

OFFICIAL COPY

CITY OF CASTROVILLE, TEXAS

DEVELOPMENT AGREEMENT WITH
HWY 90 CASTROVILLE PARTNERS, LTD.

ALSATIAN OAKS DEVELOPMENT

CITY OF CASTROVILLE, TEXAS

**DEVELOPMENT AGREEMENT WITH
HWY 90 CASTROVILLE PARTNERS, LTD.**

ALSATIAN OAKS DEVELOPMENT

TAB
NO.

DOCUMENT

Basic Documents

1. Certified City Ordinance Authorizing the Development Agreement
2. Development Agreement

* * * *

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS
COUNTY OF MEDINA
CITY OF CASTROVILLE, TEXAS

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 24th day of September, 2019, the City Council (the *Council*) of the City of Castroville, Texas (the *City*) convened in regular session at its regular meeting place at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Phyllis Santleben	Mayor
Paul Carey	Mayor Pro Tem, Council Member
Todd Tschirhart	Council Member
Jesse Byars	Council Member
Sheena Martinez	Council Member
Herb Dyer	Council Member

and all of such persons were present at the Meeting, except the following: Mayor Phyllis Santleben, thus constituting a quorum. Among other business considered at the Meeting, the attached ordinance (the *Ordinance*) entitled:

AN ORDINANCE OF THE CITY OF CASTROVILLE, TEXAS
ESTABLISHING AN ECONOMIC DEVELOPMENT PROGRAM;
AUTHORIZING THE CITY TO ENTER INTO A DEVELOPMENT
AGREEMENT WITH HWY 90 CASTROVILLE PARTNERS, LTD.
PURSUANT TO SAID PROGRAM; AND ORDERING OTHER MATTERS IN
CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Ordinance, a motion was made by Councilman Todd Tschirhart that the Ordinance be finally passed and adopted. The motion was seconded by Councilman Jesse Byars and carried by the following vote:

5 voted "For" 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Council for the Meeting.

[The remainder of this page intentionally left blank.]

2. The attached Ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Court was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Ordinance would be considered; and the Meeting and deliberation of the aforesaid public business was open to the public and written notice of said meeting, including the subject of the Ordinance, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 24th day of September, 2019.



Debra Jones
City Secretary
City of Castroville, Texas

(CITY SEAL)

ORDINANCE NO. 2019-014

AN ORDINANCE OF THE CITY OF CASTROVILLE, TEXAS
ESTABLISHING AN ECONOMIC DEVELOPMENT PROGRAM;
AUTHORIZING THE CITY TO ENTER INTO A DEVELOPMENT
AGREEMENT WITH HWY 90 CASTROVILLE PARTNERS, LTD.
PURSUANT TO SAID PROGRAM; AND ORDERING OTHER MATTERS
IN CONNECTION THEREWITH

WHEREAS, the City Council (the *Council*) of the City of Castroville, Texas (the *City*) recognizes the importance of its continued role in local economic development and the protection of the health, safety, and welfare of its inhabitants; and

WHEREAS, article III, section 52-a of the Texas Constitution authorized the Legislature to provide for the creation of programs and the making of loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity; and

WHEREAS, pursuant to such constitutional authorization, the Legislature passed Chapter 380 of the Texas Local Government Code (*Chapter 380*), which authorizes municipalities to establish certain economic development programs; and

WHEREAS, pursuant to Chapter 380, the City seeks to enhance its economic development efforts by adopting policies and procedures for an economic development program attached to and incorporated herein for all purposes as Exhibit A (the *Economic Development Program*); and

WHEREAS, the City has determined that the Economic Development Program will promote economic development within the City and its extraterritorial jurisdiction; and

WHEREAS, the City deems the creation of the Economic Development Program to be in the public's best interest; and

WHEREAS, HWY 90 Castroville Partners, Ltd. (the *Developer*) owns approximately 417.848 acres of real property (the *Property*) located in Medina County, wholly outside the City's corporate limits (but a portion of which Property is within the City's extraterritorial jurisdiction); and

WHEREAS, the Property is not located in any other municipality's corporate limits or extraterritorial jurisdiction; and

WHEREAS, the Developer intends to develop the Property for commercial and single-family residential uses, to include associated infrastructure and other public improvements (the *Project*); and

WHEREAS, the Developer has agreed, in exchange and as consideration for certain incentives from the City, to voluntary, full purpose annexation of the Property into the City's corporate limits and to comply with certain terms and conditions regarding the Project's

development, as more fully described in the Development Agreement between the City and the Developer attached to and incorporated herein for all purposes as Exhibit B (the *Agreement*); and

WHEREAS, the Project shall be developed in accordance with the Agreement and its Exhibits, each as attached thereto and incorporated therein for all purposes;

WHEREAS, the City has determined that the Property's annexation and development pursuant to the Agreement will benefit the City by, among other things, expanding the City's corporate limits, sales tax, property tax, and utility system customer bases, creating additional housing and commercial opportunities for City residents, and providing the City with a manner for acquiring additional and necessary public infrastructure; and

WHEREAS, the City has determined that the financial incentives provided to the Developer pursuant to the Agreement and more particularly defined therein as Grants are made in accordance with and pursuant to the Economic Development Program; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS:

SECTION 1: The Council establishes the Economic Development Program under the provisions of Chapter 380 in the form attached hereto as Exhibit A.

SECTION 2: The Council approves the Agreement in the form attached hereto as Exhibit B, and the Council authorizes the Mayor Pro Tem to execute and enter into the Agreement on behalf of and as the act and deed of the City for all purposes.

SECTION 3: The City hereby creates and establishes, and authorizes the City Administrator or the designee thereof (on behalf and as the act and deed of the City) to take such action as may be necessary to effectuate such creation and establishment with an authorized depository bank of the City, the following accounts and subaccounts identified in the Agreement:

- a. the Grant Proceeds Collection Account, and within such account:
 - i. the City Ad Valorem Tax Proceeds Subaccount, and
 - ii. the City Sales Tax Proceeds Subaccount; and
- b. the Impact Fee Account.

The foregoing accounts and subaccounts shall be maintained at a depository bank of the City for so long as required for the City's compliance with its obligations relative to such accounts and subaccounts under the Agreement. The City Administrator or the designee thereof is hereby authorized and directed to periodically deposit, in the amounts and at the times, to the applicable and respective accounts and subaccounts established above from the specified City revenues, all as described in Agreement. To satisfy the City's obligations under the Development Agreement when and as due, the City Administrator or the designee thereof is hereby authorized and directed to make withdrawals from (i) the subaccounts of the Grant Proceeds Collection Account to pay Grants and (ii) the Impact Fee Account to reimburse the Developer for costs of any Systems

Improvements incurred thereby. Any requisite withdrawal from any of these accounts or subaccountants shall be subject to and limited by the amount of money at such time held therein. For purposes of its paying requisite amounts under the Development Agreement, withdrawals from the accounts and subaccounts herein created may be made directly to the Developer or transferred to another account from which such payment shall be made.

SECTION 4: The Development Agreement describes the City's making Grants to the Developer contingent upon the Developer's performing its obligations thereunder. The City hereby finds and determines that its making Grants as described in the Development Agreement is consistent and compliant with the terms of the Economic Development Program and, in furtherance of such finding and determination, hereby makes Grants, as described and conditioned in the Development Agreement, in favor of the Developer pursuant to and under the Economic Development Program.

SECTION 5: Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Development Agreement.

SECTION 6: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 7: All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 8: This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 9: If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 10: It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 11: This Ordinance shall be in force and effect from and after its final passage, and it is so resolved.

* * * *

PASSED AND ADOPTED on the 24th day of September, 2019.

CITY OF CASTROVILLE, TEXAS

Herb Dyer
Mayor Pro Tem

ATTEST:

Alba Howe
City Secretary

(SEAL OF CITY)

EXHIBIT A

CITY OF CASTROVILLE, TEXAS
ECONOMIC DEVELOPMENT PROGRAM
UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 380

**CITY OF CASTROVILLE, TEXAS
ECONOMIC DEVELOPMENT PROGRAM
UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 380**

The City Council (the *Council*) of the City of Castroville, Texas (the *City*) is committed to the promotion of quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City will give consideration to providing incentives as a stimulation for economic development and development with criteria and guidelines that are in excess of the criteria and guidelines otherwise required by applicable law in the City. It is the policy of the City that said consideration will be provided in accordance with the guidelines, procedures and criteria outlined herein (the *Economic Development Program*); provided, however, that nothing herein specified shall imply or suggest that the City is under obligation to provide any incentive to any applicant. All parties submitting applications pursuant hereto and compliant herewith shall be considered by the City on a case-by-case basis. This Economic Development Program is established for making loans and grants of public money and providing City personnel and services to promote local economic development and to stimulate business and commercial activity in the City under and pursuant to Chapter 380 of the Texas Local Government Code, as amended (*Chapter 380*).

**SECTION I
ECONOMIC INCENTIVES**

The economic incentives listed below are illustrative only. The City may offer a combination of some or all of the examples below based upon specific projects.

- (a) Sales tax reimbursement.
- (b) Property tax reimbursement.
- (c) Property tax abatement.
- (d) Hotel occupancy tax reimbursements.
- (e) Waiver or rebate of permit, license, impact and other fees.
- (f) Loans.
- (g) Grants.

**SECTION II
APPLICATION PROCEDURE**

- (a) Who May Apply. Any present or potential owner or lessee of taxable property in the City (each, an *Applicant*) may submit an application (an *Application*) for economic incentives conforming to the requirements herein. Economic incentives, if granted, shall be memorialized in the form of a written agreement (an *Agreement*)

entered into between the City and the Applicant and minimally including provisions consistent with the requirements of this Economic Development Program.

- (b) Eligible Property. Economic incentives may be granted for the following property:
 - (1) new expanded or modernized buildings and structures, machinery and equipment; site improvements;
 - (2) residential, commercial, industrial, and mixed use development with development restrictions that are more restrictive than would otherwise be required under applicable law;
 - (3) other tangible items necessary to the operation and administration of the property or project; and
 - (4) all other real and tangible personal property permitted by Chapter 380.
- (c) Ineligible Property. The following type of property is explicitly ineligible for receipt of economic incentives:
 - (1) Tangible personal property located on the real property at any time before the period covered by the agreement providing for economic incentives; and
 - (2) Property that is owned or leased by a member of the Council.
- (d) Abatement Limits. Taxes on real property may be abated only to the extent the property's value for a given year exceeds its value for the year in which the applicable Agreement is executed. Abatement shall only be available for ad valorem taxes levied by the City for purposes other than payment of debt service on its indebtedness.
- (e) Application Provisions. Any Application shall minimally include the following information:
 - (1) information showing how the property or project meets the requirements of the criteria outlined in Section III of this Economic Development Program;
 - (2) a map and description of the property or project;
 - (3) a time schedule for completing the property or project;
 - (4) the estimated taxable value or range of values of the property or project; and
 - (5) Applicant's basic financial information that is sufficiently comprehensive to enable the Council's evaluation of the Applicant's financial capacity and ability to accomplish the proposed project that is the subject of the Application.

- (f) Agreement Costs. If an Application is approved, the City costs of negotiating and entering into an Agreement are the responsibility of and shall be paid by the Applicant at the time the Applicant and the City enter into an Agreement.
- (g) Consideration of Application. An Applicant shall submit a completed Application to the City Administrator, who shall present the application to the Council for its consideration. The Council, in its sole discretion, shall decide whether to approve or deny an Application.
- (h) Application Approval; Agreement Execution. If the Council determines that an Application has met the specifications of these Guidelines and Criteria and that endowment of economic incentives and entry into an Agreement is in the best interests of the City and its residents, the Council shall instruct City staff and consultants to commence negotiation of an Agreement for presentation to and consideration by the Council at a future meeting (which shall occur as expeditiously as practicable).

At the regular meeting of the Council may, by resolution or order, authorize the City's entering into an Agreement and direct the City to execute the presented and approved Agreement as the act and deed, on behalf of, and for the benefit of the City.
- (i) Denial of Application. If the Council denies or declines an Application, or finds the Application deficient of the requirements of this Economic Development Program or applicable law, it shall do so by vote at a regular meeting. A failure to receive motion or a second to any motion to consider a denial or decline of an Application shall serve as constructive action evidencing the Council's intent to deny or decline a presented Application.
- (j) Confidentiality. To the extent applicable by law, information that is provided to the City in connection with an Application or request for economic incentives under Chapter 380 and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which economic incentives are sought is confidential and not subject to public disclosure until execution of an Agreement.
- (k) Effect of Error or Variance with Application Procedure. Except where not allowed by applicable Texas law, the City may waive Application procedures or grant procedural variances to this Economic Development Program as deemed appropriate.

SECTION III **CRITERIA FOR AUTHORIZING ECONOMIC INCENTIVES**

- (a) Minimum Requirements. To bestow economic incentives and enter into an Agreement, the Council must find by majority vote that the Applicant's property or project would promote local economic development and stimulate business and commercial activity in the City.

(b) Criteria. In determining whether to bestow economic incentives and enter into an Agreement, the Council shall consider the following factors (among any others the Council deems appropriate in connection with its consideration of any Application):

- (1) the current value of land and existing improvements, if any;
- (2) the type, value, and purpose of proposed improvements, if any;
- (3) the productive life of proposed improvements, if any;
- (4) the impact of proposed improvements and any other proposed expenditures on existing jobs;
- (5) the number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) any costs to be incurred by the City, if any, to provide facilities or services directly resulting from the new improvements;
- (7) the types and values of public improvements, if any, to be made by the Applicant;
- (8) an estimate of the amount of ad valorem property taxes to be paid to the City after expiration of the proposed Agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) whether the Applicant's proposed facility or improvement or modernization is an industry which is new to the City; and
- (11) the impact upon the City's infrastructure (including the use of City services).

SECTION IV **FORMAT FOR AGREEMENT**

(a) Required Provisions. If the Council makes findings consistent with the requirements and criteria of Section II herein, it may execute an Agreement with the Applicant. Any Agreement shall include at least the following provisions:

- (1) the kind, number and location of all proposed improvements of the property or project;
- (2) provisions allowing for reasonable access to the property or project for initial and intermittent inspection purposes by City employees or designated representatives to ensure improvements are made in compliance with the agreement;
- (3) provisions limiting the use of the property or project consistent with the general purpose of encouraging development or redevelopment of the area during the period of the abatement;
- (4) provisions for recapturing property tax revenue lost, net of any payments in lieu of taxation actually paid by the owner, as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the Agreement;
- (5) each term agreed to by the recipient of the economic incentives;
- (6) if a tax abatement is bestowed, a requirement that the abatement recipient certify its compliance with the Agreement annually to each taxing unit that is party to the agreement;
- (7) if a tax abatement is bestowed, a provision that the abatement shall only relate to ad valorem taxes levied for purposes other than payment of debt service on City indebtedness.
- (8) provisions allowing the City to cancel or modify the Agreement if the recipient fails to comply with the Agreement; and

(b) Optional Provisions. An Agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the Council:

- (1) the estimated taxable value or range of values for which taxes are to be abated;
- (2) the percent of value to be abated each year;
- (3) the commencement and termination dates of the abatement;
- (4) the proposed use of the property;
- (5) a time schedule, map, and property description;
- (6) contractual obligations in the event of default or violation of terms or conditions;

- (7) the size of investment and number of temporary and permanent jobs involved, if any; and
- (8) provisions for dispute resolution.

(c) Duration and portion of abatement, if any. A tax abatement agreement granted by the Council shall be limited to the taxes generated within the subject development, up to, but not exceeding, any duration as permitted under applicable law and up to, but not exceeding, one hundred percent (100%) of City ad valorem property taxes levied for purposes other than payment of debt service on City indebtedness, and up to one hundred percent (100%) of City sales and hotel occupancy taxes imposed and collected within a proposed development. At any time before the expiration of an Agreement, the parties thereto may agree to modify such Agreement (in which case the same procedural prerequisites for original approval of the Agreement apply to modification of such Agreement).

SECTION V GENERAL PROVISIONS

- (a) This Economic Development Program in no way requires the City to enter into any specific Agreement. The City maintains the discretion to reject any Application as it deems appropriate.
- (b) The City intends to administer this Program through municipal personnel but may contract with the federal government, the state, a political subdivision of the state, a nonprofit organization, or any other entity for the administration of a program as authorized by Chapter 380.
- (c) To the extent permitted by Chapter 380, the City may accept contributions, gifts, or other resources to develop and administer this Program.

SECTION VI SUNSET AND AMENDMENT OF GUIDELINES AND CRITERIA

These guidelines and criteria are effective upon the date of their adoption and will remain in force until the earlier to occur of their modification or the second anniversary of their adoption by the Council.

* * * *

EXHIBIT B

DEVELOPMENT AGREEMENT
BETWEEN

CITY OF CASTROVILLE, TEXAS AND HWY 90 CASTROVILLE PARTNERS, LTD.

See Tab No. 2

STATE OF TEXAS

§
§

COUNTY OF MEDINA

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11/07/2019 10:35:54 AM Total Pages: 51 Fee: 222.00
Gina Champion, County Clerk - Medina County, TX

**DEVELOPMENT AGREEMENT
BETWEEN**

CITY OF CASTROVILLE, TEXAS AND HWY 90 CASTROVILLE PARTNERS, LTD.

This Development Agreement (“Agreement”) is entered into by and between the City of Castroville, Texas (as further defined herein, the “City”), and HWY 90 Castroville Partners, Ltd. (as further defined herein, “Developer”) and is effective as of the Effective Date for the duration of the Term.

RECITALS

WHEREAS, Developer owns approximately 417.848 acres of real property, as more particularly described by metes and bounds and location map attached hereto as Exhibit A (the “Property”); and

WHEREAS, the Property is located in the County, wholly outside the City’s corporate limits (but a portion of which Property is within the City’s extraterritorial jurisdiction (as further defined and described herein, the “City ETJ”)); and

WHEREAS, the Property is not located in any other municipality’s corporate limits or extraterritorial jurisdiction; and

WHEREAS, Developer intends to develop the Property for commercial and single-family residential uses, to include associated infrastructure and other public improvements (as further described herein, the “Project”); and

WHEREAS, Developer has agreed, in exchange and as consideration for certain incentives from the City, to voluntary, full purpose annexation of the Property to thereafter be included into the City’s corporate limits and to comply with certain terms and conditions regarding the Project’s development, including with respect to subdivision and platting of the Property, commercial and residential design and construction standards, and the design, construction, installation, and inspection of water, sewer, natural gas, electric power, drainage, roadway, streets, parks, open space, and other public infrastructure and public improvements to serve the Property; and

WHEREAS, necessary police, public safety, and other municipal utility services will be provided to the Property as herein described; and

WHEREAS, all public infrastructure and public improvements necessary for Developer’s intended development of the Property is not currently available and, except as required by this Agreement, the City will not provide or participate in the payment of costs of the public infrastructure and public improvements that will allow Developer’s development of the Property in the manner intended thereby; and

92635887.15



 City Developer

WHEREAS, the City has determined that the Property's annexation and development in accordance with the terms herein provided will benefit the City by, among other things, expanding the City's corporate limits, property tax base, sales and use tax base, and utility system customer base, creating additional housing and commercial opportunities for City residents, and providing the City with a manner for acquiring additional and necessary public infrastructure and public improvements; and

WHEREAS, the Parties intend that the Property be developed (i) as a high-quality, master-planned, mixed-use development, including park land, open space, and other public and private amenities that will benefit and serve the present and future residents of the City and (ii) pursuant to binding, contractual development regulations herein memorialized, that are recorded in the County's deed records (so as to bind Developer and all future owners of the Property or any portion thereof), and that will provide regulatory certainty, among other matters, during the hereinafter defined term of this Agreement; and

WHEREAS, in exchange for the performance of the duties and obligations herein imposed, the City will deliver to the Developer the financial incentives herein described; and

WHEREAS, this Agreement is a development agreement of the type described by Subchapter G of Chapter 212; and

WHEREAS, the City has, in the Authorizing Ordinance, determined that the financial incentives herein provided to Developer are made in accordance with and pursuant to the Economic Development Program therein established; and

WHEREAS, the City and Developer agree that the provisions of this Agreement substantially advance a legitimate interest of the City by providing public infrastructure and public improvements, creating housing opportunities, expanding the City's ad valorem tax base, sales and use tax, and utility system customer bases, increasing employment and City population, and promoting economic development; and

WHEREAS, the City Council has found that development of the Property in compliance with this Agreement will serve a public purpose and benefit the economy of the City and is in the best interests of the residents of the City; and

NOW, THEREFORE, for and in consideration of the above stated recitals, which are made a part of this Agreement for all purposes, the benefits described below, and the mutual promises expressed herein, the sufficiency of which is hereby acknowledged by the Parties, the Parties hereby contract, covenant, and agree as follows:

ARTICLE 1 DEFINED TERMS

1.01 Construction of Terms. All terms and phrases defined herein shall have the meanings and definitions ascribed thereto. Terms that have well known technical, municipal, or construction or development industry meanings are used in accordance with such recognized meanings, unless otherwise defined herein or unless the context clearly indicates a different

meaning. If appropriate in the context of this Agreement, words of the singular shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

1.02 Definition of Certain Terms. The following terms used in this Agreement have the meaning ascribed thereto:

“Ad Valorem Tax Grants” means Grants funded from the City Ad Valorem Tax Proceeds Subaccount.

“Affidavit of Payment” means an affidavit of payment from any contractor, subcontractor, material supplier, and/or laborer that has provided goods and/or services in relation to any Public Improvement or Public Infrastructure and that is the subject of a Developer’s Reimbursement Request submitted by Developer to the City in accordance with Section 5.05 hereof.

“Agreement” has the meaning ascribed thereto in the first paragraph hereof.

“Approved Plats” means final plats for portions of the Property that are approved, from time to time, by the City Council or City staff, as applicable, in accordance with the Governing Regulations.

“Authorizing Ordinance” means Ordinance No. 2019-014 adopted by the City Council on September 24, 2019, which ordinance authorizes the City’s entering into this Agreement, establishes an Economic Development Program relating to the Project, approves the PUD as a development plan for the Property, and authorizes other matters necessary or incidental to the foregoing, all in accordance with Subchapter G of Chapter 212.

“Bankruptcy Event” means (a) commencement of an involuntary proceeding or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Developer or of a substantial part of the assets of the Developer under any insolvency or debtor relief law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Developer or a substantial part of the Developer’s assets and, in any case referred to in the foregoing clauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) Developer shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Developer or for a substantial part of the Developer’s assets, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (b)(i) of this definition, or (v) commence a voluntary proceeding under any insolvency or debtor relief law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency debtor relief law, or (i) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing clauses (i) through (v), inclusive, of this part (b), and, in any case referred to in the foregoing clauses (i) through (v), such action has not been cured within twenty (20) days thereafter.

“Capital Costs” means an amount, which the Developer anticipates recouping from the City in the form of Grants, not to exceed \$23,596,331, being the sum of the Developer’s capital cost component of annexing the Property and of designing, constructing, developing, and acquiring the Public Infrastructure and the Public Improvements, as evidenced in the schedule attached hereto as Exhibit B (and pursuant to the provisions hereafter described, as, if, and to the extent applicable), the Developer Capital Contribution, the cost of the City Services Property (as specified in Section 3.06(b)), and Developer’s Costs incurred pursuant to Section 3.10(d) hereof; provided, however, that the foregoing amount shall be increased by the difference between (i) the Developer’s cost of Phase I System Improvements delivered to the City pursuant to Section 3.05(a) and the costs of any System Improvements undertaken by the Developer pursuant to Section 3.05(c) less (ii) the portion of such costs satisfied by payment to the Developer therefor from the Impact Fee Account pursuant to Section 3.05(d). