

ECONOMIC DEVELOPMENT AGREEMENT

This **ECONOMIC DEVELOPMENT AGREEMENT** (this “TIRZ Agreement”) is made and entered into by and among the **REINVESTMENT ZONE NUMBER THREE, CITY OF SEGUIN, TEXAS** (“TIRZ #3”), a tax increment reinvestment zone created by the City of Seguin, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended; **CITY OF SEGUIN, TEXAS**, a Texas home-rule municipality (the “City”); and **A-L 97 IH 10-SH46, L.P.**, a Texas limited partnership (the “Developer”), and is made and executed on the following recitals, terms and conditions. For the purposes of this TIRZ Agreement, TIRZ #3, the City, and the Developer shall be considered singularly a “Party,” or collectively the “Parties.”

WHEREAS, the Developer intends to develop a mixed-use development consisting of light industrial, industrial, residential, neighborhood commercial, and commercial (including, but not limited to, retail and hospitality) consisting of approximately 543 acres (hereinafter referred to as the “Project”), all to be located within TIRZ #3, within the corporate limits of the City and as described on **Exhibit “A”** attached hereto;

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “Act”), the City Council of the City adopted Ordinance No. 2025-058 on October 21, 2025 (the “Ordinance”), which Ordinance, among other things, (i) created, established, and designated an area within the corporate limits of the City as “Reinvestment Zone Number Three, City of Seguin, Texas” (“TIRZ #3”);

WHEREAS, pursuant to the Ordinance, the City established the Tax Increment Fund and agreed to dedicate to the Tax Increment Fund (i) fifty percent (50%) of the City’s ad valorem Tax Increment until TIRZ #3 is terminated; and (ii)(a) seventy-five (75%) of the City’s Sales Tax Increment until the tenth (10th) anniversary of TIRZ #3, and (b) fifty percent (50%) of the City’s Sales Tax Increment thereafter until termination;

WHEREAS, Guadalupe County (the “County”) agreed to contribute (i) fifty percent (50%) of its ad valorem Tax Increment to TIRZ #3 until TIRZ #3 is terminated, and (ii) fifty percent of the County’s Sales Tax Increment to TIRZ #3 for ten (10) years pursuant to that certain Agreement to Participate in Tax Increment Reinvestment Zone Number Three, City of Seguin, Texas between the City and the County;

WHEREAS, the Board of Directors of TIRZ #3 (the “Board”) convened on November 4, 2025, and approved a resolution approving the Final Project and Financing Plan for Tax Increment Reinvestment Zone Number Three (TIRZ #3) (the “Project and Financing Plan”);

WHEREAS, the City Council convened on November 18, 2025, and approved a Ordinance Number 25-061 approving the Final Project and Financing Plan for Tax Increment Reinvestment Zone Number Three (TIRZ #3) (the “Project and Financing Plan”);

WHEREAS, Section 311.010(b) of the Act provides that the Board may enter into agreements as the Board considers necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

WHEREAS, Section 311.010(h) of the Act authorizes the Board, subject to the approval of the City Council of the City, “to implement the project plan and reinvestment zone financing plan and achieve their purposes, [which] may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone. For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code. The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan”;

WHEREAS, the Board and City have concluded, and hereby find, that this TIRZ Agreement clearly promotes economic development in the City of Seguin, Texas, and, as such, meets the requirements of Article III, Section 52-a of the Texas Constitution and Section 311.010(b) of the Act by assisting in the development and diversification of the economy of the State of Texas and the City, by eliminating unemployment or underemployment in the State of Texas, and the City, and by the development or expansion of commerce within the State of Texas, and the City;

WHEREAS, the Board and City have determined that it is in the best interest of TIRZ #3 and the City to contract with Developer, in order to provide for the efficient and effective implementation of certain aspects of the Project and Financing Plan and assist in the development and diversification of the economy of the City; and

WHEREAS, the Board and City further desire to make an economic development grant and project costs reimbursement to the Developer from the Tax Increment Fund in an amount not-to-exceed **Thirty-Two Million Five Hundred Thousand Dollars (\$32,500,000.00 USD)**, consistent with this TIRZ Agreement and the Project and Financing Plan (the “TIRZ Payment”);

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TIRZ #3, the City, and the Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this TIRZ Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This TIRZ Agreement shall be effective as of the Effective Date and shall continue thereafter until the sooner of the following: (a) twenty (20) years from the Effective Date, or (b) upon full payment of the TIRZ Payment to the Developer. This TIRZ Agreement shall be continued in effect for the purposes of paying Developer any monies from the Tax Increment Fund due and payable to the Developer under the terms of this TIRZ Agreement and the Project and Financing Plan.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this TIRZ Agreement.

