
1BR	10	0	10	/	260	286	=	3.5%
AMGI Band Capture Rate	10	0	10	/	1,206	1,327	=	0.8%
GROSS DEMAND (LIHTC UNITS)								
Gross Demand	196	0	146	/	9,558	10,513	=	1.4%

\*Some numbers may appear off due to rounding

Dividing the Subject's 196 total LIHTC units by the total demand of 10,513 households indicates a total gross capture rate of 1.9 percent for the LIHTC units, 90 percent of which is drawing from the PMA and 10 percent of which is drawing from outside the PMA, per TDHCA guidelines. The total Gross Capture Rate and all AMGI Band Capture Rate are below 10 percent, while all of the individual unit capture rates are below 65 percent or less; as such, all of the Subject's capture rates are below the TDHCA thresholds.

### Demand Analysis Conclusions

The Demand Analysis illustrates demand for the Subject based on capture rates of size and income eligible households. When viewing total eligible senior households for the 196 total LIHTC units by the total demand of 10,513 senior households indicates a capture rate of 1.9 percent, 90 percent of which is drawing from the PMA and 10 percent of which is drawing from outside the PMA, per TDHCA guidelines. Additionally, all of the AMGI Band capture rates and the total Gross capture rate are below 10 percent, and the individual LIHTC unit capture rates are 19.7 percent or less, meeting the TDHCA threshold of 65 percent or less. These capture rates are considered good and are indicative of strong demand for the Subject's units. Per TDHCA guidelines, these calculations assume 10 percent leakage from outside the PMA.

We have addressed any applicable 12+ month concessions in the reconciliation of market rent and the vacancy and collection loss should reflect only physical occupancy and slight collection loss. We project a vacancy loss for the subject property of 6.0%. In addition to physical vacancy loss and losses attributable to concessions, the subject will also suffer losses due to bad debt. An analysis of similar properties within the subject market indicates a range of 0.0% to 3.0% of total income. In light of such, we have estimated collection loss at 1.0% resulting in a total vacancy and collection loss factor of 9.0%.

## RENTAL INCOME – COMMERCIAL SPACE

The subject project features 9,089 SF of leasable commercial office space located on the ground floor of the multifamily units. The commercial space appears to be configured in such a way as to take full advantage of the property's positive locational attributes and is developed in such a manner as to enhance the overall appeal of the subject's mixed-use design.

COMMERCIAL SPACE SUMMARY	
Type	NRA (SF)
Office	9,089
<b>Total Commercial Space</b>	<b>9,089</b>

## OFFICE SPACE INCOME

Well located office space in the immediate area indicates actual rental rates that range from \$14 to \$37 on a triple net basis. The interior retail space will be new and of good quality and residents of the buildings will enhance traffic. The following retail rents were utilized for this report.

QUOTED OFFICE COMPARABLES									
No.	Name	Location	YOC	Occupancy	Unit SF	Rental Rate	Lease Terms	Lease Terms	Lease Date
1	McAllen Business Center	824 E Hackberry Ave	2010	89%	1,300	\$13.20	NNN	24 - 48 months	Aug-25
2	Monaco Plaza	600 N McColi Rd	1992	92%	2,070	\$21.60	NNN	24 - 60 months	N/A
3	America Plaza	1313 W Polk St	2005	57%	1,400	\$16.20	NNN	36 - 60 months	Aug-25
4	495 Crossing	1618 N Veterans Blvd	2005	89%	1,250	\$15.00	NNN	12 - 36 months	N/A

Vacancy for the overall Pharr Office submarket decreased to 4.06% in the second quarter 2025. That compares to 6.77% in the first quarter 2025, 7.15% in the fourth quarter 2024, and 7.31% in the third quarter 2024.

Class A (4 & 5 Star) projects reported a vacancy rate of 0.00% at the end of the second quarter 2025, 0.00% at the end of the first quarter 2025, 0.00% at the end of the fourth quarter 2024, and 0.00% at the end of the third quarter 2024.

The average asking rental rate for available Office space, all classes, was \$20.26 psf at the end of the second quarter 2025 in the Pharr submarket area. This represented a 0.1% increase in quoted rental rates from the end of the first quarter 2025, when rents were reported at \$20.23.

The subject will be brand new space and should command a rental rate similar to the submarket average and within the comparable data. Further, the proposed office space will directly benefit from the multi-family components.

As the residential rent comparables were analyzed on the 92273 form, a similar adjustment process was considered for the office rent comparables. After review, only location, size, age/condition, occupancy, and quality would require adjustments.

824 E Hackberry Ave (McAllen Business Center, 89% occupied) reflects the rental rate for office space on the first floor with a similar location. The 1,300 SF space was signed in August 2025 NNN at \$13.20/SF. This space was built in 2010 and is in average condition. Overall, this comparable was adjusted downward for superior size and upward for location and inferior age/quality.

600 N McColl Rd (Monaco Plaza - 92% occupied) reflects the rental rate for office space on the first floor with a similar location. The 2,070 SF space is available for lease NNN at \$21.60/SF. This space was built in 1992 and is in average condition. Overall, this comparable was adjusted downward for superior size and upward for location and inferior age/quality.

1313 W Polk St (America Plaza - 57% occupied) reflects the rental rate for office space on the first floor with a similar location. The 1,400 SF space was signed in August 2025 NNN at \$16.20/SF. This space was built in 2005 and is in average condition. Overall, this comparable was adjusted downward for superior size and upward for location and inferior age/quality.

1618 N Veterans Plaza (495 Crossing - 89% occupied) reflects the rental rate for office space on the first floor with a generally similar location. This 1,250 SF space is available for lease NNN at \$15.00/SF. This space was built in 2005 and in average condition. Overall, this comparable was adjusted downward for superior size and upward for location and inferior age/quality.

A summary of the comparable adjustments is provided in the table below.

OFFICE RENT ADJUSTMENT GRID – per Square Foot					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
<b>Lease Date</b>	—	Aug-25	N/A	Aug-25	N/A
<b>Rent Rate per SF</b>		\$13.20	\$21.60	\$16.20	\$15.00
<b>Physical Characteristics</b>					
Location		5.0%	5.0%	5.0%	5.0%
Size		-5.0%	-5.0%	-5.0%	-5.0%
Age/Quality		5.0%	5.0%	5.0%	5.0%
Occupancy		0.0%	0.0%	5.0%	0.0%
<b>Subtotal Net Adjustments</b>		<b>5.0%</b>	<b>5.0%</b>	<b>10.0%</b>	<b>5.0%</b>
<b>Adjusted Price per SF</b>		<b>\$13.86</b>	<b>\$22.68</b>	<b>\$17.82</b>	<b>\$15.75</b>

Overall, the subject is considered superior to the comparables and warrants a rental rate at the upper end of the comparable range.

As previously mentioned, the subject's office space will directly benefit from the multi-family components. Based on our previous analysis of the office market and considering the subject's competitive position within the market, the subject's office rental income is estimated as follows.

RECONCILED SUBJECT OFFICE RENTAL INCOME				
Description	Size (SF)	Monthly Rent	Annual Rent/SF	Total Rental Income
Office Space	9,089	\$16,360	\$21.60	\$196,322
<b>Total Office Income</b>	<b>9,089</b>	<b>\$16,360</b>		<b>\$196,322</b>

Commercial leases in the immediate area are typically of the "triple net" lease type. The practice of "triple net" leases in which the tenant reimburses the landlord for taxes, insurance, and common area maintenance expenses is well supported in the local market and will be employed in this analysis.

## EXPENSE REIMBURSEMENT INCOME

The developer plans to lease the retail on a "triple net" basis in which tenants will reimburse the landlord for taxes, insurance, and CAM charges with the utilities being billed directly to the tenant as is common in the local market.



# 824 E Hackberry Ave - McAllen Business Center

McAllen, Texas 78501 (Hidalgo County) - Greater McAllen Submarket

EXHIBIT C



Flex

## Property Summary

RBA (% Leased)	11,273 SF (88.5%)
Built	2010
Tenancy	Multiple
Available	1,300 SF
Max Contiguous	1,300 SF
Asking Rent	\$15.60 SF/Year/NNN
Clear Height	14'
Drive Ins	None
Docks	None
Levelers	None



## Property Details

Land Area	0.95 AC (41,382 SF)	Zoning	C-4
Building FAR	0.27	Parcel	V2770-02-000-005A-00
Power	Yes		

## For Lease Summary

Number of Spaces	1	Asking Rent	\$15.60 SF/Year
Smallest Space	1,300 SF	Service Type	Triple Net
Max Contiguous	1,300 SF	CAM	\$3.24/SF
Vacant	2,600 SF	Office Available	1,300 SF
% Leased	88.5%		

NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000

## Available Spaces

Floor	Suite	Use	Type	SF Available	Floor Contiguous	Building Contiguous	Rent/SF/Year	Occupancy	Term
P 1	150	Office	Direct	1,300	1,300	1,300	\$15.60 NNN	Vacant	2 - 4 Years

NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000

Office space available. Located on Hackberry, between Jackson and McColl Road ( McAllen Business Center) in McAllen. This 1,300sf office is available for lease. It is suitable for any professional business office. The property consists of 1 spacious open office, a kitchenette, and two restrooms. The plaza has easy access to city streets and Expressway 83. (No overhead door for this suite)

Agent Remarks: \$1.30 psf. Monthly + NNN \$0.27= \$2,041 List Price

## Transportation

Traffic Volume	10,031 on N I Ln (2018); 20,046 on E Hackberry Ave (2018); 12,862 on N Cynthia St (2018); 22,265 on Cedar Ave (2020); 23,981 on Cedar Ave (2025); 23,940 on Cedar Ave (2024); 1,049 on E Hackberry Ave (2018); 22,093 on E Hackberry Ave (2024); 20,328 on E Lakeview Dr (2018); 12,405 on San Patricia Dr (2018)	
Airport	McAllen International	8 min drive
Walk Score ®	Somewhat Walkable (54)	







# 824 E Hackberry Ave - McAllen Business Center

McAllen, Texas 78501 (Hidalgo County) - Greater McAllen Submarket



Flex

## Contacts

Type	Name	Location	Phone
Recorded Owner	Pamota LLC	McAllen, TX 78501	-

## Market Conditions

Vacancy Rates	Current	YOY Change	Submarket Leasing Activity	Current	YOY Change
Subject Property	231%	↑ 231%	12 Month Leased	726,051 SF	↑ 43.6%
Submarket 1-3 Star	5.3%	↑ 0.3%	Months on Market	4.9	↓ -1.7 mo
Market Overall	61%	↑ 21%			

Market Asking Rent Per Area	Current	YOY Change	Submarket Sales Activity	Current	Prev Year
Subject Property	\$16.44/SF	↑ 0.7%	12 Month Sales Volume	\$4.07M	\$840K
Submarket 1-3 Star	\$9.35/SF	↑ 0.9%	Market Sale Price Per Area	\$79/SF	\$73/SF
Market Overall	\$9.47/SF	↑ 0.8%			





## 101 N McColl Rd

McAllen, Texas 78501 (Hidalgo County) - Greater McAllen Submarket



Retail

### Property Summary

GLA (% Leased)	11,036 SF (0.0%)
Built	2024
Tenancy	Multiple
Available	2,414 - 11,036 SF
Max Contiguous	11,036 SF
Asking Rent	\$15.00 SF/Year/NNN
Frontage	275' on McColl



