

CLOSING DOCUMENTS INDEX

\$7,484,381.86 SALES TAX NOTE

**GOVERNMENT CAPITAL CORPORATION
("Lender")**

and

**SEGUIN ECONOMIC DEVELOPMENT CORPORATION
("Corporation")**

Dated as of March 24, 2025

***Document
No.***

Document Description

- | | |
|----|-------------------------------------------------------------------------------------------------------|
| 1 | Loan Agreement between Lender and Corporation
Exhibit A – Form of Note |
| 2 | Note executed by Corporation and payable to Lender
Schedule I – Payment Schedule |
| 3 | Sales Tax Remittance Agreement executed by the Corporation and the City of Seguin, Texas (the “City”) |
| 4 | General Certificate of Corporation |
| 5 | Resolution of Corporation |
| 6 | General Certificate of the City |
| 7 | Resolution of the City |
| 8 | Opinion of Counsel |
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LOAN AGREEMENT

between

GOVERNMENT CAPITAL CORPORATION

and

SEGUIN ECONOMIC DEVELOPMENT CORPORATION

\$7,484,381.86

Dated as of March 24, 2025

LOAN AGREEMENT

This **LOAN AGREEMENT** (as amended, restated, supplemented and/or otherwise modified, this “Agreement”), dated as of March 24, 2025, is between **GOVERNMENT CAPITAL CORPORATION** (the “Lender”), and **SEGUIN ECONOMIC DEVELOPMENT CORPORATION** (the “Corporation”), a nonprofit economic development corporation duly established and created pursuant to Chapters 501, 502 and 504, Local Government Code, as amended (formerly Section 4A of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended), (the “Act”), created by or on behalf of the City of Seguin, Texas (the “City”).

WITNESSETH:

WHEREAS, the City has established, levied, is maintaining and collecting on behalf of the Corporation the Economic Development Sales and Use Tax pursuant to the Act;

WHEREAS, the Corporation has asked the Lender to make a loan to the Corporation for the purpose of (i) financing the acquisition of real property (the “Project”) in the City which will serve as primary job training facility for use by an institution of higher education that will create and retain primary jobs and (ii) paying costs of issuing the loan, such loan to be secured by and payable from the proceeds of the Economic Development Sales and Use Tax;

WHEREAS, the Lender is willing to make such loan to the Corporation, on the terms and conditions hereinafter set forth;

WHEREAS, the Project was authorized by a resolution of the Board of Directors of the Corporation adopted on March 18, 2025.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration and the mutual benefits, covenants and agreements herein expressed, the Lender and the Corporation agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 **Definitions**

The capitalized terms used in this Agreement shall have the following respective meanings unless the context otherwise requires:

Act - has the meaning ascribed to such term in the first paragraph hereof.

Additional Parity Obligations - means: (i) additional debt or other obligations to be issued or incurred by the Corporation including, without limitation, the issuance or incurrence of any bonds, notes, or other obligations, which are equally and ratably payable from and secured solely by a prior and first lien on the Pledged Revenues, including the Note, and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and secured by a prior and first lien on and pledge of the Pledged Revenues.

Additional Subordinate Obligations - means: additional debt or other obligations to be issued or incurred by the Corporation including, without limitation, the issuance or incurrence of any bonds, notes, or other obligations payable from and secured in whole or in part by liens on the Pledged Revenues that are junior or subordinate to the lien on the Pledged Revenues securing the payment of the Note.

Agreement - has the meaning ascribed to such term in the first paragraph hereof.

Board – the Board of Directors of the Corporation.

Bond Counsel – Naman Howell Smith & Lee, PLLC.

Business Day - Any day, other than a Saturday, Sunday, or legal holiday, on which the offices of the Lender are not required or authorized by law or executive order to be closed.

City - has the meaning ascribed to such term in the first paragraph hereof.

Closing Date - The date that the Note is delivered to the Lender.

Code - The Internal Revenue Code of 1986, as amended, and all applicable regulations and any official rulings and determinations under the above.

Corporation - has the meaning ascribed to such term in the first paragraph hereof.

Costs of Issuance - The costs and expenses incurred by the Corporation with respect to the authorization, execution and delivery of the Loan Documents and all documentation related thereto.

Debt Service Fund - shall have the meaning ascribed to such term in Section 4.4 hereof.

Debt Service Requirement - The amount necessary to pay the principal of and interest due and owing on the Note during each respective fiscal year of the Corporation.

Economic Development Sales and Use Tax - The 1/4 of 1% sales and use tax authorized to be levied by the City on behalf of the Corporation for the promotion of economic development pursuant to the Act and elections duly held.

Event of Default - Unless waived in writing by the Lender, the occurrence of any of the following:

- (a) the failure of the Corporation to make any of the Note Payments when due;
- (b) the failure of the Corporation to comply with any other covenant, condition, or agreement under this Agreement, and the continuation of such failure for a period of thirty (30) days after the date that the Corporation acquired actual knowledge or written notice of such failure, which knowledge may take the form of notice specifying such failure given to the Corporation by the Lender;
- (c) bankruptcy, insolvency, appointment of a receiver for, or the failure to discharge a judgment against, the Corporation;

(d) the violation of any representation or warranty made by the Corporation under Section 5.2 hereof; or

(e) the failure of the Corporation to perform any of its obligations under or comply with any provisions of this Agreement not described in (a) or (b) above or any other agreement with the Lender to which it may be a party or by which it is bound.

Interest Payment Date - The date interest payments are due on the Loan, as set forth in the Note.

Lender - Government Capital Corporation, together with its successors and assigns.

Loan - The loan from the Lender to the Corporation made pursuant to this Agreement.

Loan Documents - Collectively, this Agreement, the Note, the Sales Tax Remittance Agreement, and the Resolution.

Maximum Interest Rate - The maximum rate of interest allowed under Chapter 1204, Government Code, as amended, but not to exceed the “*applicable interest rate ceiling*” as determined under Chapter 303 of the Texas Finance Code from time to time in effect.

Note – the promissory note of even date herewith (such promissory note, as the same may be renewed, extended, amended or otherwise modified from time to time) delivered pursuant to this Agreement in substantially the form attached hereto as Exhibit A, and any promissory note executed and delivered by the Corporation in replacement thereof or in substitution therefor.

Note Payments - The payments required by Section 2.3 to be made by the Corporation in payment of the principal of and interest on the Note.

Pledged Revenues – (i) Subject to Section 4.3 hereof, 100% of the funds collected by the City from the levy of the Economic Development Sales and Use Tax, without deduction, offset or credit for any administrative charges or expenses incurred by the City or the Corporation in connection with the levy and collection of the Economic Development Sales and Use Tax, other than any amounts due and owing to the Comptroller of Public Accounts of the State for collection costs and other charges, and (ii) such other money, income, revenue, receipts or other property as may be specifically dedicated, pledged or otherwise encumbered in this Agreement.

Principal Amount - \$7,484,381.86.

Previously Issued Parity Indebtedness - means any note, bond or other debt obligations of the Corporation outstanding as of the Closing Date and payable from and secured in whole or in part by liens on the Pledged Revenues that are in parity with the lien on the Pledged Revenues securing the payment of the Note.

Resolution - The resolution of the Board of Directors of the Corporation authorizing the execution and delivery of this Agreement and the Note and the pledge of the Pledged Revenues to the payment of the principal of and interest on the Note, and any amendments or supplements thereto.

Revenue Fund - shall have the meaning ascribed to such term in Section 4.4 hereof.

Sales Tax Remittance Agreement - The Sales Tax Remittance Agreement dated as of even date herewith by and between the Corporation and the City, as same may be amended, restated, supplemented and/or otherwise modified.

State - The State of Texas.

Surplus Fund - shall have the meaning ascribed to such term in Section 4.4 hereof.

Section 1.2 Interpretative Matters

(a) Whenever the context requires:

(i) references in this Agreement of the singular number shall include the plural and vice versa; and

(ii) words denoting gender shall be construed to include the masculine, feminine, and neuter.

(b) The titles given to any article or section of this Agreement are for convenience of reference only and are not intended to modify the meaning of the article or section.

ARTICLE II

THE LOAN; REPAYMENT OF THE LOAN

Section 2.1 Financing the Loan

Subject to the terms and conditions set forth in this Agreement, including without limitation the conditions set forth in Section 2.2, and for and in consideration of the payment by the Corporation of its obligations under this Agreement and the Note and the covenants and agreements herein contained, on the Closing Date the Lender will advance to and for the sole use and benefit of the Corporation for the exclusive purpose of providing funds to pay costs of the Project and to pay the Costs of Issuance.

Section 2.2 Conditions to Closing

The obligation of the Lender to make the advance pursuant to Section 2.1 hereof shall be subject to the following conditions:

(a) The representations of the Corporation herein shall be true, complete and correct in all material respects on the date hereof and on and as of the Closing Date as if made on the Closing Date;

(b) On the Closing Date, the Loan Documents shall be in full force and effect, assuming due authorization and execution by the other parties thereto, and shall not have been amended or supplemented except as may have been agreed to in writing by the Lender;

(c) At or prior to the Closing Date, the Lender shall have received each of the following documents:

- (i) This Agreement executed by an authorized officer of the Corporation;
- (ii) The Note executed by an authorized officer of the Corporation;
- (iii) The Sales Tax Remittance Agreement executed by authorized officers of the Corporation and the City;
- (iv) The No Arbitrage and Tax Certificate and IRS Form 8038-G executed by an authorized officer of the Corporation;
- (v) A certificate, dated the Closing Date, executed by an authorized officer of the Corporation, to the effect that (A) the representations and warranties of the Corporation contained in this Agreement, the Note and the Sales Tax Remittance Agreement are true and correct on the date hereof and on and as of the Closing Date as if made on the Closing Date; (B) the Loan Documents are in full force and effect and have not been amended or supplemented except as may have been approved in writing by the Lender; (C) the Corporation is undertaking the Project in accordance with the Act and the City Council of the City has adopted a resolution authorizing this Agreement, the Note and the Sales Tax Remittance Agreement; (D) the Corporation is not in default with respect to any of its outstanding obligations; and (E) no litigation is pending or, to the best of such officer's knowledge, threatened in any court to restrain or enjoin the execution and delivery of this Agreement or the Note, or the levy and collection of the Economic Development Sales and Use Tax or the pledge thereof, or contesting or affecting the adoption and validity of the Resolution or the authorization, execution and delivery of the Loan Documents, or contesting the powers of the Board of Directors of the Corporation;
- (vi) A certificate, dated the Closing Date, executed by an authorized officer of the City, certifying effect that (A) the City has duly authorized the creation of the Corporation under the Act, (B) the levy of the Economic Development Sales and Use Tax was approved by the voters of the City, and (C) no litigation is pending or, to the best of such officer's knowledge, threatened against the City with respect to the issuance by the Corporation of the Note, this Agreement or the Sales Tax Remittance Agreement, the creation of the Corporation or the title or authority of the governing body or direction of the Corporation;
- (vii) Certified copies of resolutions of the City and the Corporation authorizing execution, delivery and performance of all of the Loan Documents and authorizing the borrowing hereunder, along with such certificates of existence, certificates of good standing and other certificates or documents as the Lender may reasonably require to evidence the Corporation's authority;
- (viii) True copies of all organizational documents of the Corporation, including all amendments, restatements or supplements thereto;

(ix) An opinion of counsel in form and substance acceptable to the Lender which shall specifically provide that (1) the Corporation is a validly existing non-profit corporation created by the City of Seguin, Texas pursuant to Chapter 504 of the Act, (2) the Loan Documents have been duly authorized by the governing body of the Corporation and constitute valid and binding obligations of the Corporation, (3) the Corporation is duly authorized and empowered to execute, deliver and perform the Loan Documents and (4) the interest on the Note for federal income tax purposes will be excludable from gross income pursuant to Section 103 of the Code.

Section 2.3 Repayment Terms

(a) The Corporation agrees to execute and deliver the Note to the Lender at Closing pursuant to Section 2.1.