- (a) **Act.** The word "Act" means the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended.
- (b) **Board.** The word "Board" means the Board of Directors of TIRZ #3 authorized by Section 311.009 of the Act. For the purposes of this TIRZ Agreement, Board's address is 205 N. River Street, Seguin, Texas 78155.
- (c) **Capital Investment.** The term "Capital Investment" means the aggregate of (1) construction costs for site development for the Property, including all actual construction costs for the Project, infrastructure improvements and the costs of supplies, materials and labor, and (ii) the following costs directly expended for real property improvements for the Project, including but not limited to: engineering fees, architectural and design fees, costs of third-party consultants (including attorneys and environmental consultants) contractor fees; zoning fees; insurance and taxes directly related to construction. Property acquisition costs for the Project are not considered part of the Capital Investment for purposes of this TIRZ Agreement.
- (d) **Captured Appraised Value.** The term "Captured Appraised Value" means the total appraised value of all real property taxable by the City and the County located in TIRZ #3 as of January 1 of any year during the term of TIRZ #3, less the Tax Increment Base.
- (e) **City.** The word "City" means the City of Seguin, Texas, a Texas home-rule municipality. For the purposes of this TIRZ Agreement, City's address is 205 N. River Street, Seguin, Texas 78130.
- (f) **County.** The word "County" means Guadalupe County.
- (g) **Developer.** The word "Developer" means A-L 97 IH 10-SH 46, L.P., a Texas limited partnership, whose current corporate address for the purposes of this TIRZ Agreement is 8827 W. Sam Houston Pkwy N, Suite 200, Houston, Texas 77040.
- (h) **Effective Date.** The term "Effective Date" mean the date of the latter to execute this TIRZ

Agreement by and between TIRZ #3 and Developer.

- (i) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (j) **TIRZ Payment.** The words “TIRZ Payment” mean an amount not-to-exceed Thirty-Two Million Five Hundred Thousand Dollars (\$32,500,000.00 USD).
- (k) **Industrial Reimbursement Area.** The term “Industrial Reimbursement Area” means the zone designated on *Exhibit B* attached hereto that includes the industrial, commercial, and flex development within the Project and as may be expanded as described in Section 4(b)(iii), below.
- (l) **Intentionally omitted.**
- (m) **Project.** The word “Project” means the development described in the recitals located within the 543-acre tract (the “Property”) including (i) land and buildings (ii) machinery and equipment, and (iii) furniture, fixtures and equipment, as depicted in *Exhibit A* of this TIRZ Agreement, which is attached hereto and is incorporated herein for all purposes.
- (n) **Project and Financing Plan.** The term “Project and Financing Plan” means the Final Project Plan and Finance Plan adopted by the City and the TIRZ Board of Directors, as amended from time to time.
- (o) **Property.** The word “Property” means the approximate 543-acre tract located within TIRZ #3.
- (p) **TIRZ # 3.** The term “TIRZ # 3” means the tax increment financing reinvestment zone named Reinvestment Zone Number Three, City of Seguin, Texas, created by City Ordinance No. 2025-058, approved by the City Council of the City on October 21, 2025, as authorized by the Act.
- (q) **Retail Reimbursement Area.** The term “Retail Reimbursement Area” means the zone designated on *Exhibit B* attached hereto that includes the retail and commercial development within the Project and as may be expanded as described in Section 4(b)(iii), below.
- (r) **Sales Tax Base.** The term “Sales Tax Base” means the amount of municipal and county sales and use taxes attributable to TIRZ #3 for the year in which TIRZ #3 was designated.
- (s) **Sales Tax Increment.** The term “Sales Tax Increment” means the amount of sales tax generated from municipal sales and use taxes and county sales and use taxes, attributable to the Retail Reimbursement Area and the Industrial Reimbursement Area in TIRZ #3, above the Sales Tax Base, to be deposited into the Tax Increment Fund, based upon the portions dedicated to the Tax Increment Fund via City Ordinance 2025-058.