### Property Details

Land Area	114 AC (49,658 SF)	Parcel	F3671-00-000-0001-00
Building FAR	0.22		

### For Lease Summary

Number of Spaces	1	Asking Rent	\$15.00 SF/Year
Smallest Space	2,414 SF	Service Type	Triple Net
Max Contiguous	11,036 SF	CAM	\$3.36/SF
Vacant	11,036 SF	Office/Retail Available	11,036 SF
% Leased	0.0%		

Titus Development: Fred Harms (956) 373-5298

### Available Spaces

Floor	Suite	Use	Type	SF Available	Floor Contiguous	Building Contiguous	Rent/SF/Year	Occupancy	Term
P 1	-	Office/Retail	Direct	2,414 - 11,036	11,036	11,036	\$15.00 NNN	Vacant	Negotiable

Titus Development: Fred Harms (956) 373-5298

Office /Store front with warehouse space rear. 40% warehouse. Flex space is currently under construction. ETA is April 1st, 2025. Units can be customized to meet tenets needs. Ranging from 2,414 to 11,000 sq. ft.

### Transportation

Traffic Volume	20,017 on N McColl Rd (2020); 22,119 on N McColl Rd (2025); 23,233 on N McColl Rd (2024); 18,755 on Hwy 83 Bus (2024); 18,724 on Hwy 83 Bus (2022); 23,940 on Cedar Ave (2024); 23,981 on Cedar Ave (2025); 22,265 on Cedar Ave (2020); 834 on S McColl Rd (2018); 9,311 on E Dallas Ave (2018)		
Frontage	275' on McColl		
Airport	McAllen International		7 min drive
Walk Score ®	Car-Dependent (48)		



# 101 N McColl Rd

McAllen, Texas 78501 (Hidalgo County) - Greater McAllen Submarket



Retail

## Tenants

Tenant Name	Floor	SF Occupied	Employees	Move Date	Expiration
Hype Dist.	1	2,000	-	Nov 2024	Apr 2026

Showing 1 of 1 Tenants

## Contacts

Type	Name	Location	Phone
Recorded Owner	Series 3-101 Mccoll	Mcallen, TX 78501	-
True Owner	Titus Development	McAllen, TX 78501	(956) 631-6900

## Market Conditions

Vacancy Rates	Current	YOY Change	Submarket Leasing Activity	Current	YOY Change
Subject Property	100.0%	-	12 Month Leased	317689 SF	↑ 135.3%
Submarket 2-4 Star	31%	↓ -0.5%	Months on Market	11.5	↑ 1.6 mo
Market Overall	2.7%	↓ -01%			

Market Asking Rent Per Area	Current	YOY Change	Submarket Sales Activity	Current	Prev Year
Subject Property	\$15.00/SF	↑ 78%	12 Month Sales Volume	\$1723M	\$16.66M
Submarket 2-4 Star	\$23.34/SF	↑ 2.7%	Market Sale Price Per Area	\$168/SF	\$168/SF
Market Overall	\$21.30/SF	↑ 2.3%			

## Property Notes

Northwest corner of Business 83 and McColl



# 600-618 N McColl Rd - Monaco Plaza

McAllen, Texas 78501 (Hidalgo County) - Greater McAllen Submarket



Office

## Property Summary

RBA (% Leased)	27/24 SF (92.4%)
Built	1992
Stories	1
Elevators	None
Typical Floor	27/24 SF
Tenancy	Multiple
Available	2,070 SF
Max Contiguous	2,070 SF
Asking Rent	\$21.60 SF/Year/NNN
Parking Spaces	200 (737/1,000 SF)



## Property Details

Land Area	0.76 AC (33,106 SF)	Owner Occupied	No
Building FAR	0.82	Zoning	C-3
Parcel	M5680-00-000-0001-00 (+1 more)		

## For Lease Summary

Number of Spaces	1	Asking Rent	\$21.60 SF/Year
Smallest Space	2,070 SF	Service Type	Triple Net
Max Contiguous	2,070 SF	CAM	\$3.60/SF
Vacant	2,070 SF	Office Available	2,070 SF
% Leased	92.4%		

NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000

## Amenities

- Bus Line
- Signage

## Available Spaces

Floor	Suite	Use	Type	SF Available	Floor Contiguous	Building Contiguous	Rent/SF/Year	Occupancy	Term
P 1	602	Office	Direct	2,070	2,070	2,070	\$21.60 NNN	Vacant	2 - 5 Years

NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000

One suite available. 2,070 SF available. The location is appropriate for service businesses that need office and showroom space with great visibility and quick access to Interstate 2 and I-69.

Agent Remarks: Base Rent is \$1.80 SF Monthly + \$0.30 SF Monthly NNN= \$ List Price

## Transportation

Parking Details	200 Surface Spaces; Ratio of 737/1,000 SF
Traffic Volume	10,031 on N I Ln (2018); 12,862 on N Cynthia St (2018); 20,046 on E Hackberry Ave (2018); 22,265 on Cedar Ave (2020); 23,981 on Cedar Ave (2025); 23,940 on Cedar Ave (2024); 1,049 on E Hackberry Ave (2018); 20,328 on E Lakeview Dr (2018); 22,119 on N McColl Rd (2025); 20,017 on N McColl Rd (2020)



# 600-618 N McColl Rd - Monaco Plaza

McAllen, Texas 78501 (Hidalgo County) - Greater McAllen Submarket



Office

## Transportation (Continued)

Airport	McAllen International	9 min drive
	Valley International	44 min drive
Walk Score ®	Somewhat Walkable (60)	

## Tenants

Tenant Name	Floor	SF Occupied	Employees	Move Date	Expiration
Staff Force	1	1,500	4	Apr 2025	-
Alliance Specialized Systems, Llc	1	400	3	Nov 2012	-

Showing 2 of 2 Tenants

## Contacts

Type	Name	Location	Phone
Recorded Owner	Tany	McAllen, TX 78501	-
True Owner	Eduardo Zegaib Seba	McAllen, TX 78501	-

## Market Conditions

Vacancy Rates	Current	YOY Change	Submarket Leasing Activity	Current	YOY Change
Subject Property	76%	↓ -3.8%	12 Month Leased	95,682 SF	↓ -19.4%
Submarket 1-3 Star	2.4%	↓ -0.8%	Months on Market	13.6	↑ 1.7 mo
Market Overall	2.7%	↓ -0.4%			

Market Asking Rent Per Area	Current	YOY Change	Submarket Sales Activity	Current	Prev Year
Subject Property	\$21.54/SF	↑ 72%	12 Month Sales Volume	\$6.34M	\$3.6M
Submarket 1-3 Star	\$23.66/SF	↑ 2.7%	Market Sale Price Per Area	\$205/SF	\$203/SF
Market Overall	\$23.56/SF	↑ 2.6%			



## Property Summary

RBA (% Leased)	17,641 SF (57.4%)
Built	2005
Stories	1
Elevators	None
Typical Floor	17,641 SF
Tenancy	Multiple
Available	680 - 7,520 SF
Max Contiguous	1,400 SF
Asking Rent	\$1416 - 16.20 SF/Year/NNN
Parking Spaces	92 (5.22/1,000 SF)



## Property Details

Land Area	1.36 AC (59,242 SF)	Zoning	C-3
Building FAR	0.30	Parcel	A4230-00-000-0001-00
Owner Occupied	No		

## For Lease Summary

Number of Spaces	10	Asking Rent	\$1416 - 16.20 SF/Year
Smallest Space	680 SF	Service Type	Triple Net
Max Contiguous	1,400 SF	CAM	\$1.32 - 75.00/SF
Vacant	7,520 SF	Office Available	7,520 SF
% Leased	57.4%		

NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000

## Amenities

- Bus Line
- Signage

## Available Spaces

Floor	Suite	Use	Type	SF Available	Floor Contiguous	Building Contiguous	Rent/SF/Year	Occupancy	Term
P 1	11	Office	Direct	1,400	1,400	1,400	\$16.20 NNN	Vacant	3 - 5 Years

NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000

1,400 SF available.

P 1	30	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
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NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000

Professional Plaza with 14 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom.

Agent Remarks: Base Rent is \$1.18 psf monthly + \$75.00 (Monthly CAM) = \$875 List Price

P 1	28	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
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NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000



# 1313-1315 W Polk St - America Plaza

Pharr, Texas 78577 (Hidalgo County) - Pharr Submarket



Office

## Available Spaces (Continued)

Floor	Suite	Use	Type	SF Available	Floor Contiguous	Building Contiguous	Rent/SF/Year	Occupancy	Term
Professional Plaza with 14 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom. Agent Remarks: Base Rent is \$1.18 psf monthly + \$75.00 (Monthly CAM) = \$875 List Price									
P 1	25	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000									
Professional Plaza with 14 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom. Agent Remarks: Base Rent is \$1.18 psf monthly + \$75.00 (Monthly CAM) = \$875 List Price									
P 1	21	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000									
Professional Plaza with 14 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom. Agent Remarks: Base Rent is \$1.18 psf monthly + \$75.00 (Monthly CAM) = \$875 List Price									
P 1	20	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000									
Professional Plaza with several suites available for lease, totaling 6,160 SF. The tenant may combine certain suites that have an adjoining door to accommodate more space for the tenant's needs. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite is 680 SF and features a reception area, 2-4 offices with a kitchenette, and a private restroom. Suite 11 is 1,400 SF and is also available for lease. Please see flyer attached.									
P 1	19	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000									
Professional Plaza with 14 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom. Agent Remarks: Base Rent is \$1.18 psf monthly + \$75.00 (Monthly CAM) = \$875 List Price									
P 1	17	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000									
Professional Plaza with 14 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom. Agent Remarks: Base Rent is \$1.18 psf monthly + \$75.00 (Monthly CAM) = \$875 List Price									
P 1	15	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000									
Professional Plaza with 20 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom. Agent Remarks: Base Rent is \$1.18 psf monthly + \$75.00 (Monthly CAM) = \$875 List Price									
P 1	12	Office	Direct	680	680	680	\$1416 NNN	Vacant	3 - 5 Years
NAI Rio Grande Valley: Laura Liza Paz, SIOR (956) 227-8000									
Professional Plaza with 20 suites available for lease. Located between Jackson Rd and North Sugar Rd in Pharr. Suitable for any type of professional or office use. Each suite features a reception area, 2-4 offices with a kitchenette, and a private restroom.									



For Sale Summary

Asking Price	\$2,000,000 (\$113.37/SF)	Land	1.36 AC
Status	Active	Built	2005
Sale Type	Investment	On Market	2,766 Days
RBA (% Leased)	17,641 SF (57.4%)	Last Update	August 25, 2025

Transportation

Parking Details	92 Surface Spaces; Ratio of 5.22/1,000 SF		
Traffic Volume	11,805 on San Patricia Dr (2018); 12,405 on San Patricia Dr (2018); 22,093 on E Hackberry Ave (2024); 122,209 on Hwy 83 Bus (2020); 117,105 on W Egly Ave (2025); 111,818 on Hwy 83 Bus (2024); 5,763 on W Polk Ave (2025); 7,618 on W Polk Ave (2018); 8,208 on W Expy 83 (2025); 24,793 on Expy 83 (2024)		
Airport	McAllen International		8 min drive
Walk Score ®	Car-Dependent (43)		

Tenants

Tenant Name	Floor	SF Occupied	Employees	Move Date	Expiration
Red Robin	1	12,000	80	Jul 2016	-
Saldivar Home Health Inc	1	1,500	10	Sep 2009	-
Pedia Pros Home Health	1	1,400	-	Feb 2017	-
C & O Tax Services	1	1,360	-	May 2018	-
Lifeline Valley Care	1	800	-	Aug 2012	-

Showing 5 of 12 Tenants

Contacts

Type	Name	Location	Phone
Recorded Owner	Pamota	McAllen, TX 78501	-
True Owner	Conceptual Investments Ltd	McAllen, TX 78501	(956) 682-4801

Market Conditions

Vacancy Rates	Current	YOY Change	Submarket Leasing Activity	Current	YOY Change
Subject Property	42.6%	↑ 311%	12 Month Leased	7082 SF	↓ -86.3%
Submarket 1-3 Star	3.9%	↓ -2.8%	Months on Market	11.3	↑ 4.8 mo
Market Overall	2.7%	↓ -0.4%			

Market Asking Rent Per Area	Current	YOY Change	Submarket Sales Activity	Current	Prev Year
Subject Property	\$19.23/SF	↑ 1.3%	12 Month Sales Volume	\$342.28K	\$0
Submarket 1-3 Star	\$20.38/SF	↑ 2.7%	Market Sale Price Per Area	\$158/SF	\$157/SF
Market Overall	\$23.56/SF	↑ 2.6%			

Property Notes

Each space has 2 offices with reception area , 1 bathroom and a coffee bar. All suites are same size. Suites 27/29/31 all have a conjoint door to each other. If you are needing to lease more square footage or office space, leasing two of those office will be a great deal for Monthly rent of \$1,100.00 with triple Net





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### Property Notes (Continued)

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included.

North Jackson Rd towards Hackberry/Polk Ave. East on Hackberry/Polk, a block from Jackson Rod, to your right is America Plaza. Just a block from Univision TV station.



# 1618 N Veterans Blvd

San Juan, Texas 78589 (Hidalgo County) - Outlying Hidalgo County Submarket



Retail

## Property Summary

GLA (% Leased)	22,959 SF (89.1%)
Built	2005
Tenancy	Multiple
Available	1,250 - 2,500 SF
Max Contiguous	1,250 SF
Asking Rent	\$15.00 SF/Year/NNN
Parking Spaces	85 (3.70/1,000 SF)
Frontage	561' on North Veterans Boulevard



## Property Details

Land Area	2.49 AC (108,464 SF)	Parcel	J5700-00-005-0012-00
Building FAR	0.21		

## For Lease Summary

Number of Spaces	2	Asking Rent	\$15.00 SF/Year
Smallest Space	1,250 SF	Service Type	Triple Net
Max Contiguous	1,250 SF	CAM	\$4.74/SF
Vacant	2,500 SF	Office/Retail Available	2,500 SF
% Leased	891%		

API Real Estate: Sergio Adame (210) 845-4419

## Available Spaces

Floor	Suite	Use	Type	SF Available	Floor Contiguous	Building Contiguous	Rent/SF/Year	Occupancy	Term
P 1	J	Office/Retail	Direct	1,250	1,250	1,250	\$15.00 NNN	Vacant	1 - 3 Years
API Real Estate: Sergio Adame (210) 845-4419									
P 1	O	Office/Retail	Direct	1,250	1,250	1,250	\$15.00 NNN	Vacant	1 - 3 Years
API Real Estate: Sergio Adame (210) 845-4419									

## Previous Sale

Sale Date	12/19/2024	Sale Type	Investment
Sale Price	Withheld	Comp Status	Research Complete
Comp ID	7019711		

## Transportation

Parking Details	85 Surface Spaces; Ratio of 3.70/1,000 SF
Traffic Volume	15,411 on N Veterans Blvd (2025); 13,966 on State Hwy 495 (2018); 22,799 on E Northpoint Dr (2022); 22,837 on E Northpoint Dr (2024); 16,498 on N Juniper St (2025); 14,300 on Expy 83 (2018); 1,277 on State Hwy 495 (2018); 16,894 on Alameda Rd (2018); 143,469 on E Jupiter St (2022); 131,644 on E Jupiter St (2025)
Frontage	561' on North Veterans Boulevard



# 1618 N Veterans Blvd

San Juan, Texas 78589 (Hidalgo County) - Outlying Hidalgo County Submarket



Retail

## Transportation (Continued)

Airport	McAllen International	11 min drive
Walk Score ®	Somewhat Walkable (58)	

## Tenants

Tenant Name	Floor	SF Occupied	Employees	Move Date	Expiration
Aimee Studio Fotografia	1	2,000	2	Oct 2017	-
San Juan Cafe	1	2,000	13	Oct 2017	-
Voodoo Lounge	1	2,000	4	Dec 2018	-
Credit Central	1	1,750	3	Jul 2017	-
Maria's Weight Loss Products	1	1,500	3	Aug 2019	-

Showing 5 of 14 Tenants

## Contacts

Type	Name	Location	Phone
Recorded Owner	G5 Crossing San Juan Llc	Houston, TX 77089	-
Property Management	MAZ	Houston, TX 77027	(713) 900-5555

## Market Conditions

Vacancy Rates	Current	YOY Change	Submarket Leasing Activity	Current	YOY Change
Subject Property	10.9%	↑ 10.9%	12 Month Leased	84,179 SF	↓ -51.3%
Submarket 2-4 Star	2.4%	↓ -0.3%	Months on Market	6.0	↓ -4 mo
Market Overall	2.7%	↓ -0.1%			

Market Asking Rent Per Area	Current	YOY Change	Submarket Sales Activity	Current	Prev Year
Subject Property	\$15.02/SF	↑ 1.9%	12 Month Sales Volume	\$1732M	\$14.87M
Submarket 2-4 Star	\$19.92/SF	↑ 2.0%	Market Sale Price Per Area	\$178/SF	\$174/SF
Market Overall	\$21.30/SF	↑ 2.3%			

# EXHIBIT D

## TEXAS COMMERCIAL LEASE AGREEMENT

### I. THE PARTIES.

This Commercial Lease Agreement ("Agreement") made on September \_\_\_\_, 2025. by and between: Landlord: Aster Villas, LP, with a mailing address of 1005 W. Gore Avenue, Pharr, Texas 78577 ("Landlord") who agrees to lease the Premises to: Tenant: Pharr Housing Authority, with a mailing address of 1005 W. Gore Avenue, Pharr, Texas 78577 ("Tenant"), who agrees to rent the Premises under the following terms: Collectively the Landlord and Tenant shall be known as the "Parties."

### II. DESCRIPTION OF LEASED PREMISES. The Landlord agrees to lease to the Tenant the following described space:

Street Address: 102 W. Polk Avenue, Pharr, TX 78577

Square Feet: 9089 SF

Type of Space: Office

Hereinafter known as the "Premises."

### III. USE OF LEASED PREMISES. The Tenant agrees to use the Premises for office space and for any other purposes legal under law

### IV. TERM OF LEASE. The term of this Agreement shall be for a period of fifty years commencing on January 1, 2027 and expiring at midnight on December 31, 2077 ("Initial Term").

### V. SECURITY DEPOSIT. The Tenant is not Required to Pay a Deposit. There shall be no deposit required for the successful performance of this Agreement by the Tenant ("Security Deposit").

### VI. RENT. The Tenant shall be obligated to pay \$16,360.00 each month with the first payment due upon the commencement of this Agreement and each monthly installment payable thereafter on the 1<sup>st</sup> day of each month ("Due Date") after the Initial Term ("Base Rent"). The Base Rent shall also be applied to any pro-rata period when the Tenant occupies the Premises for less than a one (1) month period. There shall be a rent increase of 3% on the anniversary date of the commencement of the lease on an annual basis during the initial fifty year term.

### VII. LATE FEE. If Rent has not been paid on the Due Date, there shall be a Late Fee. If the Rent is not paid within ten (10) days of the Due Date, the Landlord will charge a flat fee penalty. The late fee shall be equal to \$100 and applied each day until the Rent is paid in full. All late payments made related to Rent shall be first applied to the late fee and all remaining amounts toward the outstanding Rent amounts.

VIII. EXPENSES. This Lease is intended to be a TRIPLE NET (NNN) LEASE.

- a.) Operating Expenses. The Landlord shall have no obligation to provide any services, perform any acts, or pay expenses, charges, obligations, or costs of any kind whatsoever with respect to the Premises. The Tenant hereby agrees to pay one hundred percent (100%) of all Operating Expenses as hereafter defined for the Term of this Agreement and any extensions thereof in accordance with specific provisions hereinafter set forth. The term "Operating Expenses" shall include all costs to the Landlord of operating and maintaining the Premises and shall include, without limitation, real estate and personal property taxes and assessments, management fee(s), heating, air conditioning, HVAC, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restriping, repairs, repaving, cleaning and custodial, security, insurance, the cost of contesting the validity or applicability of any governmental acts which may affect operating expenses, and all other direct operating costs of operating and maintaining the Premises and related parking areas, unless expressly excluded from operating expenses.
- b.) Taxes. Tenant shall pay, during the Term of this Agreement, the real estate taxes, including any special taxes or assessments (collectively, the "taxes") attributable to the Premises and accruing during the Term. Tenant, at Landlord's option, shall pay to Landlord said taxes on a monthly basis, based on one-twelfth (1/12) of the estimated annual amount for taxes. Taxes for any fractional calendar year during the Term hereof shall be prorated. In the event the Tenant does not make any tax payment required hereunder, Tenant shall be in default of this Agreement.
- c.) Insurance. Tenant shall maintain, at all times during the Initial Term of this Agreement, comprehensive general liability insurance in an insurance company licensed to do business in the State in which the Premises are located and that is satisfactory to Landlord, properly protecting and indemnifying Landlord with single limit coverage of not less than \$1,000,000.00 for injury or death, \$500,000.00 for property damage and \$1,000,000.00 for casualty insurance. During the Term of this Agreement, Tenant shall furnish the Landlord with certificate(s) of insurance, in a form acceptable to Landlord, covering such insurance so maintained by Tenant and naming Landlord and Landlord's mortgagees, if any, as additional insured.

IX. OPTION TO RENEW. The Tenant may Renew this Agreement. The Tenant may have the option to renew this Agreement with a total of two (2) renewal period(s) with each term being twenty-five years, which may be exercised by giving written notice to the Landlord no less than 60 days prior to the expiration of this Agreement or renewal

period thereafter ("Renewal Periods"). The Initial Term and any renewal periods mentioned shall be collectively referred to as the "Term."

