



LOAN AGREEMENT

This Loan Agreement ("Agreement") is made and entered into by and between:

La Vernia Municipal Development District ("Lender"),

Located at: 102 E. Chihuahua St, La Vernia, TX 78121

And

The City of La Vernia ("Borrower"),

Located at: 102 E. Chihuahua Street, La Vernia, TX 78121.

Effective Date: April 17th, 2025

1. LOAN AMOUNT AND PURPOSE

The Lender agrees to loan the Borrower the amount of **Two Hundred Fifty Thousand Dollars (\$250,000.00)** ("Loan") for the purpose of remodeling a newly purchased police department facility, as described in Exhibit A, attached to this Agreement.

Property Information:

- **Property ID:** 27483
- **Legal Acreage:** 1.853 acres
- **GEO ID:** 3000-03000-22002
- **Legal Description:** CITY OF LA VERNIA, LOT 220B & 257, ACRES 1.853
- **Situs Address:** 4061 CR 342, La Vernia, TX 78121

- **Owner:** The City of La Vernia

2. LOAN TERMS

- **Loan Amount:** \$250,000.00
- **Interest Rate:** 0%
- **Loan Term:** 15 years (180 months)
- **Repayment Schedule:** Monthly or Annual installments, as agreed by both parties during the upcoming City and MDD meetings scheduled for April 17th, 2025.

3. LOAN DISBURSEMENT

The Lender agrees to provide the Loan amount of **\$250,000.00** to the Borrower in the form of a **bank draft transfer**. This transfer will be made from the MDD's bank account to the City's designated bank account, with the first transfer to occur upon the signing of this Agreement.

- The Bank Draft Transfer will occur **on 04-18-2025 in one lump sum**.
- The City will then create a holding account within its accounting software and will then be able to draw from this account to pay invoices related to the remodeling of the police department facility.

4. REPAYMENT TERMS

The Borrower agrees to repay the Loan in **monthly or annual installments**, as agreed during the City and MDD meetings on April 17th, 2025. These payments will also be made via **bank draft transfer** from the City's bank account to the MDD's bank account. The repayments are projected to start in **FY 2026**. The proposed repayment schedule is as follows:

Proposed 15-Year Repayment Schedule (0% Interest):

Year	Monthly Payment	Annual Payment	Outstanding Balance at the End of the Year
1	\$1,388.89	\$16,666.68	\$233,333.32
2	\$1,388.89	\$16,666.68	\$216,666.64
3	\$1,388.89	\$16,666.68	\$200,000.00

4	\$1,388.89	\$16,666.68	\$183,333.32
5	\$1,388.89	\$16,666.68	\$166,666.64
6	\$1,388.89	\$16,666.68	\$150,000.00
7	\$1,388.89	\$16,666.68	\$133,333.32
8	\$1,388.89	\$16,666.68	\$116,666.64
9	\$1,388.89	\$16,666.68	\$100,000.00
10	\$1,388.89	\$16,666.68	\$83,333.32
11	\$1,388.89	\$16,666.68	\$66,666.64
12	\$1,388.89	\$16,666.68	\$50,000.00
13	\$1,388.89	\$16,666.68	\$33,333.32
14	\$1,388.89	\$16,666.68	\$16,666.64
15	\$1,388.89	\$16,666.68	\$0

- The Borrower agrees to make payments via **bank draft transfer** from the City's designated bank account to the MDD's designated bank account on the **1st day of each month** or **on the 1st day of the fiscal year**, depending on the repayment schedule chosen.

5. USE OF LOAN FUNDS

The Borrower agrees to use the Loan exclusively for remodeling and improvement of the police department facility located at **4061 CR 342, La Vernia, TX 78121**, as outlined in the **Property Information** above. Any deviations from this use must be approved in writing by the Lender.

6. DEFAULT AND REMEDIES

In the event that the Borrower fails to make any payment under this Agreement, the Lender shall provide written notice of default. The Borrower shall have thirty (30) days from the date of the notice to cure the default. If the default is not cured within the specified time frame, the Lender may seek legal action to recover the outstanding balance.

7. GOVERNING LAW

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

8. EXECUTION AND APPROVAL

This Agreement will become effective once signed by the authorized representatives of both parties during the City and MDD meetings on April 17th, 2025.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the **17th of April 2025**.

La Vernia Municipal Development District

Signature: _____

Name: Dianell Recker

Title: President of the Board of Directors

The City of La Vernia

Signature: _____

Name: Martin Poore

Title: Mayor
