

INCENTIVE TERM SHEET

December 16, 2025

FOR DISCUSSION PURPOSES ONLY

PROPOSED ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SEGUIN ("CITY"), TIRZ, AND A-L 97 IH 10-SH 46, L.P. ("DEVELOPER").

The purpose of this Term Sheet is to outline the principal terms of a proposed Economic Development Agreement ("Agreement") between the City, the TIRZ, and the Developer related to a mixed-use development anchored by retail uses within a designated Tax Increment Reinvestment Zone ("TIRZ"). The terms described herein are non-binding and subject to negotiation and formal approval by the Seguin City Council and the TIRZ Board, as applicable.

I. Developer Commitments

- a) The Developer shall make or cause to be made expenditures in the amount of at least \$75M (the "Capital Investment"), in connection with the development of approximately 544 acres of land, infrastructure, buildings and other improvements, but excluding land acquisition located in Seguin, Texas (the "Property").
- b) Developer (or its affiliates or assigns) shall construct approximately 200,000 square feet of retail space within the Retail Reimbursement Area. For purposes of this Term Sheet, the "Project" includes all private and public improvements constructed by the Developer within the Property, infrastructure (public and private), and related site improvements; however, reimbursement under the City's commitments shall be limited to taxes generated from development uses located within the Retail Reimbursement Area and Industrial Reimbursement Area as depicted in Exhibit A.
- c) The Developer must cause the issuance of a Certificate of Occupancy for at least one (1) anchor tenant within the Retail Reimbursement Area. An anchor tenant shall be defined as a national or regional retailer occupying no less than 60,000 square feet, or such other tenant as may be approved by the City in its reasonable discretion.
- d) The Developer shall complete the public improvements described in Exhibit B, the "Public Improvements Commitment", on or before December 31, 2035, the "Public Improvements Completion Date." Subject to force majeure. Failure to complete the Public Improvements Commitment by the Public Improvements Completion Date shall be an event of default.
- e) The Developer shall complete the Developer Commitments described above, on or before December 31, 2035, the "Completion Date". Subject to force majeure and substantial completion described below, failure to complete the Developer Commitments by the Completion Date shall be an event of default. In the event of default, the City and County may modify or terminate their commitments described in Article II, below. As an exception to default under I.d, above, if, by December 31, 2035, Developer has constructed at least 150,000 square feet of retail space and is otherwise in substantial compliance of the developer commitments described above, the Completion Date shall be extended until December 31, 2037.
- f) Prior to any payment under the TIRZ Agreement, the Developer shall complete the Public Improvements Commitment described in I.d, above, and shall cause the issuance of at least one (1) Certificate of Occupancy for a tenant within the Retail Reimbursement Area. The Developer understands that the proposed economic incentive is performance based and that failure to make the Capital Investment and complete the Project by the Completion Date is an event of

default, which, subject to commercially reasonable notice and cure rights, will result in adjustment of the economic incentive reimbursement or immediate termination of the agreement.

II. City and County Commitments

- a) The City and TIRZ shall enter into a TIRZ agreement with the Developer for TIRZ Funds (including both City and County Tax Increment) generated from uses located within the Retail Reimbursement Area and Industrial Reimbursement Area (as depicted in Exhibit A), not to exceed \$32,500,000 (herein “the Reimbursement Cap”), on or before January 31, 2026. The TIRZ Agreement shall remain in effect for a period not to exceed twenty (20) years from its effective date, or until the Developer has received cumulative payments totaling \$32,500,000, whichever occurs first.
- b) The agreement will be structured to include:
 - (1) Semi-Annual payments (if practicable, and otherwise annual payments) with the first payment beginning the year of the issuance of the first certificate of occupancy in the Retail Area in an amount equal to one hundred percent (100%) of the annual ad valorem and sales tax TIRZ increment generated from retail uses located within the Retail Reimbursement Area and fifty percent (50%) of the annual ad valorem and sales tax TIRZ Increment from uses located within the Industrial Reimbursement Area; provided that total grant or reimbursements shall not exceed \$32,500,000.