- X. **LEASEHOLD IMPROVEMENTS.** The Tenant agrees that no leasehold improvements, alterations, or changes of any nature (except for those listed on any attached addenda) shall be made to the leasehold premises or the exterior of the building without first obtaining the consent of the Landlord in writing, which consent shall not be unreasonably withheld, and thereafter, any and all leasehold improvements made to the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Landlord at the expiration or termination of this Agreement. Furthermore, any leasehold improvements shall be made only in accordance with applicable federal, state, or local codes, ordinances, or regulations, having due regard for the type of construction of the building housing the subject leasehold Premises. If the Tenant makes any improvements to the Premises, the Tenant shall be responsible for any costs associated, except the following: Nothing in this Agreement shall be construed to authorize the Tenant or any other person acting for the Tenant to encumber the rents of the Premises or the interest of the Tenant in the Premises or any person under and through whom the Tenant has acquired its interest in the Premises with a mechanic's lien or any other type of encumbrance. Under no circumstance shall the Tenant be construed to be the agent, employee, or representative of Landlord. In the event a lien is placed against the Premises, through actions of the Tenant, Tenant will promptly pay the same or bond against the same and take steps immediately to have such lien removed. If the Tenant fails to have the lien removed, the Landlord shall take steps to remove the lien, and the Tenant shall pay Landlord for all expenses related to the lien and removal thereof and shall be in default of this Agreement.
- XI. **DEFAULT AND POSSESSION.** In the event that the Tenant shall fail to pay said Rent, and expenses as set forth herein, or any part thereof, when the same is due and payable, or shall otherwise be in default of any other terms of said Agreement for a period of more than 15 days, after receiving notice of said default, then the parties hereto expressly agree and covenant that the Landlord may declare this Agreement terminated and may immediately re-enter said Premises and take possession of the same together with any of Tenant's personal property, equipment or fixtures left on the Premises which items may be held by the Landlord as security for the Tenant's eventual payment and/or satisfaction of rental defaults or other defaults of Tenant under this Agreement. It is further agreed that if the Tenant is in default, that the Landlord shall be entitled to take any and all action to protect its interest in the personal property and equipment, to prevent the unauthorized removal of said property or equipment which threatened action would be deemed to constitute irreparable harm and injury to the Landlord in violation of its security interest in said items of personal property. Furthermore, in the event of default, the Landlord may expressly undertake all reasonable preparations and efforts to release the Premises including, but not limited to, the removal of all inventory, equipment or leasehold improvements of the Tenant's, at the Tenant's expense, without



the need to first procure an order of any court to do so, although obligated in the interim to undertake reasonable steps and procedures to safeguard the value of Tenant's property, including the storage of the same, under reasonable terms and conditions at Tenant's expense, and, in addition, it is understood that the Landlord may sue the Tenant for any damages or past Rents due and owing and may undertake all and additional legal remedies then available. In the event any legal action must be instituted to enforce any terms or provisions under this Agreement, then the prevailing party in said action shall be entitled to recover a reasonable attorney's fee in addition to all costs of said action.

- XII. **LICENSES AND PERMITS.** A copy of all local, state, or federal permits acquired by the Tenant which are required for the use of the Premises shall always be kept on-site and shall be readily accessible and produced to the Landlord and/or their agents or any local, state, or federal officials upon demand.
- XIII. **OBLIGATIONS OF TENANT.** The Tenant shall be primarily responsible whenever needed for the maintenance and general pickup of the entranceway leading into the Premises so that this is kept in a neat, safe, and presentable condition. The Tenant shall also be responsible for all minor repairs and maintenance of the leasehold Premises, particularly those items which need immediate attention and which the Tenants, or their employees, can do and perform on their own, including but not limited to, the replacement of light bulbs, as well as the normal repair and cleaning of windows, cleaning, and clearing of toilets, etc., and the Tenant shall properly maintain the Premises in a good, safe, and clean condition. The Tenant shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state, or federal laws, rules, regulations, or ordinances. In the event the structure of the Premises is damaged as a result of any neglect or negligence of Tenant, their employees, agents, business invitees, or any independent contractors serving the Tenant or in any way as a result of Tenant's use and occupancy of the Premises, then the Tenant shall be primarily responsible for seeing that the proper claims are placed with the Tenant's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Landlord, and the party or parties causing said damage. Any damage that is not covered by an insurance company will be the liability of the Tenant. The Tenant shall, during the Term of this Agreement, and in the renewal thereof, at its sole expense, keep the interior of the Premises in as good a condition and repair as it is at the date of this Agreement, reasonable wear and use excepted. This obligation would include the obligation to replace any plate glass damaged as a result of the neglect or acts of Tenant or her guests or invitees. Furthermore, the Tenant shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state, or local authorities and shall expressly not be allowed to



keep or maintain any hazardous waste materials or contaminates on the Premises. Tenant shall also be responsible for the cost, if any, which would be incurred to bring her contemplated operation and business activity into compliance with any law or regulation of a federal, state, or local authority.

- XIV. **INSURANCE.** In the event the Tenant shall fail to obtain the insurance required hereunder and fails to maintain the same in force continuously during the Term, Landlord may, but shall not be required to, obtain the same and charge the Tenant for same as additional Rent. Furthermore, Tenant agrees not to keep upon the Premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event, the insurance rates applicable to fire and extended coverage covering the Premises shall be increased by reason of any use of the Premises made by Tenant, then Tenant shall pay to Landlord, upon demand, such increase in insurance premium as shall be caused by said use or Tenant's proportionate share of any such increase.
- XV. **SUBLET/ASSIGNMENT.** The Tenant may not transfer or assign this Agreement or any right or interest hereunder or sublet said leased Premises or any part thereof without first obtaining the prior written consent and approval of the Landlord.
- XVI. **DAMAGE TO LEASED PREMISES.** In the event the building housing the Premises shall be destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Tenant and which precludes or adversely affects the Tenant's occupancy of the Premises, then in every such cause, the Rent herein set forth shall be abated or adjusted according to the extent to which the leased Premises have been rendered unfit for use and occupation by the Tenant and until the demised Premises have been put in a condition at the expense of the Landlord, at least to the extent of the value and as nearly as possible to the condition of the Premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the Premises that in no event shall the Landlord's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.
- XVII. **INDEMNIFICATION.** The Tenant hereby covenants and agrees to indemnify, defend, and hold the Landlord harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Tenant's use and occupancy of the Premises, and further shall indemnify the Landlord for any losses which the Landlord may suffer in connection with the Tenant's use and occupancy or care, custody, and control of the Premises. The Tenant also hereby covenants and agrees to indemnify and hold harmless the Landlord from any and all claims or liabilities which may arise from any latent defects in the subject Premises that the Landlord is not aware of at the signing of the lease or at any time during the Term.

XVIII. BANKRUPTCY - INSOLVENCY. The Tenant agrees that in the event all or a substantial portion of the Tenant's assets are placed in the hands of a receiver or a Trustee, and such status continues for a period of 30 days, or should the Tenant make an assignment for the benefit of creditors or be adjudicated bankrupt; or should the Tenant institute any proceedings under the bankruptcy act or any amendment thereto, then such Agreement or interest in and to the leased Premises shall not become an asset in any such proceedings and, in such event, and in addition to any and all other remedies of the Landlord hereunder or by law provided, it shall be lawful for the Landlord to declare the Term hereof ended and to re-enter the leased land and take possession thereof and all improvements thereon and to remove all persons therefrom, and the Tenant shall have no further claim thereon.

XIX. SUBORDINATION. Upon request of the Landlord, Tenant will subordinate its rights hereunder to the lien of any mortgage now or hereafter in force against the property or any portion thereof, and to all advances made or hereafter to be made upon the security thereof, and to any ground or underlying lease of the property provided, however, that in such case the holder of such mortgage or the Landlord under such Agreement shall agree that this Agreement shall not be divested or in any way affected by foreclosure, or other default proceedings under the said mortgage, obligation secured thereby, or agreement, so long as the Tenant shall not be in default under the terms of this Agreement. Tenant agrees that this Agreement shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secured thereby. Tenant shall, in the event of the sale or assignment of Landlord's interest in the building of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Landlord covering the Premises, attorn to the purchaser and recognize such purchaser as Landlord under this Agreement.

XX. MISCELLANEOUS TERMS.

- a. Usage by Tenant. Tenant shall comply with all rules, regulations, and laws of any governmental authority with respect to use and occupancy. Tenant shall not conduct or permit to be conducted upon the Premises any business or permit any act which is contrary to or in violation of any law, rules or regulations and requirements that may be imposed by any authority or any insurance company with which the Premises is insured, nor will the Tenant allow the Premises to be used in any way which will invalidate or be in conflict with any insurance policies applicable to the building. In no event shall explosives or extra hazardous materials be taken onto or retained on the Premises. Furthermore, Tenant shall not install or use any equipment that will cause undue interference with the peaceable and quiet enjoyment of the Premises by other tenants of the building.

- b. Signs. Tenant shall not place on any exterior door, wall, or window of the Premises any sign or advertising matter without Landlord's prior written consent and the approval of the local municipality. Thereafter, Tenant agrees to maintain such sign or advertising matter as first approved by Landlord in good condition and repair. Furthermore, Tenant shall conform to any uniform, reasonable sign plan or policy that the Landlord may introduce with respect to the building. Upon vacating the Premises, Tenant agrees to remove all signs and to repair all damages caused or resulting from such removal.
  - c. Condition of Premises/Inspection by Tenant. The Tenant has had the opportunity to inspect the Premises and acknowledges with its signature on this Agreement that the Premises are in good condition and comply in all respects with the requirements of this Agreement. Furthermore, the Landlord makes no representation or warranty with respect to the condition of the Premises or its fitness or availability for any particular use, and the Landlord shall not be liable for any latent or patent defect therein. Furthermore, the Tenant represents that Tenant has inspected the Premises and is leasing and will take possession of the Premises with all current fixtures present in their "as is" condition as of the date hereof.
  - d. Right of Entry. It is agreed and understood that the Landlord and its agents shall have the complete and unencumbered right of entry to the Premises at any time or times for purposes of inspecting or showing the Premises and for the purpose of making any necessary repairs to the building or equipment as may be required of the Landlord under the terms of this Agreement or as may be deemed necessary with respect to the inspection, maintenance or repair of the building.
- XXI. ESTOPPEL CERTIFICATE. Tenant at any time and from time to time, upon at least ten (10) days prior notice by Landlord, shall execute, acknowledge and deliver to Landlord, and/or to any other person, firm, or corporation specified by Landlord, a statement certifying that this Agreement is unmodified and in full force and effect, or if this Agreement has been modified, then that the same is in full force and effect except as modified and stating the modifications, stating the dates to which the Rent have been paid, and stating whether or not there exists any default by Landlord under this Agreement and, if so, specifying each such default.
- XXII. HOLDOVER. Should Tenant remain in possession of the Premises after the cancellation, expiration, or sooner termination of this Agreement, or any renewal thereof, without the execution of a new agreement or addendum, such holding over in the absence of a written agreement to the contrary shall be deemed, if Landlord so elects, to have created and be construed to be a tenancy from month to month, terminable upon thirty (30) days' notice by either party.

XXIII. WAIVER. Waiver by Landlord of a default under this Agreement shall not constitute a waiver of a subsequent default of any nature.

XXIV. GOVERNING LAW. This Agreement shall be governed by the laws in the state of Texas and any disputes shall have venue in Hidalgo County, Texas.

XXV. NOTICES. Payments and notices shall be addressed to the following:

TO LESSOR: Aster Villas, LP  
Lazaro J. Guerra, Manager  
1005 W. Gore Avenue  
Pharr, TX 78577

TO LESSEE: Pharr Housing Authority  
Lazaro J. Guerra, Interim Executive Director  
1005 W. Gore Avenue  
Pharr, TX 78577

XXVI. AMENDMENT. No amendment of this Agreement shall be effective unless reduced to writing and subscribed by the parties with all the formality of the original.

XXVII. BINDING EFFECT. This Agreement and any amendments thereto shall be binding upon the Landlord and the Tenants and/or their respective successors, heirs, assigns, executors, and administrators.

XXVIII. ADDITIONAL TERMS & CONDITIONS.

IN WITNESS WHEREOF, the Parties have indicated their acceptance of the terms and conditions of this Agreement by their signatures below on the dates indicated.

LESSOR: \_\_\_\_\_  
LAZARO J. GUERRA, Manager  
Aster Villas, LP

LESSEE: \_\_\_\_\_  
LAZARO J. GUERRA, Interim Executive Director  
Pharr Housing Authority