- (t) **State Comptroller.** The words “State Comptroller” mean the Office of the Texas Comptroller of Public Accounts, or any successor agency.
- (u) **Tax Increment.** The term “Tax Increment” means the ad valorem property taxes collected each year within the Retail Reimbursement Area and Industrial Reimbursement Area within TIRZ #3 by the City and Guadalupe County on the Captured Appraised Value and deposited into the Tax Increment Fund, based upon the portions dedicated to the Tax Increment Fund via City Ordinance 2025-058.
- (v) **Tax Increment Base.** The term “Tax Increment Base” means the total appraised value of all real property taxable by the City and the County and located in TIRZ #3 as of January 1, 2025, the year TIRZ #3 was effective and designated as a reinvestment zone, plus the total appraised value of all real property taxable by the City and the County, if applicable, annexed by the City into TIRZ #3 as of January 1 of the year in which area is annexed.
- (w) **Term.** The word “Term” means the term of this TIRZ Agreement as specified in Section 2 of this TIRZ Agreement.
- (x) **TIRZ Agreement.** The term “TIRZ Agreement” means this Economic Development Agreement, together with all exhibits and schedules attached to this TIRZ Agreement from time to time, if any, authorized pursuant to Section 311.010 of the Act.
- (y) **Tax Increment Fund.** The term “Tax Increment Fund” means the tax increment fund consisting of the Tax Increment and Sales Tax Increment collected within TIRZ #3 as established pursuant to Section 311.014 of the Act, and Section 7 of Ordinance No. 2025-058, approved by the City Council of the City.

SECTION 4. TIRZ PAYMENT

- (a) **Obligations of Developer.** The Developer intends to develop the Property in phases and in accordance with Developer’s development plan and Developer’s Amended and Restated Development Agreement with the City. Developer covenants and agrees that the Developer shall comply with the following terms and conditions:
 - (i) **Retail and Commercial Development.** The Developer shall construct, or cause to be constructed, approximately 200,000 square feet of retail space within the Retail Reimbursement Area. For the purposes of this section, “retail space” shall include any allowable use under the City’s Commercial Zoning (see Seguin Code of Ordinances, Appendix A, Section 3.4.14), including but not limited to Retail Shops, Commercial Offices, Medical Offices, Restaurants, and Day Cares. The Developer must cause the issuance of a certificate of occupancy for at least one (1) anchor tenant within the Retail Reimbursement Area. For the purposes of this subsection 4(a)(ii) an “anchor tenant” shall be considered a national or regional retailer occupying no less than 60,000 square feet, or any such other tenant as may be approved by the City in its reasonable discretion.

- (ii) **Public Improvements.** The Developer shall complete or cause to be completed the public improvements described in *Exhibit "C"* attached hereto, the costs of which shall be considered Eligible Project Costs for the purposes of this TIRZ Agreement.
- (iii) **Total Capital Investment.** Developer shall make or cause to be made a total Capital Investment in connection with development of the Property, including Public Improvements, Retail, Industrial, and Commercial improvements, but not including real estate acquisition costs, that meets or exceeds Seventy-Five Million dollars (\$75,000,000.00 USD).
- (iv) **Timing of Performance of Obligations.**
 - a. **Completion Date.** Developer shall complete, or cause to be completed, the obligations set forth in subsections 4(a)(i)-(iii) above, on or before December 31, 2035 (the "Completion Date"); failure to meet obligations stated herein shall be considered an event of default by Developer in this TIRZ Agreement.
 - b. **Extension of Completion Date.** If Developer has constructed at least 150,000 square feet of retail space within the Retail Reimbursement Area under subsection 4(a)(i) and is otherwise in substantial compliance of the Capital Investment and Public Improvement requirements in subsections 4(a)(ii) and (iii), then the Developer is not in default of this TIRZ Agreement, and the Completion Date shall be extended to December 31, 2037, without further action by the Board or the City. Failure to meet the obligations under the extension stated herein shall be considered an event of default by Developer in this TIRZ Agreement.
- (v) **Payment Request; Commencement of Payments.** Upon satisfaction of the conditions of Public Improvements in Section 4(a)(ii) above, as well as the issuance of at least one (1) Certificate of Occupancy for a tenant within the Retail Reimbursement Area, Developer shall submit a payment request to the Board that shall include reasonably necessary documentation for the City to confirm Developer's performance under Section 4(a)(ii), and City and the Board shall commence TIRZ Payment to Developer pursuant to Section 4(b) below.