III. Reporting

1. In order for the City to assess whether the Capital Investment has been met, Developer must provide the City with documentation supporting such Capital Investment including but not limited to appraisal district records, construction budgets, construction contracts or any other reasonable documentation of such investment.
2. Construction Costs means the aggregate of Hard Construction Costs (actual site development and construction costs, infrastructure improvements and the costs of supplies, materials and labor) and the following costs directly expended for real property improvements: 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 the construction; and financing costs, including capitalized interest and FF&E. Property acquisition costs for the Project Site do not constitute “Construction Costs.”
3. Upon completing all of the Developer Commitments, prior to receiving payment, the Developer shall submit a Payment Request that shall include all necessary documentation for the City to confirm that the commitments have been met, as well as a spreadsheet including the total requested payment amount allocated into the categories included in the Project and Financing Plan Project Costs table, included as Exhibit C.

EXHIBIT A

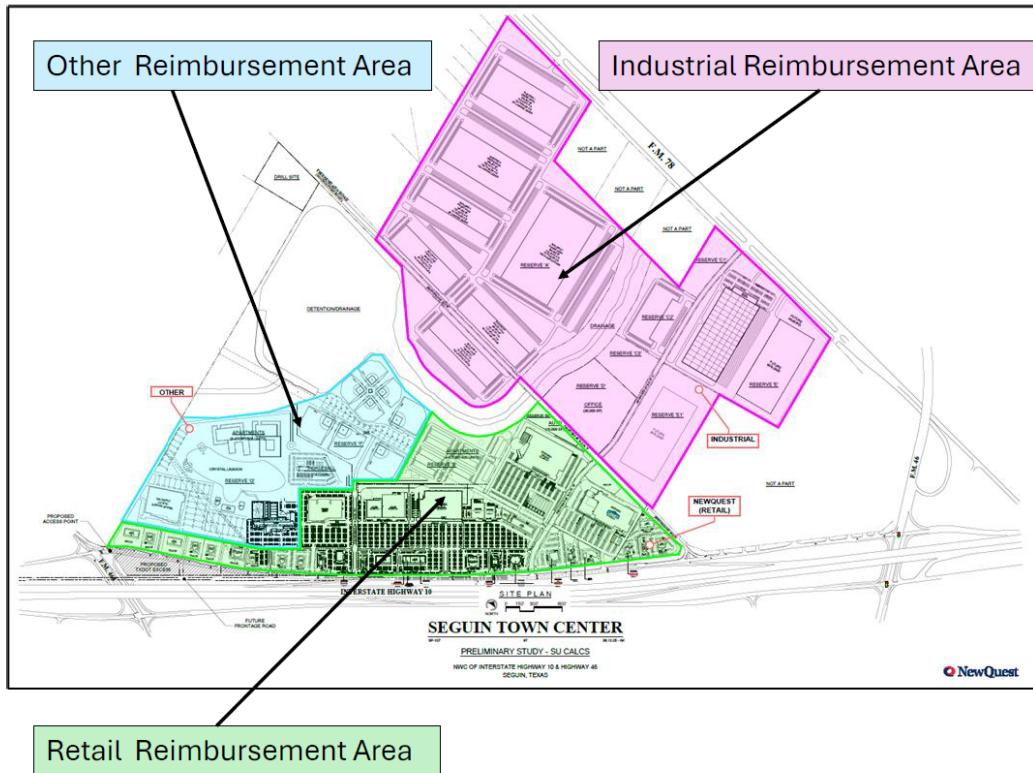


EXHIBIT B

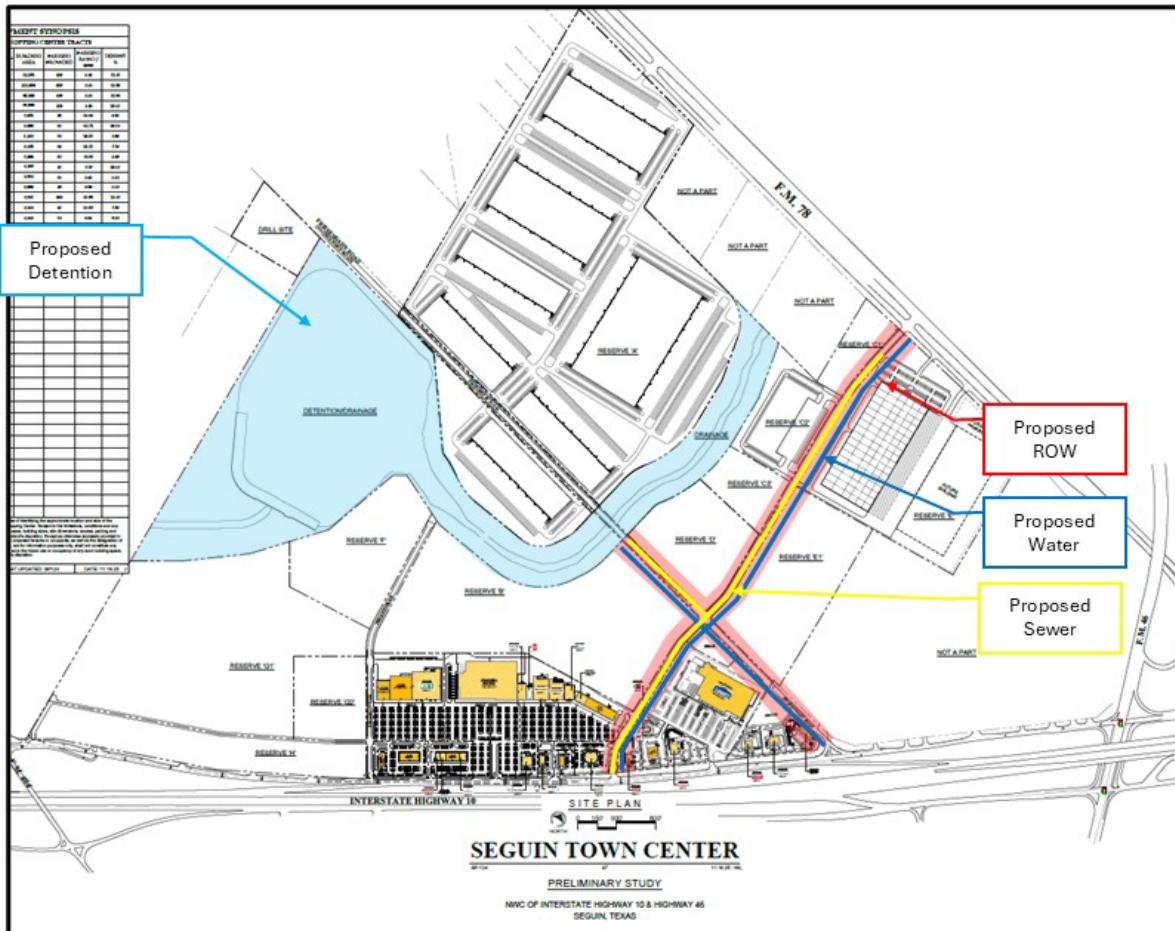


EXHIBIT C

Proposed Project Costs - TIRZ #3		
Public Utilities	\$ 43,225,999	30%
<i>Water Facilities and Improvements, Sanitary Sewer Facilities and Improvements, Storm Water Facilities and Improvements</i>		
Parking, Rail, and Transit Improvements	\$ 14,408,666	10%
Street and Intersection Improvements	\$ 50,430,332	35%
Pedestrian Enhancements	\$ 7,204,333	5%
<i>Streetscape, lighting, public art, and other amenities that enhance the pedestrian experience</i>		
Open Space, Park and Recreation Facilities and Improvements, Public Facilities and Improvements	\$ 11,526,933	8%
Economic Development Grants	\$ 14,408,666	10%
Administrative Costs	\$ 2,881,733	2.0%
Total	\$ 144,086,664	100%