(b) The Note shall be dated the Closing Date, shall be in an aggregate principal amount equal to the respective Principal Amounts and shall be payable in installments on the dates and in the amounts specified in the Note.

(c) Interest shall accrue and be paid on the outstanding Principal Amounts as specified in the Note.

Section 2.4 Note Payments

All Note Payments shall be made on the applicable payment date in immediately available funds and shall be paid to the Lender at the address provided to the Corporation pursuant to Section 8.2.

Section 2.5 Note Payments Due on Business Days

If the regularly scheduled due date for a Note Payment is not a Business Day, the due date for such payment shall be the next succeeding Business Day, and payment made on such succeeding Business Day shall have the same force and effect as if made on the regularly scheduled due date.

Section 2.6 Prepayment of Note

(a) Voluntary Prepayment. The Corporation may at its option prepay the principal amount of the Note outstanding hereunder, in whole but not in part, on any payment date on or after March 24, 2030. The prepayment price shall be the Early Redemption Value set forth in the Form of Note attached hereto. The Corporation shall advise the Lender of its desire to prepay the Note, and the amount to be prepaid, at least thirty (30) days prior to the payment.

Section 2.7 Limited Obligation

The obligations of the Corporation hereunder are special limited obligations thereof and neither the Note nor any instrument related to this Agreement may give a holder a right to demand payment from any source other than the Pledged Revenues.

Section 2.8 Segregation of Pledged Revenues

The Corporation shall or shall cause the City to maintain a separate fund into which shall be deposited the Pledged Revenues, or specifically account for such revenues on the books of the Corporation, and the Corporation shall or shall cause the City to segregate such taxes collected from the general fund of the City.

ARTICLE III

ADDITIONAL DEBT

Section 3.1 Additional Parity Obligations.

(a) For so long as the Corporation is obligated hereunder and under the Note, the Corporation shall have the right, from time to time as needed, to issue Additional Parity Obligations for any lawful purpose. Such Additional Parity Obligations may be issued in such form and manner as the Corporation shall determine so long as prior to doing the same:

(i) the Corporation furnishes to the Lender a signed statement, supported by its audit or other financial presentation acceptable to the Lender, that the Corporation's Pledged Revenues for the previous 12 months, prior to the adoption of the resolution authorizing the issuance of the proposed Additional Parity Obligations, are at least 1.50 times the maximum annual debt service payments due on (i) the Note and (ii) all Additional Parity Obligations then outstanding and after giving effect to the issuance of the Additional Parity Obligations then being issued. Such statement shall be furnished to the Lender at least 14 days prior to the time any additional debt is incurred;

Section 3.2 Subordinate Debt

(a) The Corporation may issue or incur Additional Subordinate Obligations without restriction.

ARTICLE IV

SPECIAL AGREEMENTS

Section 4.1 Obligations of Corporation Unconditional

(a) The obligation of the Corporation to make the payments required by Section 2.3 shall be absolute and unconditional. The Corporation shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Corporation may have or assert against the Lender or any other person.

(b) Until such time as the Note is fully paid the Corporation:

(i) will not suspend or discontinue, or permit the suspension or discontinuance of, any Note Payment;

(ii) will perform and observe all of its other agreements contained in this Agreement; and

(iii) except by full payment and retirement of the Note will not terminate this Agreement for any cause.

Section 4.2 Agreement as Security Agreement

(a) An executed copy of this Agreement shall constitute a security agreement pursuant to applicable law, with the Lender as the secured party. The lien, pledge, and security interest of the Lender created in this Agreement shall become effective immediately upon the Closing Date, and the same shall be continuously effective for so long as the Note is outstanding.

(b) A fully executed copy of this Agreement and the proceedings authorizing it shall be filed as a security agreement among the permanent records of the Corporation. Such records shall be open for inspection to any member of the general public and to any person proposing to do or doing business with, or asserting claims against, the Corporation, at all times during regular business hours.

(c) The provisions of this section are prescribed pursuant to the Bond Procedures Act of 1981 (Chapter 1204, Government Code), as amended, and other applicable laws of the State. If any other applicable law, in the opinion of counsel to the Corporation or in the opinion, reasonably exercised, of counsel to the Lender, requires any filing or other action additional to the filing pursuant to this section in order to preserve the priority of the lien, pledge, and security interest of the Lender created by this Agreement, the Corporation shall diligently make such filing or take such other action to the extent required by law to accomplish such result.

Section 4.3 Pledge and Source of Payment

The Corporation hereby covenants that all Pledged Revenues shall be deposited and paid as set forth in Section 4.4 hereof, and shall be applied in the manner set out herein, to provide for the payment of principal and interest on the Previously Issued Parity Indebtedness, the Note and, to the extent permitted, any Additional Parity Obligations and all expenses of paying the same. The obligations of the Corporation under the Previously Issued Parity Indebtedness, the Note and, any Additional Parity Obligations shall be special limited obligations of the Corporation payable solely from, and secured by a first lien on, the Pledged Revenues, and collected and received by the Corporation, which Pledged Revenues shall, in the manner herein provided, be set aside and pledged to the payment of the Previously Issued Parity Indebtedness, the Note and, any Additional Parity Obligations, and any excess Economic Development Sales and Use Tax revenues shall be set aside in the Surplus Fund as hereinafter provided. The Lender and any owner of any Additional Parity Obligations shall never have the right to demand payment out of any funds raised or to be raised by ad valorem taxation. The Lender and any owner of any Additional Parity Obligations shall never have the right to demand payment from

sales tax revenues in excess of those collected from the Economic Development Sales and Use Tax.

Section 4.4 Special Funds

. The following special funds are hereby created, and such funds shall be maintained and accounted for as hereinafter provided, so long as the Note and any Additional Parity Obligations remain outstanding:

- (a) Economic Development Sales and Use Revenue Fund (the “Revenue Fund”); and
- (b) Economic Development Sales and Use Note Debt Service Fund (the “Debt Service Fund”);

The Revenue Fund and Debt Service Fund shall be maintained and accounted for as separate accounts or line items on the books of the Corporation. All of the funds named above shall be used solely as provided herein so long as the Note and any Additional Debt remain outstanding. Notwithstanding the foregoing and the provisions of Sections 4.5, 4.6 and 4.7 hereof, the Corporation may utilize existing accounts and maintain appropriate internal records regarding the Revenue Fund and the Debt Service Fund.

Section 4.5 Flow of Funds

All Pledged Revenues shall be deposited as collected into the Revenue Fund, which can be the Corporation’s general fund at its discretion. Money not required for the payment of debt service may be used for any lawful expenditure of the Corporation

Section 4.6 Debt Service Fund

On or before the date a payment is due on Note, there shall be credited to the Debt Service Fund from the Revenue Fund such amounts as are necessary to make such payment on the Note.

Money deposited to the credit of the Debt Service Fund required by this Agreement shall be used solely for the purpose of paying principal and interest on the Previously Issued Parity Indebtedness, the Note and any Additional Parity Obligations plus any costs related thereto.

Section 4.7 Intentionally Omitted

Section 4.8 Investment of Funds; Transfer of Investment Income

Money in the Revenue Fund and the Debt Service Fund may, at the option of the Corporation, be invested in time deposits or certificates of deposit of commercial banks secured in the manner required by law for public funds and insured by the Federal Deposit Insurance Corporation to the maximum extent permitted by law, or be invested in direct obligations of, or obligations fully guaranteed by, the United States of America, or in any other investments authorized by the laws of the State; provided that all such deposits or investments shall be made in such manner that the money required to be expended from any fund will be available at the

proper time or times. Any obligation in which money is so invested shall be kept and held in the official depository bank of the Corporation at which the fund is maintained from which the investment was made. All such investments shall be promptly sold when necessary to prevent any default in connection with the Note or any Additional Debt.

All interest and income derived from such deposits and investments shall be transferred or credited as received to the Revenue Fund, and shall constitute Pledged Revenues.

Section 4.9 Security for Uninvested Funds

All uninvested money on deposit in, or credited to, the Revenue Fund and the Debt Service Fund shall be secured by the pledge of security as provided by the laws of the State.

Section 4.10 Financial Statements and Reports

(a) For so long as any amounts remain outstanding under the Note, the Corporation will promptly furnish to the Lender from time to time upon request such information regarding the business and affairs and financial condition of the Corporation as the Lender may reasonably request, and furnish to the Lender promptly after available and in any event within one hundred eighty (180) days of each fiscal year end, current audited financial statements, on a consolidated basis, of the Corporation, or if not separately prepared, then of the City, including (i) a balance sheet, (ii) statement of revenues, expenses and changes in fund balances, (iii) statements of cash flow, (iv) operating fund budget analysis, and (iv) appropriate Note and attachments to the financial statements.

Section 4.11 Notice of Contingent Liabilities

Within five (5) days after the Corporation knows or has reason to know of the occurrence thereof, the Corporation shall give the Lender written notice of any actual or potential contingent liability in excess of \$100,000.00.

Section 4.12 Inspection Rights

At any reasonable time and from time to time, the Corporation will permit representatives of the Lender to examine, copy, and make extracts from its books and records, to visit and inspect its properties, and to discuss its business, operations, and financial condition with its officers, employees, and independent certified public accountants; provided, however, this shall not include any information that the Corporation has an obligation to keep confidential, including, without limitation, information of the type described in Section 552.131, Texas Government Code, as amended.

Section 4.13 Keeping Books and Records

The Corporation will maintain proper books of record and account in which full, true, and correct entries in conformity with generally accepted accounting principles shall be made of all dealings and transactions in relation to its business and activities.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Lender

The Lender represents and warrants to the Corporation the following:

- (a) The Lender has all necessary power and authority to enter into and perform this Agreement.
- (b) The Lender has taken all actions required to authorize and execute this Agreement and to perform its obligations hereunder and the execution, delivery and performance by the Lender of and compliance with the provisions of this Agreement will not conflict with any existing law, regulation, rule, decree or order or any agreement or other instrument by which the Lender is bound.

Section 5.2 Representations by the Corporation

The Corporation represents, warrants and covenants to the Lender as follows:

- (a) The Corporation is a nonprofit economic development corporation, within the meaning of Chapter 504 (formerly Section 4A) of the Act, has all of the rights, powers, privileges, authority and functions given by the general laws of the State to nonprofit corporations incorporated under the Texas Non-Profit Corporation Act, as amended, except as otherwise provided in Section 501.054(a) of the Act (formerly Section 23(a) of the Act), and is authorized by the Act to execute and to enter into this Agreement and to undertake the transactions contemplated herein and to carry out its obligations hereunder.
- (b) The Corporation is duly organized, validly existing, and in good standing under the laws of the State. The Corporation has all requisite power, authority and legal right to execute and deliver the Loan Documents and all other instruments and documents to be executed and delivered by the Corporation pursuant thereto, to perform and observe the provisions thereof and to carry out the transactions contemplated by the Loan Documents. All corporate action on the part of the Corporation which is required for the execution, delivery, performance and observance by the Corporation of the Loan Documents has been duly authorized and effectively taken, and such execution, delivery, performance and observation by the Corporation do not contravene applicable law or any contractual restriction binding on or affecting the Corporation.
- (c) The Corporation has duly approved the borrowing of funds from the Lender and has received the approval of the City therefor; no other authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required as a condition to the performance by the Corporation of its obligations under any of the Loan Documents.
- (d) This Agreement, the Note and the Sales Tax Remittance Agreement are legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms.

(e) There is no default of the Corporation in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of the Loan Documents or the ability of the Corporation to perform its obligations thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There is no pending or, to the knowledge of the undersigned officers of the Corporation, threatened action or proceeding before any court, governmental agency or department or arbitrator (i) to restrain or enjoin the execution or delivery of this Agreement and the Note or the collection of any Pledged Revenues to pay the Note, (ii) in any way contesting or affecting the authority for the execution and delivery or the validity of the Loan Documents, or (iii) in any way contesting the levy of the Economic Development Sales and Use Tax or the existence of the Corporation or the title or powers of the officers of the Corporation.

(g) In connection with the authorization, execution and delivery of this Agreement and the Note, the Corporation has complied with all provisions of the laws of the State, including the Act.

(h) The execution and delivery of the documents contemplated hereunder do not violate any provision of any instrument or agreement to which the Corporation is a party or by which it is bound.

(i) The Corporation has, by proper corporate action, duly authorized the execution and delivery of this Agreement.

(j) The Corporation is not in default under or in violation of the Constitution or any of the laws of the State relevant to the issuance of the Note or the consummation of the transactions contemplated hereby or in connection with such issuance, and has duly authorized the issuance of the Note and the execution and delivery of this Agreement. The Corporation agrees that it will do or cause to be done in a timely manner all things necessary to preserve and keep in full force and effect its existence, and to carry out the terms of this Agreement and the Indenture.

(k) The Corporation's books and records properly reflect the financial condition of the Corporation and, to the best of the Corporation's knowledge, there has been no material adverse change in the business, condition (financial or otherwise), operations, prospects or properties of the Corporation since the effective date of the Corporation's most recent financial statements.

The Corporation certifies that its Economic Development Sales and Use Tax revenues for the fiscal year ending in 2023 were \$2,145,676 and none of said revenues were pledged to the payment of any Previously Issued Parity Indebtedness.

Section 5.3 Tax Matters

(a) The Corporation covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Note as an obligation described in Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on which is not includable in “gross income” for federal income tax purposes. In furtherance thereof, the Corporation specifically covenants as follows:

(i) To refrain from taking any action which would result in the Note being treated as “private activity bonds” within the meaning of Section 141(a) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Note or the projects financed therewith are used for any “private business use,” as defined in Section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith are so used, that amounts, whether or not received by the Corporation with respect to such private business use, do not under the terms of this Agreement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Note, in contravention of Section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the “private business use” described in paragraph (ii) hereof exceeds 5% of the proceeds of the Note or the projects financed therewith, then the amount in excess of 5% is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of Section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than 5% of the proceeds of the Note is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of Section 141(c) of the Code;

(v) To refrain from taking any action which would result in the Note being “federally guaranteed” within the meaning of Section 149(b) of the Code;

(vi) Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Note, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in Section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Note;

(vii) To otherwise restrict the use of the proceeds of the Note or amounts treated as proceeds of the Note, as may be necessary, so that the Note does not otherwise contravene the requirements of Section 148 of the Code (relating to arbitrage) and, to the extent applicable, Section 149(d) of the Code (relating to advance refundings);

(viii) Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the issue date of the Note an amount that is at least equal to 90% of the “Excess Earnings,” within the meaning of

Section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Note has been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under Section 148(f) of the Code; and

(ix) To maintain such records as will enable the Corporation to fulfill its responsibilities under this subsection and Section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Note.

For the purposes of the foregoing, in the case of a refunding bond, the term proceeds includes transferred proceeds and, for purposes of paragraphs (ii) and (iii), proceeds of the refunded obligations.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Note, the Corporation will not be required to comply with any covenant contained herein to the extent that such noncompliance, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Note under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Note, the Corporation agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion from gross income of interest on the Note under Section 103 of the Code.

(b) Proper officers of the Corporation charged with the responsibility of issuing the Note are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the Corporation, which may be permitted by the Code as are consistent with the purpose for the issuance of the Note.

(c) Notwithstanding any other provision in this Agreement, to the extent necessary to preserve the exclusion from gross income of interest on the Note under Section 103 of the Code, the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Note.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The Corporation covenants that the Corporation will regulate the use of the property financed, directly or indirectly, with the proceeds of the Note and will not sell, lease (other than to the Corporation's contracted service provider), or otherwise dispose of such property unless (i) the Corporation takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Note under Section 103 of the Code or (ii) the Corporation seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

(e) The representations above shall be deemed to be made on and as of the date hereof and as of the date of the Note.

ARTICLE VI

REMEDIES SECTION

Section 6.1 Remedies Available

(a) So long as any Event of Default has occurred and is continuing, the Lender may take any action at law or in equity, including without limitation the right to seek a writ of mandamus from a court of competent jurisdiction, to collect all amounts then due under this Agreement and the enforcing of compliance with any other obligation of the Corporation under this Agreement.

(b) In addition to the remedies provided in subsection (a) of this Section, the Lender shall, to the extent permitted by law, be entitled to recover the costs and expenses incurred by the Lender in the proceedings authorized under subsection (a) of this Section.

(c) Notwithstanding any other provision of this Agreement, the acceleration of the Note Payments is not available as a remedy under this Agreement.

Section 6.2 Application of Money Collected

Any money collected as a result of the taking of remedial action pursuant to this Article VI, including money collected as a result of foreclosing the liens of this Agreement, shall be applied to cure the Event of Default with respect to which such remedial action was taken.

Section 6.3 Restoration of Rights

If any action taken as a result of an Event of Default is discontinued or abandoned for any reason, or is determined adversely to the interests of the Lender, or if an Event of Default is cured, all parties shall be deemed to be restored to their respective positions and rights under the Loan Documents as if such Event of Default had not occurred.

Section 6.4 Non-Exclusive Remedies

No remedy conferred upon or reserved to the Lender by this Agreement is intended to be exclusive of any other available remedy, and each such remedy shall be in addition to any other remedy given under this Agreement or the other Loan Documents or now or hereafter existing at law or in equity.

Section 6.5 Delays

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or be construed to be a waiver thereof, and all such rights and powers may be exercised as often as may be deemed expedient.

Section 6.6 Limitation on Waivers

If an Event of Default is waived, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed a waiver of any other Event of Default; provided, that no waiver of an Event of Default shall be effective unless such waiver is made in writing.

ARTICLE VII

DISCHARGE BY PAYMENT

When the Note has been paid in full or when the Corporation has made payment to the Lender of the whole amount due or to become due under the Note (including all interest that has accrued thereon or that may accrue to the date of maturity or prepayment, as applicable), and all other amounts payable by the Corporation under this Agreement have been paid, the liens of this Agreement shall be discharged and released, and the Lender, upon receipt of a written request by the Corporation and the payment by the Corporation of the reasonable expenses with respect thereto, shall discharge and release the lien of this Agreement and execute and deliver to the Corporation such releases or other instruments as shall be requisite to release the lien hereof.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Term of Agreement

This Agreement shall become effective upon the Closing Date and shall continue in full force and effect until all obligations of the Corporation under this Agreement and the Note has been fully paid.

Section 8.2 Notices

(a) All notices, certificates, or other communications required by or made pursuant to this Note Agreement shall be in writing and given by certified or registered United States Mail, return receipt requested, addressed as follows:

(i) if to the Lender:

Government Capital Corporation
345 Miron Drive
Southlake, Texas 76902

(ii) if to the Corporation:

Seguin Economic Development Corporation
211 N. River Street
Seguin, Texas 78155

(b) The Corporation and the Lender may designate any further or different addresses to which subsequent notices shall be sent; provided, that, any of such parties shall designate only one address for such party to receive such notices.

(c) Except as otherwise provided by this Agreement, any communication delivered by mail in compliance with this section is deemed to have been given as of the date of deposit in the mail.

(d) A provision of this Agreement that provides for a specific method of giving notice or otherwise conflicts with this section supersedes this section to the extent of the conflict.

Section 8.3 Binding Effect, Assignment

(a) This Agreement shall (i) be binding upon the Corporation, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Lender and its successors, transferees and assigns; provided that the Corporation may not assign all or any part of this Agreement without the prior written consent of the Lender. The Lender may assign, transfer or grant participations in all or any portion of this Agreement, the Note, or any of its rights or security hereunder, including without limitation, the instruments securing the Corporation's obligations under this Agreement; provided that any such assignment, transfer or grant shall be made only to a financial institution whose primary business is the lending of money. Assignment of the Note shall without further action be deemed to assign the Lender's interest under this Agreement.

Section 8.4 Expenses, Fees, Etc.

The Corporation hereby agrees to pay on demand all reasonable costs and expenses of the Lender in connection with the preparation, negotiation, execution, and delivery of the Loan Documents and any and all amendments, modifications, renewals, extensions, and supplements thereof and thereto, including, without limitation, the fees and expenses of legal counsel for the Lender and other professionals.

Section 8.5 Severability

If any part of this Agreement is ruled invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability thereof shall not affect the remainder of this Agreement.

Section 8.6 Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same document.

Section 8.7 Applicable Law

This Agreement shall be governed in all respects, whether as to validity, construction, performance, or otherwise, by the laws of the State and, if applicable, federal law.

Section 8.8 Jurisdiction

All actions or proceedings with respect to, and the performance of, the Note and this Agreement shall be, or shall be instituted in the courts of the State of Texas, in Guadalupe County, Texas, and by execution and delivery of this Agreement, the Corporation and the Lender irrevocably and unconditionally submit to the jurisdiction of such courts and unconditionally waive (i) any objection each may now or hereafter have to the laying of venue in any such

courts, and (ii) any claim that any action or proceeding brought in any such courts has been brought in an inconvenient forum.

Section 8.9 Notice of Final Agreement

THIS WRITTEN AGREEMENT AND ANY OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their respective duly authorized officers as of the date first above written.

GOVERNMENT CAPITAL CORPORATION

By: _____
Name: _____
Title: _____

**SEGUIN ECONOMIC DEVELOPMENT
CORPORATION**

By: _____
Don Keil, President

ATTEST:

By: _____
Robert Meservey, Secretary

**EXHIBIT A
FORM OF NOTE**

**THIS NOTE MAY NOT BE NEGOTIATED IN THE NAME OF BEARER
AND IS NOT A REGISTERED OBLIGATION**

\$7,484,381.86

March 24, 2025

SEGUIN ECONOMIC DEVELOPMENT CORPORATION

SEGUIN ECONOMIC DEVELOPMENT CORPORATION (the “*Corporation*”) for value received, hereby promises to pay to the order of **GOVERNMENT CAPITAL CORPORATION** (the “Lender”), at its offices located at 345 Miron Drive, Southlake, Texas 76092, its successors or assigns (the “Holder”), the principal sum of SEVEN MILLION FOUR HUNDRED EIGHTY-FOUR THOUSAND THREE HUNDRED EIGHTY-ONE AND 86/100 DOLLARS (\$7,484,381.86).

All capitalized terms which are used but not defined in this Note shall have the same meanings as in the Loan Agreement dated as of even date herewith, between the Corporation and the Lender (such Loan Agreement, together with all amendments, restatements, supplements and/or other modifications thereto, being the “*Loan Agreement*”).

Subject to Section 2.3 of the Loan Agreement, Beginning on June 24, 2025 and on each September 24th, December 24th, March 24th and June 24th thereafter until the Maturity Date, the Corporation agrees to pay principal and accrued interest on all amounts hereof so advanced and remaining from time to time unpaid hereon in such amounts as reflected on Schedule I attached hereto. All unpaid principal and accrued interest shall be finally due and payable on or before March 24, 2045 (the “Maturity Date”).

Interest shall accrue at a per annum rate of 4.70%. All payments of interest shall be computed annually based on a 360 day year of twelve 30-day months.

Past due principal and interest shall bear interest at a rate per annum which is fifteen percent (15.0%).

This Note is authorized under that certain Loan Agreement and is subject to, and is executed in accordance with, all of the terms, conditions and provisions thereof. A fully executed copy of the Loan Agreement is on file in the permanent records of the Corporation and is open for inspection to any member of the general public and to any person proposing to do business with, or asserting claims against, the Corporation, at all times during regular business hours.

The principal of and interest on this Note is payable from and secured by a lien on and pledge of the Pledged Revenues received by the Corporation.

Except as otherwise provided in the Loan Agreement, the Corporation waives all demands for payment, presentations for payment, protests, notices of protests, and all other demands and notices, to the extent permitted by law.

All agreements between the Corporation and Holder hereof, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to the Holder hereof, exceed the maximum permissible by applicable law. If, from any circumstances whatsoever, interest would otherwise be payable to the Holder hereof in excess of the Maximum Interest Rate, then the interest payable to the Holder hereof shall be reduced to the maximum amount permitted under applicable law; and if from any circumstances the Holder hereof shall ever receive anything of value deemed interest by applicable law in excess of the Maximum Interest Rate, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Corporation. All interest paid or agreed to be paid to the Holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period of the subject loan until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between the Corporation and the Holder hereof.

THIS NOTE AND THE LOAN AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

NEITHER THE STATE OF TEXAS, THE CITY OF SEGUIN, TEXAS (THE "*CITY*"), NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THAT THE CORPORATION IS OBLIGATED TO MAKE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THE CORPORATION HAS PLEDGED THE ECONOMIC DEVELOPMENT SALES AND USE TAX DESCRIBED ABOVE TO MAKE THE NOTE PAYMENTS.

The Corporation may, in its discretion, prepay all or any portion of the outstanding principal amount of this Note pursuant to Section 2.6 of the Loan Agreement.

If a date for the payment of the principal of or interest on the Note is a Saturday, Sunday, legal holiday, or a day on which the Lender is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institution is authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Note may be assigned, transferred or participated pursuant to the provisions set forth in Section 8.3 of the Loan Agreement.

This Note shall be governed in all respects by the laws of the State of Texas and of the United States of America.

IN WITNESS WHEREOF, this Note has been duly executed effective as of the date first written above.

SEGUIN ECONOMIC DEVELOPMENT
CORPORATION

By: _____
Don Keil, President

ATTEST:

[illegible]

Schedule I – Payment Schedule

PMT NO.	PMT DATE MO. DAY YR	TOTAL PAYMENT	INTEREST PAID	PRINCIPAL PAID	EARLY REDEMPTION VALUE after pmt on this line
1	6/24/2025	\$144,825.02	\$87,941.49	\$56,883.53	N/A
2	9/24/2025	\$144,825.02	\$87,273.11	\$57,551.91	N/A
3	12/24/2025	\$144,825.02	\$86,596.87	\$58,228.15	N/A
4	3/24/2026	\$144,825.02	\$85,912.69	\$58,912.33	N/A
5	6/24/2026	\$144,825.02	\$85,220.47	\$59,604.55	N/A
6	9/24/2026	\$144,825.02	\$84,520.12	\$60,304.90	N/A
7	12/24/2026	\$144,825.02	\$83,811.53	\$61,013.49	N/A
8	3/24/2027	\$144,825.02	\$83,094.63	\$61,730.39	N/A
9	6/24/2027	\$144,825.02	\$82,369.29	\$62,455.73	N/A
10	9/24/2027	\$144,825.02	\$81,635.44	\$63,189.58	N/A
11	12/24/2027	\$144,825.02	\$80,892.96	\$63,932.06	N/A
12	3/24/2028	\$144,825.02	\$80,141.76	\$64,683.26	N/A
13	6/24/2028	\$144,825.02	\$79,381.73	\$65,443.29	N/A
14	9/24/2028	\$144,825.02	\$78,612.77	\$66,212.25	N/A
15	12/24/2028	\$144,825.02	\$77,834.78	\$66,990.24	N/A
16	3/24/2029	\$144,825.02	\$77,047.64	\$67,777.38	N/A
17	6/24/2029	\$144,825.02	\$76,251.26	\$68,573.76	N/A
18	9/24/2029	\$144,825.02	\$75,445.52	\$69,379.50	N/A
19	12/24/2029	\$144,825.02	\$74,630.31	\$70,194.71	N/A
20	3/24/2030	\$144,825.02	\$73,805.52	\$71,019.50	\$6,272,404.36
21	6/24/2030	\$144,825.02	\$72,971.04	\$71,853.98	\$6,199,831.84
22	9/24/2030	\$144,825.02	\$72,126.76	\$72,698.26	\$6,126,406.60
23	12/24/2030	\$144,825.02	\$71,272.55	\$73,552.47	\$6,052,118.61
24	3/24/2031	\$144,825.02	\$70,408.31	\$74,416.71	\$5,976,957.73
25	6/24/2031	\$144,825.02	\$69,533.91	\$75,291.11	\$5,900,913.71
26	9/24/2031	\$144,825.02	\$68,649.24	\$76,175.78	\$5,823,976.17
27	12/24/2031	\$144,825.02	\$67,754.18	\$77,070.84	\$5,746,134.62
28	3/24/2032	\$144,825.02	\$66,848.60	\$77,976.42	\$5,667,378.44
29	6/24/2032	\$144,825.02	\$65,932.37	\$78,892.65	\$5,587,696.86
30	9/24/2032	\$144,825.02	\$65,005.38	\$79,819.64	\$5,507,079.02
31	12/24/2032	\$144,825.02	\$64,067.50	\$80,757.52	\$5,425,513.93
32	3/24/2033	\$144,825.02	\$63,118.60	\$81,706.42	\$5,342,990.45
33	6/24/2033	\$144,825.02	\$62,158.55	\$82,666.47	\$5,259,497.31
34	9/24/2033	\$144,825.02	\$61,187.22	\$83,637.80	\$5,175,023.13
35	12/24/2033	\$144,825.02	\$60,204.48	\$84,620.54	\$5,089,556.39
36	3/24/2034	\$144,825.02	\$59,210.19	\$85,614.83	\$5,003,085.41
37	6/24/2034	\$144,825.02	\$58,204.21	\$86,620.81	\$4,915,598.39
38	9/24/2034	\$144,825.02	\$57,186.42	\$87,638.60	\$4,827,083.41

39	12/24/2034	\$144,825.02	\$56,156.66	\$88,668.36	\$4,737,528.36
40	3/24/2035	\$144,825.02	\$55,114.81	\$89,710.21	\$4,600,911.93
41	6/24/2035	\$144,825.02	\$54,060.72	\$90,764.30	\$4,510,147.63
42	9/24/2035	\$144,825.02	\$52,994.23	\$91,830.79	\$4,418,316.84
43	12/24/2035	\$144,825.02	\$51,915.22	\$92,909.80	\$4,325,407.04
44	3/24/2036	\$144,825.02	\$50,823.53	\$94,001.49	\$4,231,405.55
45	6/24/2036	\$144,825.02	\$49,719.02	\$95,106.00	\$4,136,299.55
46	9/24/2036	\$144,825.02	\$48,601.52	\$96,223.50	\$4,040,076.05
47	12/24/2036	\$144,825.02	\$47,470.89	\$97,354.13	\$3,942,721.92
48	3/24/2037	\$144,825.02	\$46,326.98	\$98,498.04	\$3,844,223.88
49	6/24/2037	\$144,825.02	\$45,169.63	\$99,655.39	\$3,744,568.49
50	9/24/2037	\$144,825.02	\$43,998.68	\$100,826.34	\$3,643,742.15
51	12/24/2037	\$144,825.02	\$42,813.97	\$102,011.05	\$3,541,731.10
52	3/24/2038	\$144,825.02	\$41,615.34	\$103,209.68	\$3,438,521.42
53	6/24/2038	\$144,825.02	\$40,402.63	\$104,422.39	\$3,334,099.03
54	9/24/2038	\$144,825.02	\$39,175.66	\$105,649.36	\$3,228,449.67
55	12/24/2038	\$144,825.02	\$37,934.28	\$106,890.74	\$3,121,558.93
56	3/24/2039	\$144,825.02	\$36,678.32	\$108,146.70	\$3,013,412.23
57	6/24/2039	\$144,825.02	\$35,407.59	\$109,417.43	\$2,903,994.80
58	9/24/2039	\$144,825.02	\$34,121.94	\$110,703.08	\$2,793,291.72
59	12/24/2039	\$144,825.02	\$32,821.18	\$112,003.84	\$2,681,287.88
60	3/24/2040	\$144,825.02	\$31,505.13	\$113,319.89	\$2,567,967.99
61	6/24/2040	\$144,825.02	\$30,173.62	\$114,651.40	\$2,453,316.59
62	9/24/2040	\$144,825.02	\$28,826.47	\$115,998.55	\$2,337,318.04
63	12/24/2040	\$144,825.02	\$27,463.49	\$117,361.53	\$2,219,956.51
64	3/24/2041	\$144,825.02	\$26,084.49	\$118,740.53	\$2,101,215.98
65	6/24/2041	\$144,825.02	\$24,689.29	\$120,135.73	\$1,981,080.25
66	9/24/2041	\$144,825.02	\$23,277.69	\$121,547.33	\$1,859,532.92
67	12/24/2041	\$144,825.02	\$21,849.51	\$122,975.51	\$1,736,557.41
68	3/24/2042	\$144,825.02	\$20,404.55	\$124,420.47	\$1,612,136.94
69	6/24/2042	\$144,825.02	\$18,942.61	\$125,882.41	\$1,486,254.53
70	9/24/2042	\$144,825.02	\$17,463.49	\$127,361.53	\$1,358,893.00
71	12/24/2042	\$144,825.02	\$15,966.99	\$128,858.03	\$1,230,034.97
72	3/24/2043	\$144,825.02	\$14,452.91	\$130,372.11	\$1,099,662.86
73	6/24/2043	\$144,825.02	\$12,921.04	\$131,903.98	\$967,758.88
74	9/24/2043	\$144,825.02	\$11,371.17	\$133,453.85	\$834,305.03
75	12/24/2043	\$144,825.02	\$9,803.08	\$135,021.94	\$699,283.09
76	3/24/2044	\$144,825.02	\$8,216.58	\$136,608.44	\$562,674.65
77	6/24/2044	\$144,825.02	\$6,611.43	\$138,213.59	\$424,461.06
78	9/24/2044	\$144,825.02	\$4,987.42	\$139,837.60	\$284,623.46
79	12/24/2044	\$144,825.02	\$3,344.33	\$141,480.69	\$143,142.77
80	3/24/2045	\$144,825.02	\$1,682.25	\$143,142.77	\$0.00
Grand Totals		\$11,586,001.60	\$4,101,619.74	\$7,484,381.86	

**THIS NOTE MAY NOT BE NEGOTIATED IN THE NAME OF BEARER
AND IS NOT A REGISTERED OBLIGATION**

\$7,484,381.86

March 24, 2025

SEGUIN ECONOMIC DEVELOPMENT CORPORATION

SEGUIN ECONOMIC DEVELOPMENT CORPORATION (the “*Corporation*”) for value received, hereby promises to pay to the order of **GOVERNMENT CAPITAL CORPORATION** (the “Lender”), at its offices located at 345 Miron Drive, Southlake, Texas 76092, its successor or assigns (the “Holder”), the principal sum of SEVEN MILLION FOUR HUNDRED EIGHTY-FOUR THOUSAND THREE HUNDRED EIGHTY-ONE AND 86/100 DOLLARS (\$7,484,381.86).

All capitalized terms which are used but not defined in this Note shall have the same meanings as in the Loan Agreement dated as of even date herewith, between the Corporation and the Lender (such Loan Agreement, together with all amendments, restatements, supplements and/or other modifications thereto, being the “*Loan Agreement*”).

Subject to Section 2.3 of the Loan Agreement, Beginning on June 24, 2025 and on each September 24th, December 24th, March 24th and June 24th thereafter until the Maturity Date, the Corporation agrees to pay principal and accrued interest on all amounts hereof so advanced and remaining from time to time unpaid hereon in such amounts as reflected on Schedule I attached hereto. All unpaid principal and accrued interest shall be finally due and payable on or before March 24, 2045 (the “Maturity Date”). Interest shall accrue at a per annum rate of 4.70%. All payments of interest shall be computed annually based on a 360 day year of twelve 30-day months.

Past due principal and interest shall bear interest at a rate per annum which is fifteen percent (15.0%).