(b) **Obligations of TIRZ #3 and the City.** TIRZ #3 and the City covenant and agree while this TIRZ Agreement is in effect the Parties shall comply with the following terms and conditions:

- (i) **Payment of TIRZ Payment.** In consideration of satisfaction of the Developer obligations in subsection 4(a), TIRZ #3 covenants and agrees to pay to Developer the TIRZ Payment from annual payments from all Tax Increment and Sales Tax Increment, as defined above, in the TIRZ #3 Tax Increment Fund up to the maximum TIRZ Payment if such funds are available until the end of the Term, as described in Section 2, above; provided however, that notwithstanding any other

provisions to the contrary, the obligation to make TIRZ Payment to Developer as described below shall be limited to the Sales Tax Increment and Tax Increment generated from the Retail Reimbursement Area and the Industrial Reimbursement Area as shown on *Exhibit B* and up to the TIRZ Payment. Payments made under this TIRZ Agreement shall be made solely from the TIRZ #3 Tax Increment Fund, subject to the limitation on payments provided in this TIRZ Agreement. The Parties acknowledge that while Developer does not have any right or claim to amounts from any source of funds other than the Sales Tax Increment and Tax Increment, the Parties may, at its sole discretion, use any other source of funds legally available to it for satisfaction of the TIRZ Payment.

- (ii) **Performance.** The City and TIRZ #3 agree to perform and comply with all terms, conditions and provisions set forth in this TIRZ Agreement, and any other agreements by and between TIRZ #3, the City, and Developer.
- (iii) **Additional Development.** The Parties agree the Retail Reimbursement Area and Industrial Reimbursement Area as shown in *Exhibit B* may be subject to modification. In the event Developer intends to develop additional commercial, industrial, or retail areas outside of those shown in *Exhibit B*, those areas shall be considered for inclusion in the Retail Reimbursement Area or Industrial Reimbursement Area, as the case may be. Modification of the Retail Reimbursement Area and/or Industrial Reimbursement Area is subject to prior approval of the City and the TIRZ Board, which shall not be unreasonably withheld. The Tax Increment Funds associated with the Retail Reimbursement Area or Industrial Reimbursement Area, now or as augmented, shall be dedicated toward the payment by the TIRZ of the TIRZ Payment as described in subsection 4(b)(i) above.
- (iv) The City agrees that it will advocate against a reduction in the Tax Increment paid by the County except to the extent provided in the Agreement to Participate in the Tax Increment Zone Number Three, City of Seguin, Texas, by and between the City of Seguin and Guadalupe County, or other future participation agreements, if any. Absent mutual agreement of the Parties, the City will not grant tax abatements or tax incentives that affect the increment reserved and collected to incentivize Developer's performance within the Retail and/or Industrial Reimbursement areas of TIRZ #3.

SECTION 5. PAYMENT PROCEDURE.

- (a) **Payments Solely from Tax Increment Fund.** City, Board, and Developer agree that the TIRZ Payment shall be only from the Tax Increment Fund, subject to the conditions and limitations set out in this TIRZ Agreement, and only to the extent such funds are on deposit or to be deposited in the Tax Increment Fund after:

- (i) payment of any amounts pledged or required for the payment of any outstanding bonds secured by the Tax Increment Fund to make payments to the Developer pursuant to this Agreement or other reimbursement agreement with the Developer; and
- (ii) payment of administrative costs for the administration of TIRZ #3;

Developer covenants and agrees to look solely to the Tax Increment Fund, and not to the City's general funds, or other City bond funds for payment of the TIRZ Payment. Nothing in this TIRZ Agreement shall be construed to require City to approve payments from any source of City funds other than the Tax Increment Fund or to require City to issue tax increment financing bonds, the issuance of such bonds being solely within the discretion of the City Council of the City. Upon the expiration of the Term of the TIRZ #3, any portion of the TIRZ Payment that remains unpaid due to the lack or unavailability of Tax Increment Funds or due to Developer's failure to meet any precondition of payment under this TIRZ Agreement, shall no longer be considered an obligation of the Tax Increment Fund and any obligation of TIRZ #3 to pay Developer shall automatically expire on such date; this provision, however, shall not be construed to limit or modify the obligations or covenants contained in any outstanding tax increment financing bonds which the City in its discretion may issue for the purpose of paying or reimbursing project costs or making grants to the Developer. Further, any increment which has accrued during the Term of TIRZ #3 but is collected subsequent to the date on which the Term of TIRZ #3 expires shall be applied toward the payment of any portion of the TIRZ Payment that remains unpaid immediately prior to the expiration of the Term.

- (b) **Frequency and Amount of Payment.** The frequency and amount of payment to Developer under this TIRZ Agreement shall coincide with the frequency and amount of payment made by the various taxing units into the Tax Increment Fund from fiscal year to fiscal year but in any event, not less than semi-annually. However, TIRZ #3 reserves the right, when payments come into the Tax Increment Fund, to repay all or any portion of the TIRZ Payment at any given time. TIRZ #3 will administer payments from the Tax Increment Fund for the TIRZ Payment, maintaining at all times in the Tax Increment Fund, a minimum fund balance as may be recommended by the Board and City Council of the City.
- (c) **Permissible Expenditures.** City hereby declares that the payment procedure outlined above is necessary to implement the Project and Financing Plan, and that the payment of the TIRZ Payment and Project Reimbursement complies with Section 311.010(b) and Section 311.010(h) of the Act.

SECTION 6. FORCE MAJUERE.

In the event any Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such Party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume

performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics and pandemics, including, without limitation, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, drought, arrests, unlawful restraint of government, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation of the water and sewer systems hereunder, and any other inability of any Party, whether similar to those enumerated or otherwise, which are not within the control of the Party claiming such inability, which such party could not have avoided by the exercise of due diligence and care.

SECTION 7. EVENT OF DEFAULT.

Each of the following shall constitute an Event of Default under this TIRZ Agreement:

- (a) **General Event of Default.** Failure of Parties to comply with or to perform any other term, obligation, covenant or condition contained in this TIRZ Agreement, subject to Section 6, above, or failure of Parties to comply with or to perform any other material term, obligation, covenant or condition contained in any other agreement by and between the Parties is an Event of Default
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to the City or TIRZ #3 by or on behalf of Developer under this TIRZ Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.
- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Ad Valorem Taxes.** If Developer allows its ad valorem taxes owed to the City of Seguin, Texas, to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from TIRZ #3, the City, and/or Guadalupe Appraisal District is an Event of Default.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 8 of this TIRZ Agreement, the non-defaulting party

shall give written notice to the other party of any default, and the defaulting party shall have sixty (60) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this TIRZ Agreement. In the event, Developer defaults in its obligations described in Section 4(a) above and is unable or unwilling to cure said default within the prescribed time period after notice and opportunity to cure, the City or TIRZ have the right to terminate the TIRZ Agreement or adjust the TIRZ Payment.

SECTION 9. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this TIRZ Agreement:

- (a) **Amendments.** This TIRZ Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this TIRZ Agreement. No alteration or amendment to this TIRZ Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This TIRZ Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Guadalupe County, Texas. Venue for any action arising under this TIRZ Agreement shall lie in the state district courts of Guadalupe County, Texas.
- (c) **Assignment.** This TIRZ Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This TIRZ Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Parties warrant and represent that the individual executing this TIRZ Agreement on behalf of such Party has full authority to execute this TIRZ Agreement and bind such Party to the same.
- (e) **Caption Headings.** Caption headings in this TIRZ Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the TIRZ Agreement.
- (f) **Counterparts.** This TIRZ Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **INDEMNITY. DEVELOPER AGREES TO INDEMNIFY THE TIRZ #3, THE CITY, AND ITS OFFICIALS AND OFFICERS (IN THEIR CAPACITIES AS OFFICIALS AND OFFICERS), FROM AND AGAINST ANY THIRD PARTY CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITIES ARISING OUT OF ANY NEGLIGENCE OF DEVELOPER IN ITS OPERATION OF THE PROJECT; PROVIDED THAT DEVELOPER SHALL NOT BE OBLIGATED TO INDEMNIFY THE TIRZ #3 OR THE CITY FOR CLAIMS ARISING OUT OF THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE TIRZ #3 OR CITY OR ITS AGENTS.**

(h) **No Joint Venture; No Third-Party Beneficiaries.** It is acknowledged and agreed to by the parties to this TIRZ Agreement that the terms hereof are not intended to, and shall not constitute, a partnership or joint venture between the parties. Further, this TIRZ Agreement does not establish rights in any third parties. The City, and its respective officials, officers and agents, do not assume any responsibility or liability to any third parties in connection with the development of the Project.

(i) **Notices.** Any notice or other communication required or permitted by this TIRZ Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to TIRZ #3: Tax Increment Reinvestment Zone Number Three,
City of Seguin, Texas
205 N. River Street
Seguin, Texas 78155
Attn: City Manager

if to City: City of Seguin, Texas
205 N. River Street
Seguin, Texas 78155
Attn: City Manager

if to Developer: A-L 97 IH-SH 46, L.P.
8827 W. Sam Houston Pkwy N, Suite 200
Houston, Texas 77040
Attn: Austin Alvis

With a copy to: Allen Boone Humphries Robinson, LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attn: Annette Stephens

(j) **No waiver of immunity.** No provision of this TIRZ Agreement shall affect or waive any sovereign or governmental immunity available to the TIRZ #3 and City and/or its elected or appointed officials, officers, employees and agents under Federal or Texas law nor waive any defenses or remedies at law available to the TIRZ #3 and City and/or its elected or appointed officials, officers, employees and agents under Federal or Texas law.

(k) **Severability.** The provisions of this TIRZ Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this TIRZ Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the TIRZ Agreement shall be enforced as if the invalid provision had never been included.

- (l) **Time is of the Essence.** Time is of the essence in the performance of this TIRZ Agreement.
- (m) **Undocumented Workers Provision.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this TIRZ Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this TIRZ Agreement plus interest, at the rate of six percent (6%), not later than the 120th day after the date the TIRZ #3 or the City notifies Developer of the violation.
- (n) **Form 1295 Certificate.** The Developer agrees to comply with Texas Government Code, Section 2252.908 and in connection therewith, the Developer agrees to go online with the Texas Ethics Commission to complete a Form 1295 Certificate and further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics Commission and provide to the TIRZ #3 and the City, at the time of delivery of an executed counterpart of this TIRZ Agreement, a duly executed completed Form 1295 Certificate.
- (o) **Non-Boycott of Israel Provision.** In accordance with Chapter 2271 of the Texas Government Code, a Texas governmental entity may not enter into an agreement with a business entity for the provision of goods or services unless the agreement contains a written verification from the business entity that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement. Chapter 2271 of the Texas Government Code does not apply to a (1) a Developer that is a sole proprietorship; (2) a Developer that has fewer than ten (10) full-time employees; or (3) the contract has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless Developer is not subject to Chapter 2271 of the Texas Government Code for the reasons stated herein, the signatory executing this TIRZ Agreement on behalf of Developer verifies that Developer does not boycott Israel and will not boycott Israel during the Term of this TIRZ Agreement.
- (p) **Prohibition on Contracts with Certain Companies Provision.** In accordance with Section 2252.152 of the Texas Government Code, the Parties covenant and agree that Developer is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 2252.153 of the Texas Government Code.
- (q) **Report Agreement to Comptroller's Office.** TIRZ #3 covenants and agrees to report this TIRZ Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this TIRZ Agreement, in accordance with Section 380.004 of the Texas Government Code.
- (r) **Verification Against Discrimination of Firearm or Ammunition Industries.** Pursuant to Chapter 2274 of the Texas Government Code, unless otherwise exempt, if the Developer employs at least ten (10) fulltime employees and this TIRZ Agreement has a value of at least \$100,000 that is paid wholly or partly from public funds of the TIRZ #3, the Developer represents that: (1) the Developer does not have a practice, policy, guidance, or directive

that discriminates against a firearm entity or firearm trade association; and (2) the Developer will not discriminate during the Term of the TIRZ Agreement against a firearm entity or firearm trade association.

(s) **Verification Against Discrimination Developer Does Not Boycott Energy Companies.** Pursuant to Chapter 2276 of the Texas Government Code, unless otherwise exempt, if the Developer employs at least ten (10) fulltime employees and this TIRZ Agreement has a value of at least \$100,000 that is paid wholly or partly from public funds of the TIRZ #3, the Developer represents that: (1) the Developer does not boycott energy companies; and (2) the Developer will not boycott energy companies during the Term of this TIRZ Agreement.

List of Exhibits:

Exhibit A: Description of the Project

Exhibit B: Description of the Retail Reimbursement Area and Industrial Reimbursement Area

Exhibit C: Description of Retail Reimbursement Area Public Improvements

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THE PARTIES ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS TIRZ AGREEMENT, AND THE PARTIES AGREE TO ITS TERMS. THIS TIRZ AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

TIRZ #3:

**TAX INCREMENT REINVESTMENT ZONE
NUMBER THREE, CITY OF SEGUIN, TEXAS,**

By: Donna Dodgen
Donna Dodgen, Chairperson

Date Signed: 1/20/26

DEVELOPER:

**A-L 97 IH 10-SH 46, L.P.,
a Texas limited partnership,**

By: A-L 97, L.C.,
a Texas limited liability company,
its general partner

By: Steven Davis
Name: Steven Davis
Title: Manager
Date Signed: 01/20/2026

CITY:

**CITY OF SEGUIN, TEXAS,
A Texas home-rule municipality**

By: Steve Parker
Steve Parker, City Manager
Date Signed: 1-20-2026

ATTEST:


Kristen Mueller, City Secretary

APPROVED AS TO FORM:


Mark Kennedy, City Attorney

Exhibit A

[The Project]