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The principal of and interest on this Note is payable from and secured by a lien on and pledge of the Pledged Revenues received by the Corporation.

Except as otherwise provided in the Loan Agreement, the Corporation waives all demands for payment, presentations for payment, protests, notices of protests, and all other demands and notices, to the extent permitted by law.

All agreements between the Corporation and Holder hereof, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to the Holder hereof, exceed the maximum permissible by applicable law. If, from any circumstances whatsoever, interest would otherwise be payable to the Holder hereof in excess of the Maximum Interest Rate, then the interest payable to the Holder hereof shall be reduced to the maximum amount permitted under applicable law; and if from any circumstances the Holder hereof shall ever receive anything of value deemed interest by applicable law in excess of the Maximum Interest Rate, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Corporation. All interest paid or agreed to be paid to the Holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period of the subject loan until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between the Corporation and the Holder hereof.

THIS NOTE AND THE LOAN AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

NEITHER THE STATE OF TEXAS, THE CITY OF SEGUIN, TEXAS (THE "*CITY*"), NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THAT THE CORPORATION IS OBLIGATED TO MAKE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THE CORPORATION HAS PLEDGED THE ECONOMIC DEVELOPMENT SALES AND USE TAX DESCRIBED ABOVE TO MAKE THE NOTE PAYMENTS.

The Corporation may, in its discretion, prepay all or any portion of the outstanding principal amount of this Note pursuant to Section 2.6 of the Loan Agreement.

If a date for the payment of the principal of or interest on the Note is a Saturday, Sunday, legal holiday, or a day on which the Lender is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institution is authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Note may be assigned, transferred or participated pursuant to the provisions set forth in Section 8.3 of the Loan Agreement.

This Note shall be governed in all respects by the laws of the State of Texas and of the United States of America.

IN WITNESS WHEREOF, this Note has been duly executed effective as of the date first written above.

SEGUIN ECONOMIC DEVELOPMENT
CORPORATION

By: _____
Don Keil, President

ATTEST:

By: _____
Robert Meservey, Vice President

Schedule I – Payment Schedule

PMT NO.	PMT DATE MO. DAY YR	TOTAL PAYMENT	INTEREST PAID	PRINCIPAL PAID	EARLY REDEMPTION VALUE after pmt on this line
1	6/24/2025	\$144,825.02	\$87,941.49	\$56,883.53	N/A
2	9/24/2025	\$144,825.02	\$87,273.11	\$57,551.91	N/A
3	12/24/2025	\$144,825.02	\$86,596.87	\$58,228.15	N/A
4	3/24/2026	\$144,825.02	\$85,912.69	\$58,912.33	N/A
5	6/24/2026	\$144,825.02	\$85,220.47	\$59,604.55	N/A
6	9/24/2026	\$144,825.02	\$84,520.12	\$60,304.90	N/A
7	12/24/2026	\$144,825.02	\$83,811.53	\$61,013.49	N/A
8	3/24/2027	\$144,825.02	\$83,094.63	\$61,730.39	N/A
9	6/24/2027	\$144,825.02	\$82,369.29	\$62,455.73	N/A
10	9/24/2027	\$144,825.02	\$81,635.44	\$63,189.58	N/A
11	12/24/2027	\$144,825.02	\$80,892.96	\$63,932.06	N/A
12	3/24/2028	\$144,825.02	\$80,141.76	\$64,683.26	N/A
13	6/24/2028	\$144,825.02	\$79,381.73	\$65,443.29	N/A
14	9/24/2028	\$144,825.02	\$78,612.77	\$66,212.25	N/A
15	12/24/2028	\$144,825.02	\$77,834.78	\$66,990.24	N/A
16	3/24/2029	\$144,825.02	\$77,047.64	\$67,777.38	N/A
17	6/24/2029	\$144,825.02	\$76,251.26	\$68,573.76	N/A
18	9/24/2029	\$144,825.02	\$75,445.52	\$69,379.50	N/A
19	12/24/2029	\$144,825.02	\$74,630.31	\$70,194.71	N/A
20	3/24/2030	\$144,825.02	\$73,805.52	\$71,019.50	\$6,272,404.36
21	6/24/2030	\$144,825.02	\$72,971.04	\$71,853.98	\$6,199,831.84
22	9/24/2030	\$144,825.02	\$72,126.76	\$72,698.26	\$6,126,406.60
23	12/24/2030	\$144,825.02	\$71,272.55	\$73,552.47	\$6,052,118.61
24	3/24/2031	\$144,825.02	\$70,408.31	\$74,416.71	\$5,976,957.73
25	6/24/2031	\$144,825.02	\$69,533.91	\$75,291.11	\$5,900,913.71
26	9/24/2031	\$144,825.02	\$68,649.24	\$76,175.78	\$5,823,976.17
27	12/24/2031	\$144,825.02	\$67,754.18	\$77,070.84	\$5,746,134.62
28	3/24/2032	\$144,825.02	\$66,848.60	\$77,976.42	\$5,667,378.44
29	6/24/2032	\$144,825.02	\$65,932.37	\$78,892.65	\$5,587,696.86
30	9/24/2032	\$144,825.02	\$65,005.38	\$79,819.64	\$5,507,079.02
31	12/24/2032	\$144,825.02	\$64,067.50	\$80,757.52	\$5,425,513.93
32	3/24/2033	\$144,825.02	\$63,118.60	\$81,706.42	\$5,342,990.45
33	6/24/2033	\$144,825.02	\$62,158.55	\$82,666.47	\$5,259,497.31
34	9/24/2033	\$144,825.02	\$61,187.22	\$83,637.80	\$5,175,023.13
35	12/24/2033	\$144,825.02	\$60,204.48	\$84,620.54	\$5,089,556.39
36	3/24/2034	\$144,825.02	\$59,210.19	\$85,614.83	\$5,003,085.41
37	6/24/2034	\$144,825.02	\$58,204.21	\$86,620.81	\$4,915,598.39
38	9/24/2034	\$144,825.02	\$57,186.42	\$87,638.60	\$4,827,083.41

39	12/24/2034	\$144,825.02	\$56,156.66	\$88,668.36	\$4,737,528.36
40	3/24/2035	\$144,825.02	\$55,114.81	\$89,710.21	\$4,600,911.93
41	6/24/2035	\$144,825.02	\$54,060.72	\$90,764.30	\$4,510,147.63
42	9/24/2035	\$144,825.02	\$52,994.23	\$91,830.79	\$4,418,316.84
43	12/24/2035	\$144,825.02	\$51,915.22	\$92,909.80	\$4,325,407.04
44	3/24/2036	\$144,825.02	\$50,823.53	\$94,001.49	\$4,231,405.55
45	6/24/2036	\$144,825.02	\$49,719.02	\$95,106.00	\$4,136,299.55
46	9/24/2036	\$144,825.02	\$48,601.52	\$96,223.50	\$4,040,076.05
47	12/24/2036	\$144,825.02	\$47,470.89	\$97,354.13	\$3,942,721.92
48	3/24/2037	\$144,825.02	\$46,326.98	\$98,498.04	\$3,844,223.88
49	6/24/2037	\$144,825.02	\$45,169.63	\$99,655.39	\$3,744,568.49
50	9/24/2037	\$144,825.02	\$43,998.68	\$100,826.34	\$3,643,742.15
51	12/24/2037	\$144,825.02	\$42,813.97	\$102,011.05	\$3,541,731.10
52	3/24/2038	\$144,825.02	\$41,615.34	\$103,209.68	\$3,438,521.42
53	6/24/2038	\$144,825.02	\$40,402.63	\$104,422.39	\$3,334,099.03
54	9/24/2038	\$144,825.02	\$39,175.66	\$105,649.36	\$3,228,449.67
55	12/24/2038	\$144,825.02	\$37,934.28	\$106,890.74	\$3,121,558.93
56	3/24/2039	\$144,825.02	\$36,678.32	\$108,146.70	\$3,013,412.23
57	6/24/2039	\$144,825.02	\$35,407.59	\$109,417.43	\$2,903,994.80
58	9/24/2039	\$144,825.02	\$34,121.94	\$110,703.08	\$2,793,291.72
59	12/24/2039	\$144,825.02	\$32,821.18	\$112,003.84	\$2,681,287.88
60	3/24/2040	\$144,825.02	\$31,505.13	\$113,319.89	\$2,567,967.99
61	6/24/2040	\$144,825.02	\$30,173.62	\$114,651.40	\$2,453,316.59
62	9/24/2040	\$144,825.02	\$28,826.47	\$115,998.55	\$2,337,318.04
63	12/24/2040	\$144,825.02	\$27,463.49	\$117,361.53	\$2,219,956.51
64	3/24/2041	\$144,825.02	\$26,084.49	\$118,740.53	\$2,101,215.98
65	6/24/2041	\$144,825.02	\$24,689.29	\$120,135.73	\$1,981,080.25
66	9/24/2041	\$144,825.02	\$23,277.69	\$121,547.33	\$1,859,532.92
67	12/24/2041	\$144,825.02	\$21,849.51	\$122,975.51	\$1,736,557.41
68	3/24/2042	\$144,825.02	\$20,404.55	\$124,420.47	\$1,612,136.94
69	6/24/2042	\$144,825.02	\$18,942.61	\$125,882.41	\$1,486,254.53
70	9/24/2042	\$144,825.02	\$17,463.49	\$127,361.53	\$1,358,893.00
71	12/24/2042	\$144,825.02	\$15,966.99	\$128,858.03	\$1,230,034.97
72	3/24/2043	\$144,825.02	\$14,452.91	\$130,372.11	\$1,099,662.86
73	6/24/2043	\$144,825.02	\$12,921.04	\$131,903.98	\$967,758.88
74	9/24/2043	\$144,825.02	\$11,371.17	\$133,453.85	\$834,305.03
75	12/24/2043	\$144,825.02	\$9,803.08	\$135,021.94	\$699,283.09
76	3/24/2044	\$144,825.02	\$8,216.58	\$136,608.44	\$562,674.65
77	6/24/2044	\$144,825.02	\$6,611.43	\$138,213.59	\$424,461.06
78	9/24/2044	\$144,825.02	\$4,987.42	\$139,837.60	\$284,623.46
79	12/24/2044	\$144,825.02	\$3,344.33	\$141,480.69	\$143,142.77
80	3/24/2045	\$144,825.02	\$1,682.25	\$143,142.77	\$0.00
Grand Totals		\$11,586,001.60	\$4,101,619.74	\$7,484,381.86	

SALES TAX REMITTANCE AGREEMENT 2025 NOTE

This **SALES TAX REMITTANCE AGREEMENT** (as amended, restated, supplemented and/or otherwise modified, this “Agreement”) is made to be effective as of March 24, 2025, by and between the **CITY OF SEGUIN, TEXAS**, a duly incorporated and existing home rule city operating and existing under the laws of the State of Texas (the “City”) and the **SEGUIN ECONOMIC DEVELOPMENT CORPORATION**, a nonprofit development corporation organized and existing under the laws of the State of Texas, including Chapters 501, 502 and 504, Local Government Code, as amended (formally Section 4A of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “Corporation”).

RECITALS

WHEREAS, the Corporation on behalf of the City is acquiring real property in the City to be used as a primary job training facility for an institution of higher education which will create and retain primary jobs in the City (the “Project”); and

WHEREAS, such financing contemplates the issuance of the Corporation’s promissory note in a principal amount of \$7,484,381.86 (the “Note”), and the proceeds are to be used by the Corporation to finance the costs of the Project and pay the costs of issuance of the Note.

AGREEMENT

1. **Financing**: For and in consideration of the City’s covenants and agreements herein contained and subject to the terms contained herein, the Corporation hereby agrees to enter into a Loan Agreement dated of even date herewith (as same may be amended, restated, supplemented and/or otherwise modified, the “Loan Agreement”), with Government Capital Corporation (the “Lender”), and to execute the Note, and the Corporation hereby agrees and covenants that all proceeds of the loan evidenced by the Note shall be used solely to pay the costs of financing the costs of the Project and to pay all costs related thereto.

2. **Receipt and Transfer of Proceeds of Sales Tax**. The City agrees, in cooperation with the Corporation, to take such actions as are required to cause the “Sales Tax” received from the Comptroller of Public Accounts of the State of Texas for and on behalf of the Corporation to be deposited immediately upon receipt by the City to the credit of the Corporation.

3. **Modifications**. This Agreement shall not be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge this Agreement in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought and approved in writing by the Lender.

4. **Entire Agreement**. This Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior agreements and understandings between the parties pertaining to such subject matter.

5. **Counterparts.** This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

6. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

7. **Applicable Law.** This Agreement shall in all respects be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of the State of Texas.

8. **Captions.** The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

9. **Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date and year first above written.

**SEGUIN ECONOMIC DEVELOPMENT
CORPORATION**

Don Keil, President

ATTEST:

Robert Meservey, Secretary

CITY OF SEGUIN, TEXAS

Donna Dodgen, Mayor

ATTEST:

Kristin Mueller, City Secretary

GENERAL CERTIFICATE OF CORPORATION
2025 NOTE

We, the undersigned duly authorized officers of the Board of Directors of the SEGUIN ECONOMIC DEVELOPMENT CORPORATION (the “Corporation”) acting in our official capacities as such, hereby certify with respect to the Loan Agreement dated as of March 24, 2025, (as amended, restated, supplemented and/or otherwise modified, the “Loan Agreement”) by and between Corporation and Government Capital Corporation authorizing the Corporation’s Note (as defined in the Loan Agreement), as follows:

1. That the Corporation is a nonprofit economic development corporation, validly created by the City of Seguin, Texas (the “City”) under Chapters 501, 502 and 504, Local Government Code, as amended (formally Section 4A of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “Act”) and existing under the Act, and the laws and the Constitution of the State of Texas and is a governmental agency thereof. All capitalized terms used herein shall have the meanings set forth for such terms in the Loan Agreement unless the context clearly indicates otherwise.

2. That as of the date of approval of the Loan Agreement by the Corporation, the following named persons constitute the members of the Board of Directors of Corporation:

<u>NAME</u>	<u>TITLE</u>
Don Keil	President
Elaine Bennett	Vice President
Robert Meservey	Member - Secretary
Eddie Davila Jr.	Member – Assistant Secretary
Tess Coody-Anders	Member - Treasurer

3. The proceeds of the Note will be used to finance the costs of a “project” authorized under the Act. (the “Project”).

4. The Board of Directors of the Corporation duly adopted by a majority vote a resolution (the “Resolution”) authorizing and approving the entering into the Loan Agreement, the Note and the Sales Tax Remittance Agreement at a duly called public meeting, at which a quorum was present and acting throughout; the Resolution is in full force and effect and has not been altered, amended or repealed as of the date hereof; that said meeting was duly called and open to the public in accordance with the laws of the State of Texas. The Resolution was considered and approved by the City Council of the City by resolution on March 18, 2025.

4. The following described instruments (collectively, the “Instruments”), as executed and delivered or authorized by the Corporation, are in substantially the same form and text as copies of such Instruments which were before and were approved or ratified by the Board

of Directors of the Corporation, and which the officers of the Corporation were authorized to execute and deliver for and on behalf of the Corporation:

- (a) the Loan Agreement;
- (b) the Note in the principal amount of \$7,484,381.86; and
- (c) the Sales Tax Remittance Agreement.

5. To the best knowledge of the undersigned, on the date hereof, the Corporation is not in default in the performance or observance of any of the covenants, conditions, agreements or provisions of the Instruments.

6. The Resolution and the Instruments are in full force and effect and have not been amended or supplemented except as may have been approved in writing by the Lender.

7. The Corporation is not in default with respect to any of its outstanding obligations.

8. The representations and warranties of the Corporation contained in the Instruments are correct on and as of the date hereof as though made on and as of such date.

9. No litigation is pending or, to the best of Corporation's knowledge, threatened in any court to restrain or enjoin the execution and delivery of the Loan Agreement, the Note or the Sales Tax Remittance Agreement, or the levy and collection of the Economic Development Sales and Use Tax or the pledge thereof, or contesting or affecting the adoption and validity of the Resolution or the authorization, execution and delivery of the Instruments, or contesting the powers of the Board of Directors of the Corporation.

IN WITNESS WHEREOF, we have duly executed this certificate on the date first written above.

**SEGUIN ECONOMIC DEVELOPMENT
CORPORATION**

By: _____
Don Keil, President

ATTEST:

By: _____
Robert Meservey, Secretary

CERTIFICATE FOR RESOLUTION

We, the undersigned officers of Seguin Economic Development Corporation (the "Corporation"), hereby certify as follows:

1. The Board of Directors of the Corporation convened in Regular Meeting on March 18, 2025 at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board of Directors, to wit:

Don Keil	President
Elaine Bennett	Vice President
Robert Meservey	Secretary
Tess Coody-Anders	Treasurer
Eddie Davila, Jr.	Assistant Secretary

and all of said persons were present, except the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION OF THE BOARD OF DIRECTORS OF SEGUIN ECONOMIC DEVELOPMENT CORPORATION REGARDING A LOAN IN THE PRINCIPAL AMOUNT OF \$7,484,381.86.

was duly introduced for the consideration of said Board of Directors and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the Board of Directors shown present above voted "Aye" except as shown below.

NOES: _____

ABSTAIN: _____

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board of Directors' minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Directors' minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board of Directors as indicated therein; that each of the officers and members of said Board of Directors was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said

officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the President of the Board of Directors of the Corporation has approved and hereby approves the aforesaid Resolution; that the President and the Secretary of said Corporation have duly signed said Resolution; and that the President and the Corporation Secretary of said Corporation hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

Signed on the date first written above.

Robert Mesurvey
Secretary, Board of Directors

Don Keil
President, Board of Directors

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SEGUIN
ECONOMIC DEVELOPMENT CORPORATION REGARDING A LOAN
IN THE PRINCIPAL AMOUNT OF \$7,484,381.86.**

WHEREAS, The SEGUIN ECONOMIC DEVELOPMENT CORPORATION (“*Borrower*”) proposes to enter into a Loan Agreement (as amended, restated, supplemented and/or otherwise modified, the “*Loan Agreement*”), with Government Capital Corporation, as lender (“*Lender*”) to enable the Borrower to (1) finance the acquisition of real property (the “*Project*”) in the City of Seguin, Texas (the “City”) for use as a primary job training facility for an institution of higher education, and (2) pay costs of issuing the loan, and as security for the payment of the principal of and interest thereon, the Borrower has agreed to pledge its Economic Development Sales and Use Tax. All capitalized terms used herein, but not otherwise defined herein, shall have the meaning ascribed to such term in the Loan Agreement.

WHEREAS, the Board of Directors of the Borrower now seeks to approve the financing evidenced by the Note (as defined in the Loan Agreement), the Loan Agreement and Sales Tax Remittance Agreement by and among the Borrower and the City (as defined in the Loan Agreement) in order to undertake the Project.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE SEGUIN ECONOMIC DEVELOPMENT CORPORATION AS FOLLOWS:**

Section 1. The Board of Directors agrees to enter into the Loan Agreement, Note, and the Sales Tax Remittance Agreement to finance the cost of the Project in an amount not to exceed \$7,484,381.86 at an interest rate of 4.70% and, in order to secure the principal and interest on the Note, to pledge its Economic Development Sales and Use Tax.

Section 2. That any one or more of the Authorized Officers of the Borrower listed in Section 3 below be, and each of them hereby is, authorized to execute, acknowledge and deliver in the name and on behalf of Borrower to the Lender the Loan Agreement, including all attachments and exhibits thereto, the Note and the Sales Tax Remittance Agreement. Further, said Authorized Officers are authorized to execute, acknowledge and deliver in the name and on behalf of the Borrower any other agreement, instrument, certificate, representation and document, and to take any other action as may be advisable, convenient or necessary to enter into such Loan Agreement, Note and Sales Tax Remittance Agreement; the execution thereof by any such Authorized Officer shall be conclusive as to such determination.

Section 3. That for the purpose of this resolution, the following persons, or the persons holding the following positions, are “*Authorized Officers*” duly authorized to enter into the transaction contemplated by this resolution in the name and on behalf of Borrower:

Name
Don Keil
Elaine Bennett
Robert Meservey

Title
President
Vice-President
Secretary

Section 4. That there is hereby authorized the execution and delivery by the Authorized Officers or any one of them in the name of and on behalf of Borrower the Loan Agreement, including all attachments and exhibits thereto, the Note and the Sales Tax Remittance Agreement in substantially the form presented to this meeting with such changes as the signing officer shall determine advisable, and the execution thereof shall be conclusive as to such determination.

Section 5. That this Resolution shall take effect immediately.

PASSED AND ADOPTED this _____ day of _____, 2025.

**SEGUIN ECONOMIC DEVELOPMENT
CORPORATION**

By: _____
Don Keil, President

ATTEST:

By: _____
Robert Meservey, Secretary

GENERAL CERTIFICATE OF CITY
2025 NOTE

We, the undersigned duly authorized officers of the CITY OF SEGUIN, TEXAS ("City") acting in our official capacities as such, hereby certify with respect to the Loan Agreement dated as of March 24, 2025, (as same may be amended, restated, supplemented and/or otherwise modified, the "Loan Agreement") by and between the SEGUIN ECONOMIC DEVELOPMENT CORPORATION ("Corporation") and GOVERNMENT CAPITAL CORPORATION ("Lender") authorizing a loan in the principal amount of \$7,484,381.86, as follows:

1. All capitalized terms used herein shall have the meaning set forth for such term in the Loan Agreement unless the context clearly indicates otherwise.

2. The City is a duly incorporated home rule city, operating and existing under the Constitution and the laws of the State of Texas.

3. The City has duly authorized the creation of the Corporation under the Act.

4. Attached hereto as Exhibit "A" are true, correct, and full copies of the proceedings pertaining to the levy of the Economic Development Sales and Use Tax and the election at which the Economic Development Sales and Use Tax was approved by the voters of the City.

5. No Litigation is pending or, to the best of their knowledge, threatened against the City with respect to the issuance by the Corporation of the Note, the Loan Agreement or the Sales Tax Remittance Agreement, the creation of the Corporation or the title or authority of the governing body or director of the Corporation.

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IN WITNESS WHEREOF, we have duly executed this certificate on the date first written above.

CITY OF SEGUIN, TEXAS

Donna Dodgen, Mayor

ATTEST:

Kristin Mueller, City Secretary

EXHIBIT A

THE STATE OF TEXAS §
COUNTY OF GUADALUPE §
CITY OF SEGUIN §

1. On March 18, 2025, a regular meeting of the City Council of the City of Seguin, Texas, was held at a meeting place within the City; the duly constituted members of the Council being as follows:

RESOLUTION OF CITY

of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of said meeting was given to each member of the Council; and that said meeting, and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the above-entitled resolution, was posted and given in advance thereof in compliance with the provisions of V.T.C.A., Chapter 551, Government Code, as amended.

IN WITNESS WHEREOF, I have hereunto signed my name officially on the date first written above.

Kristin Mueller, City Secretary

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS (“CITY”), APPROVING (I) THE RESOLUTION OF THE BOARD OF DIRECTORS OF THE SEGUIN ECONOMIC DEVELOPMENT CORPORATION (“CORPORATION”) REGARDING A LOAN TO FINANCE THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT; (II) A SALES TAX REMITTANCE AGREEMENT BETWEEN THE CITY AND THE CORPORATION; (III) RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE PROJECT AND THE LOAN; AND (IV) THE AUTHORITY OF THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A GENERAL CERTIFICATE OF THE CITY AND THE AGREEMENTS CONTEMPLATED IN THE RESOLUTION.

WHEREAS, the City of Seguin, Texas (the “City”) has created the Seguin Economic Development Corporation (the “Corporation”), a nonprofit economic development corporation duly established and created pursuant to Chapters 501, 502 and 504, Local Government Code, as amended (formerly Section 4A of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended), (the “Act”).

WHEREAS, the Corporation is authorized to expend its funds, including its economic development sales and use tax proceeds, to pay the costs of an authorized project.

WHEREAS, the Board of Directors (the “Board”) of the Corporation has found and determined to expend Corporation resources to acquire real property to be used as a primary job training facility by an institution of higher education which will create and retain primary jobs in the City (the “Project”) and that it is necessary and appropriate to use loan proceeds to finance the Project pursuant to that certain Loan Agreement (as amended, restated, supplemented and/or otherwise modified, the “Loan Agreement”) in the original principal amount not to exceed \$7,484,381.86 (the “Loan”) between the Corporation and Government Capital Corporation (the “Lender”) with such loan evidenced by a promissory note in the aggregate principal amount not to exceed \$7,484,381.86 payable to the Lender (the “Note”).

WHEREAS, the Corporation proposes to enter into a Sales Tax Remittance Agreement, dated as of the date of the Loan Agreement, (as amended, restated, supplemented and/or otherwise modified, the “Sales Tax Remittance Agreement”) with the City pursuant to which, among other things, the Corporation will pledge its sales tax revenues to the Lender to secure repayment of the Loan.

WHEREAS, the Board adopted a resolution authorizing the Loan and the Sales Tax Remittance Agreement at a meeting of the Board held on March 18, 2025 (the “EDC Resolution”).

WHEREAS, the Act requires the City Council of the City to approve the EDC Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS:

Section 1. The recitals set forth above are true and correct.

Section 2. The Loan and the EDC Resolution authorizing the Loan adopted by the Corporation (the “Corporation Resolution”) on March 18, 2025, and submitted to the City Council this day, is hereby approved in all respects. The proceeds from the Loan will be to pay the costs

of the Project. The City has previously approved the Project in accordance with the Act.

Section 3. The approvals herein given are in accordance with the Act, and the Note shall never be construed an indebtedness or pledge of the City, or the State of Texas (the “*State*”), within the meaning of any constitutional or statutory provision, and the owner of the Note shall never be paid in whole or in part out of any funds raised or to be raised by taxation (other than sales tax proceeds as authorized pursuant to the Act) or any other revenues of the Corporation, the City, or the State, except those revenues assigned and pledged by the Loan Agreement and the Sales Tax Remittance Agreement.

Section 4. The City hereby agrees to promptly collect and remit to the Corporation the Economic Development Sales and Use Tax (defined in the Loan Agreement) to provide for the prompt payment of the Note, and to assist and cooperate with the Corporation in the enforcement and collection of sales and use taxes imposed on behalf of the Corporation.

Section 5. The Sales Tax Remittance Agreement with respect to the obligations of the City and Corporation during the time the Note is outstanding, is hereby approved. Furthermore, the Mayor and the City Secretary and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution, including without limitation the Sales Tax Remittance Agreement.

Section 6. This Resolution shall be in force and effect from and after its passage on the date shown below.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

PASSED AND ADOPTED, this _____, 2025.

CITY OF SEGUIN, TEXAS

Donna Dodgen, Mayor

ATTEST:

Kristin Mueller, City Secretary

8310 N. Capital of Texas
Highway, Suite 490
Austin, Texas 78731
(512) 479-0300
Fax (512) 474-1901

Offices in:

- Austin
- Fort Worth
- Houston
- San Antonio
- Waco

www.namanhowell.com

March 24, 2025

Seguine Economic Development Corporation
2025 Sales Tax Note

Ladies and Gentlemen:

We have served as special counsel to the Seguin Economic Development Corporation (the “EDC”) in connection with the issuance of the Seguin Economic Development Corporation 2025 Sales Tax Note (the “Note”) in a principal amount of \$7,484,381.86 payable by the EDC to Government Capital Corporation (“GCC”). In connection with that representation, we have reviewed the form of Note, applicable law including Chapters 501 and 504 of the *Texas Local Government Code*, and the proceedings of the EDC and the City of Seguin, Texas, (the “City”) relating to the Note including approving resolutions of both the Board of Directors of the EDC and the City Council of the City and a loan agreement of even date herewith between the EDC and GCC (the “Loan Agreement”). We have not assumed any responsibility for rendering an opinion with respect to the financial condition or capabilities of the EDC or the disclosure thereof in connection with the sale of the Note.

Based upon such review, relying on the truthfulness of the representations of the EDC and the City, and assuming that the signatures on the documents submitted to us are genuine, we are of the opinion that the Note constitutes a valid and binding legal obligation of the EDC enforceable in accordance with its terms. The obligation to repay the Note is solely that of the EDC and not of the City. The only source of payment for the Note is a sales and use tax approved by the citizens of the City which tax is levied and collected for the benefit of the EDC as set forth in the Loan Agreement.

Enforcement of the Note is limited by applicable bankruptcy law, and certain equitable remedies may be unenforceable if deemed against the public policy of the State of Texas.

We are of the further opinion that, assuming continuing compliance after the date hereof by the EDC with the provisions of the Loan Agreement and in reliance upon representations and certifications of the EDC made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Note, interest on the Note for federal income tax purposes will be excludable from gross income pursuant to section 103 of the Internal Revenue

Code of 1986. Interest on the Note is not a specific preference item for the purposes of the federal alternative minimum tax. We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Note.

THIS OPINION is issued for the benefit of and may be relied upon only by the EDC, GCC and GCC's successors and assigns.

Very truly yours,

NAMAN HOWELL SMITH & LEE, PLLC

NO ARBITRAGE AND TAX CERTIFICATE

This Certificate is given for the benefit of all persons interested in the Seguin Economic Development Corporation 2025 Note (the “Issue” or the “Note”). There are sections herein dealing with:

1. The Issue
2. Proceeds of the Issue and How They Are Used
3. Issue Not “Private Activity Bonds”
4. General Restrictions on Tax-exempt Bonds
5. Issue Not Arbitrage Bonds
6. Rebate
7. Miscellaneous

The Issue is being issued by Seguin Economic Development Corporation, the “Issuer.” The Issuer is a Texas Economic Development Corporation, corporation created under Chapter 504 of the *Texas Local Government Code* (formerly Article 5190.6, Section 4A, Texas Rev. Civ. Stat.).

The Issuer is a duly constituted authority acting on behalf of the City of Seguin, Texas, for purposes of federal tax law related to the issuance of tax exempt bonds pursuant to Revenue Ruling 57-187. Reference is made to the following chart which shows the requirements of Revenue Ruling 57-187, and those provisions of the *Texas Local Government Code* regarding the Issuer which meet such requirements:

57-187 requires:

Governmental body approving incorporation	504.003
Specific law, not just nonprofit act	Chpt. 504
Board elected by governmental body	504.051(b)
General “project” powers	501.101
City not liable on debt	501.207
Both the board and its bonds are exempt from state tax	501.075
Nonprofit	501.053(a)
No earnings inure to any private person	501.053
Property to city on dissolution	504.353

The Issuer hereby certifies that the following are its reasonable expectations as of the Issue date of the Issue regarding the amount and use of the gross proceeds of the issue. The section on “Rebate” is not based on reasonable expectations but on the actual facts that occur with regard to the Issue, and is included solely to help the Issuer determine its rebate liability, if any.

1. What is the Issue?

(a) The Issue is not to be aggregated with any other issue. There is no other issue of obligations being sold at substantially the same time, pursuant to the same plan of financing, and reasonably expected to be payable from substantially the same source of funds. [Reg. 1.150-1(c)]

(b) No other issue of obligations will be, or has been, sold by the Issuer within fifteen (15) days of the date of sale of the Issue. [Reg. 1.150-1(c)(i)]

2. Proceeds of the Issue and How They Are Used.

(a) The following are the proceeds of the issue:¹

(1)	Sale Proceeds [Reg. 1.148-1(b)]	\$7,484,381.86
(2)	Investment Proceeds [Reg. 1.148-1(b)]	\$0
(3)	Transferred Proceeds [Reg. 1.148-1(b)]	\$0
(4)	Replacement Proceeds [Reg. 1.148-1(c)]	\$0

“Replacement proceeds” are included in determining “gross proceeds.”

(b) The proceeds are to be used as follows:

(1) \$110,606.86 is to be used to pay costs of issuance.

(2) \$0 of the proceeds are to be deposited into a bona fide debt service fund. Payments of the Issue shall be used to achieve a proper matching of such payment with principal and interest payments due on the Issue during each year, to be depleted at least once each bond year except for a reasonable carryover amount not to exceed the greater of (i) the earnings on such fund for the immediately preceding bond year or (ii) 1/12th of the principal and interest payments on the issue for the immediately preceding bond year. [Reg. 1.148-1(b)]

(3) \$0 is to be placed in a reserve fund, reasonably expected to be used directly or indirectly to pay principal or interest on the issue. [Reg. 1.148-1(c)(2)] [There is no reserve fund.]

(4) \$7,373,775.00 is to be expended at closing to acquire real property in the City to be used as a primary job training facility (the “Project”) to be owned by the Issuer.

¹As further defined in Section 5(d) hereof.

The amounts received from the sale of the Issue or from the investment thereof do not exceed the anticipated costs of acquiring the Project, and the costs of issuing the Issue.

3. Issue Not a Private Activity Bond. The project financed with the proceeds of the note will be owned by the issuer and used by an institution of higher education (the "Institution") and local governmental entity of the State of Texas. The sole users of the proceeds of the Issue will be the Issuer, the institution and members of the public. There is no management contract for the Project and the Issuer will manage the Project. No person has any obligation whatsoever in regard to repayment of the Issue other than the Issuer. In particular:

(a) Not more than ten percent (10%) of the proceeds of the Issue are to be used for any private business use, being a trade or business carried on by any person other than a governmental unit. [Section 141(b)(1) and 141(b)(6)] For purpose of this section, any activity carried on by any person other than a natural person shall be treated as a trade or business. [Section 141(b)(6)(B)]

(b) The project is not being leased to anyone, or being occupied by anyone other than the Issuer and the Institution.

(c) The payment of the principal of, or the interest on, more than ten percent (10%) of the proceeds of the Issue is not directly or indirectly secured by any interest in property used or to be used for any private business use, payments in respect of such property, or to be derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. The payment of principal and interest shall be paid solely from the sales tax revenues of the Issuer. [Section 141(b)(2)]

(e) Not more than five percent (5%) of the proceeds of the Issue are to be used for any unrelated private business use, or any disproportionate business use. [Section 141(b)(3)]

(f) Not more than the lesser of (i) five percent (5%) of the proceeds of the Issue, or (ii) \$5,000,000 are being used to make loans to persons other than governmental units. [Section 141(c)]

(g) There is no private business that has a special legal entitlement to beneficial use of the Project (Reg. 1.141-3(b)(7)(i)).

(h) There is no special economic benefit derived by any private business from use of the Project (Reg. 1.141-3(b)(7)(ii)).

(Examples of special economic benefit include (i) a functional relationship or physical proximity of the Project to other private business use property; (ii) a small number of private businesses receiving the special economic benefit; and (iii) the cost of the Project being depreciable by a private business.)

(i) For the project, the amount of non-permitted private business use is anticipated to be 0%.

4. General Requirements Applicable to All Tax Exempt Obligations.

(a) The Issue is not required to be in registered form, being a Note which may only be sold to financial institutions and not sold or offered for sale to members of the general public. [Section 149(a)]

(b) The Issue is not federally guaranteed. In particular, (i) payment of the principal or interest with respect to such Issue is not guaranteed, either directly or indirectly, in whole or in part by the United States or any agency or instrumentality thereof; (ii) five percent (5%) or more of the proceeds of the Issue are not to be used in making loans the payment of principal or interest with respect to which are to be guaranteed in whole or in part by the United States or any agency or instrumentality thereof; and (iii) five percent (5%) or more of the proceeds of the Issue are not to be invested, directly or indirectly, in federally insured accounts. [Section 149(b)]

(c) The Issuer agrees to file the information reporting requirements (Form 8038-G) required by Section 149(e) no later than the 15th day of the second calendar month after the close of the calendar quarter in which the Issue are issued.

(d) The Issue is not “pooled financing bonds.” Not more than \$5,000,000 of the proceeds of the Issue are reasonably expected at the time of issuance to be used (or are intentionally used) directly or indirectly to make or finance loans to two or more ultimate borrowers. [Section 149(f)]

(e) The Issue is not a hedge bond. The Issuer reasonably expects that eighty-five percent (85%) of the spendable proceeds of the Issue will be used to carry out the governmental purposes of the Issue within the three (3) year period beginning on the date the Issue is issued, and not more than fifty percent (50%) of the proceeds of the issue are invested in non-purpose investments having a substantially guaranteed yield for four (4) years or more. [Section 149(g)]

5. Issue Not Arbitrage Bonds.

(a) Issue Price.

The “Issue price” of the Issue, being the price paid for the Issue in a privately placed sale is \$7,484,381.86. [Section 148(h); Reg. 1.148-1(b)], see Issue Price Certificate of Purchaser attached hereto as Exhibit A.

(b) Yield. The “yield” on the Issue, being the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the Issue, and amounts reasonably expected to be paid as fees for qualified guarantees on the Issue, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Bonds, of the issue as of the issue date is 4.658909 per annum. [Reg. 1.148-4(a) and (b)]

(c) What Is “Materially Higher” Yield? The amount by which yield on the acquired obligations (i.e., those in which the gross proceeds of the Issue are invested) may exceed the yield on the Issue is 1/8th of one percent (1%). [Reg. 1.148-2(d)(2)(i)]. For replacement proceeds, “Materially higher” means 1/1000 of one percent (1%). [Reg. 1.148-2(d)(2)(ii)]

(d) What Are the “Gross Proceeds” Subject to Arbitrage Restriction? [Reg. 1.148-2(a)]

(1) Sale Proceeds of the Issue, being all amounts actually or constructively received from the sale of the Issue, including amounts used to pay costs of issuance and accrued interest are \$7,484,381.86. [Reg. 1.148-1(b)]

(2) Transferred Proceeds. This is not a refunding so there are no transferred proceeds. [Reg. 1.148-9]

(3) Investment Proceeds, being all amounts actually or constructively received from investing proceeds of an Issue, are estimated to be \$0. [Reg. 1.148-1(b)]

(4) Replacement Proceeds, being amounts that have a sufficient direct nexus to the issue or the governmental purpose of the Issue to conclude that such amounts would have been used for the governmental purpose of the Issue if the Issue were not used or to be used for such purpose, are \$0. [Reg. 1.148-1(c)] Such amounts include all sinking funds, pledge funds or other such funds held by or derived from a “substantial beneficiary of the issue,” to the extent reasonably expected to be used, [Id.] for example:

(i) debt service funds (payments are only made on the Note when due)

(ii) redemption funds (none)

(iii) reserve funds (none)

(iv) funds which are pledged directly or indirectly to pay principal or interest on the issue. (none)

Mere availability or preliminary earmarking of amounts to fund the Project do not, in themselves, establish sufficient nexus to cause those amounts to be replacement proceeds.

There are no negative pledges related to the Issue. No amounts are pledged to pay principal or interest on the Issue and held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders of the Issue. [Reg. 1.148-1(c)(3)(ii)]

The Issue is not outstanding too long, thereby giving rise to “other replacement proceeds” under Reg. 1.148-1(c)(4). The weighted average maturity of the Issue does not exceed 120% of the average reasonably expected economic life of the Project.

(e) The Issuer hereby represents that none of the gross proceeds of the Issue are reasonably expected to be invested in materially higher yield “investment type property” other than as part of a reasonably required reserve or replacement fund or for a “Temporary Period” as defined below.

(1) Reserve Fund. [See Reg. 1.148-2(f)] There is no reserve fund for the Issue.

(2) Bona Fide Debt Service Fund. Payments on the Note will only be made when due.

(3) Proceeds of the Note will be used at closing to finance the purchase of the project.

(f) No Overissuance or Other Abusive Device. The Issuer certifies it has taken no action to enable it to exploit the difference between taxable and tax-exempt interest rates to obtain a material financial advantage, or to overburden the tax-exempt bond market. [Reg. 1.148-10(a)(2)] In particular, the Issuer has not issued a larger Issue, issued the Issue earlier, or allowed the Issue to stay outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Issue, based on all the facts and circumstances. [Reg. 1.148-10(a)(4)] The proceeds of the Bonds are not reasonably expected to exceed by more than a “minor portion” (the lesser of 5% of the sale proceeds or \$100,000) the amount necessary to accomplish the governmental purposes of the Issue. [Id.; Reg. 1.148-2(g)]

6. Rebate. To the extent required by applicable law, the Issuer agrees to rebate to the United States of America the excess of amounts earned on all non-purpose investments over the amounts that would have been earned if those investments had a yield equal to the yield on the Issue, plus any income attributable to such excess. [Section 148(f), Reg. 1.148-3(a) and (b)]

7. Miscellaneous.

(a) The Issuer is executing and delivering this Certificate pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986 as amended to the date hereof, and Treasury Regulations Sections 1.103-13, 1.103-14, 1.103-15, 1.148-0 through 1.148-11, 1.149(d)-1, and 1.150-1 (the “Regs”). The Issuer hereby elects to apply the Regs to the Issue.

(b) This Certificate is based on the facts and estimates described herein in existence on this date, which is the date of delivery of the Issue against the payment by the initial purchasers thereof. On the basis of such facts and estimates, I expect that the future events described herein will occur. To the best of my knowledge and belief, the expectations set forth herein are reasonable.

(c) No receipts from the sale of the Issue or amounts received from the investment thereof will be used to pay the principal of or interest on any presently outstanding obligations of the Issuer other than the Issue.

(d) Approximately \$0 of the proceeds of the Note will be used to reimburse the Issuer for Project expenditures made by it from its own funds prior to the date hereof. With respect to such reimbursement, if any, the Issue adopted an official intent for the original expenditures (except possibly for “preliminary expenditures” as defined in section 1.150-2(f)(2) of the Regulations) not later than 60 days after payment of the original expenditures, and a copy of the Issuers official intent is attached to this No Arbitrage and Tax Certificate. Except for expenditures meeting the preliminary expenditures exception set forth in section 1.150-2(f)(2) of the Regulations, the Note is being issued and the reimbursement allocation is hereby being made not later than 18 months after the later of (i) the date the original expenditures were paid, or (ii) the date the Project is placed in service or abandoned. The original expenditures were capital expenditures, and in connection with this allocation, the Issuer has not employed any abusive arbitrage device under section 1.148-10 of the Regulations to avoid the arbitrage restrictions or to avoid restrictions under section 142 through 147 of the Code.

SEGUIN ECONOMIC DEVELOPMENT
CORPORATION
(THE "ISSUER")

By: _____

Name: Don Keil

Title: President

DATE: _____, 2025

EXHIBIT A
ISSUE PRICE CERTIFICATE

\$7,484,381.86
SEGUIN ECONOMIC DEVELOPMENT CORPORATION
SERIES 2025 NOTE

CERTIFICATE OF GOVERNMENT CAPITAL CORPORATION

The undersigned, on behalf of Government Capital Corporation executes the certificate in connection with the captioned obligations (the “Note”).

1. ***Purchase of the Note.*** On the date of this certificate, the Purchaser is purchasing the Note for the amount of \$7,484,381.86. The Purchaser is not acting as an Underwriter with respect to the Note. The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Note and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Note to persons other than the Purchaser or a related party to the Purchaser.

2. ***Defined Terms.***

(a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Note to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Note to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Note to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the No Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Note, and by Naman Howell Smith & Lee, PLLC, bond counsel, in connection with rendering its opinion that the interest on the Note is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Note.

GOVERNMENT CAPITAL CORPORATION, as
Purchaser

By: _____

Name: _____

Dated: _____, 2025

Information Return for Tax-Exempt Governmental Bonds

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting AuthorityCheck box if Amended Return ☐

1 Issuer's name <u>Seguin Economic Development Corporation</u>		2 Issuer's employer identification number (EIN) <u>74-2758230</u>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) <u>211 N. River Street</u>	Room/suite	5 Report number (For IRS Use Only) <u>3</u>
6 City, town, or post office, state, and ZIP code <u>Seguin, Texas 78155</u>		7 Date of issue <u>03.24.2025</u>
8 Name of issue <u>2025 Sales Tax Note</u>		9 CUSIP number <u>NA</u>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information <u>Josh Schneuker, Executive Director</u>		10b Telephone number of officer or other employee shown on 10a <u>830-401-2415</u>

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.

11 Education	11 <u>7,484,381.86</u>
12 Health and hospital	12 _____
13 Transportation	13 _____
14 Public safety	14 _____
15 Environment (including sewage bonds)	15 _____
16 Housing	16 _____
17 Utilities	17 _____
18 Other. Describe ► _____	18 _____
19a If bonds are TANs or RANs, check only box 19a <input type="checkbox"/>	
b If bonds are BANs, check only box 19b <input type="checkbox"/>	
20 If bonds are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	<u>03/24/2045</u>	<u>\$ 7,484,381.86</u>	<u>\$ 7,484,381.86</u>	<u>11.66008</u> years	<u>4.658909 %</u>

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22 <u>0</u>
23 Issue price of entire issue (enter amount from line 21, column (b))	23 <u>7,484,381.86</u>
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 <u>110,606.86</u>
25 Proceeds used for credit enhancement	25 <u>0</u>
26 Proceeds allocated to reasonably required reserve or replacement fund	26 <u>0</u>
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27 <u>0</u>
28 Proceeds used to refund prior taxable bonds. Complete Part V	28 <u>0</u>
29 Total (add lines 24 through 28)	29 <u>110,606.86</u>
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 <u>7,373,775.00</u>

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	<u>_____</u> years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	<u>_____</u> years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	<u>_____</u>
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	<u>_____</u>

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	
b	Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____		
c	Enter the name of the GIC provider ► _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool bond ► (MM/DD/YYYY) _____		
c	Enter the EIN of the issuer of the master pool bond ► _____		
d	Enter the name of the issuer of the master pool bond ► _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here ► <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ► _____		
c	Type of hedge ► _____		
d	Term of hedge ► _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here ► <input type="checkbox"/> and enter the amount of reimbursement ► _____		
b	Enter the date the official intent was adopted ► (MM/DD/YYYY) _____		

Signature and Consent

Under penalties of perjury, I declare that I have examined this 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 I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative _____	Date _____
Signature of issuer's authorized representative	Date

Don Keil, President

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the
requester. Do not
send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1	Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	
	2	Business name/disregarded entity name, if different from above.	
	3a	Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> 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 Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)
	3b	If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions. <input type="checkbox"/>	
	5	Address (number, street, and apt. or suite no.). See instructions.	Requester's name and address (optional)
	6	City, state, and ZIP code	
	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 instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-					
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

- 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
- 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
- I am a U.S. citizen or other U.S. person (defined below); and
- 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 for Part II, later.

Sign Here	Signature of U.S. person	Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

WIRE TRANSFER FORM

*** FINANCIAL INSTITUTION INFORMATION ***

Bank's Name: _____

Bank's Address: _____

Bank's Phone#: _____

Bank's Fed Routing#: _____

(Please confirm with bank since it may be different from routing number on deposit slip)

Bank Account Name: _____

Bank Account #: _____

Ref (if needed): _____

Please note that while there will not be a charge for our outgoing wire, your Bank may charge a fee for the incoming wire

I hereby authorize Government Capital Corporation to have \$7,373,775.00 wire transferred directly to our bank pursuant to Finance Contract No. 10989.

Signature: _____

Name: _____

Title: _____

Date: _____