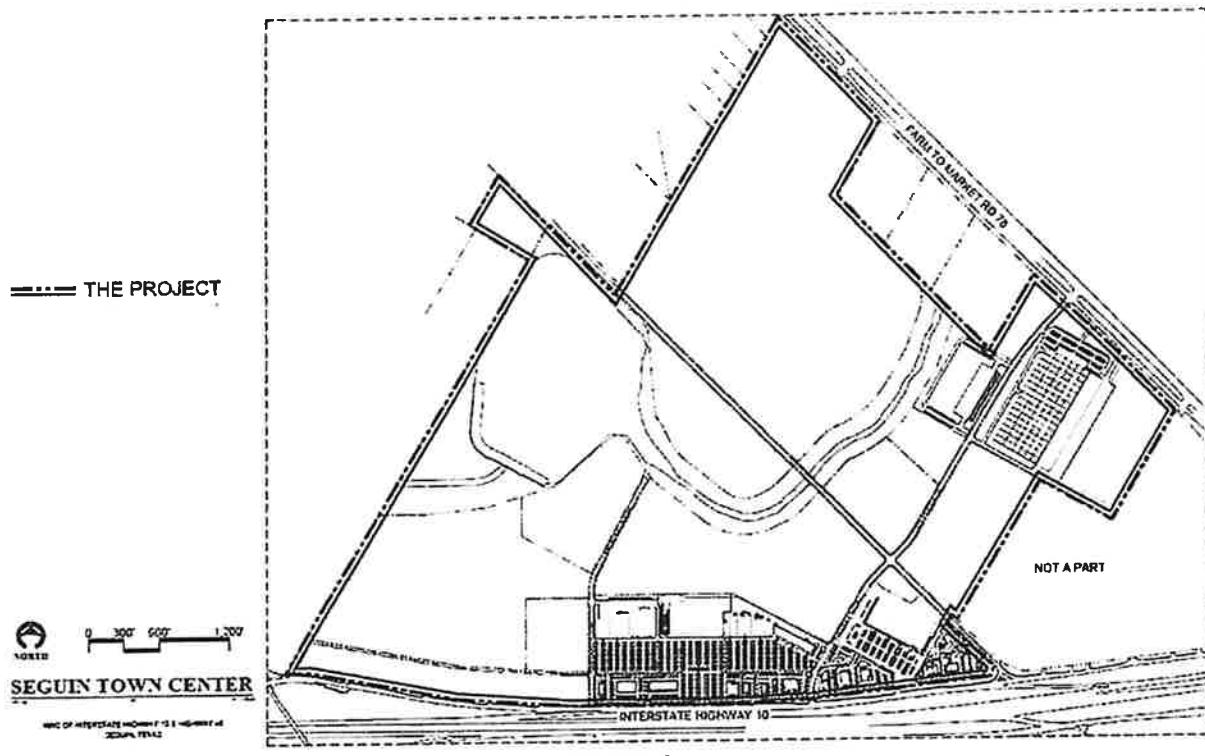


Exhibit B

[The Retail and Industrial Reimbursement Areas]

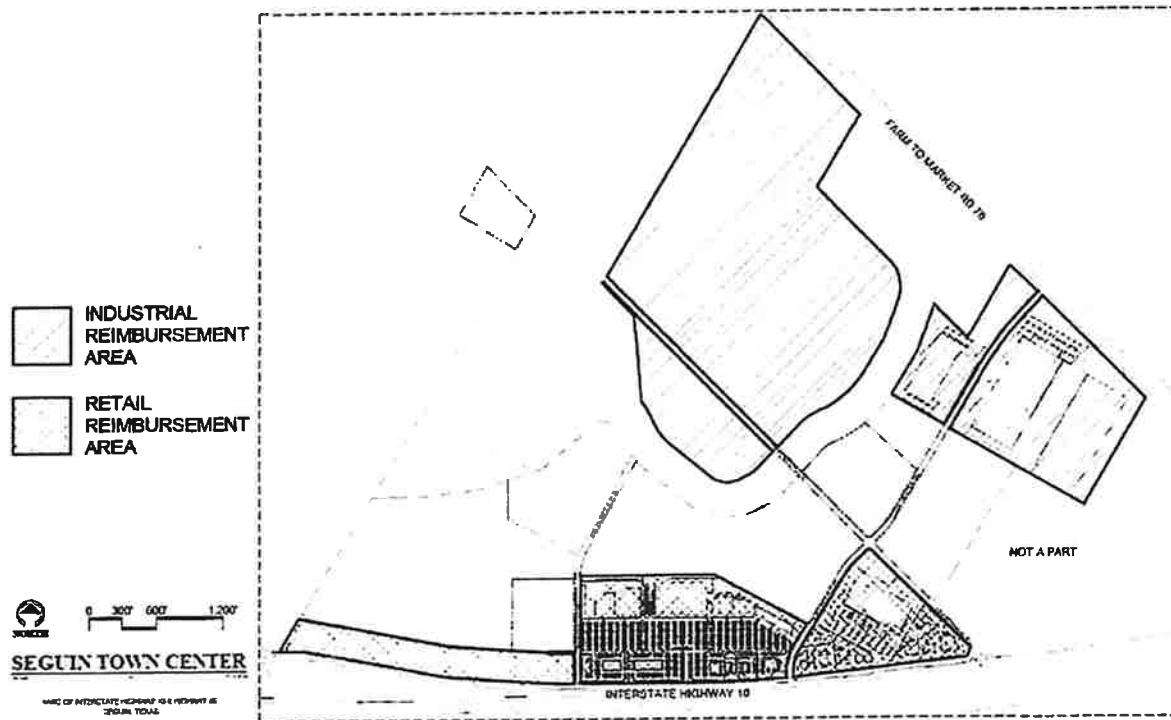


Exhibit C

[Retail Reimbursement Area - Public Improvements]

**SEGUIN COMMERCE CENTER
PLANS OF PROPOSED DRAINAGE IMPROVEMENTS
GUADALUPE COUNTY, TEXAS**

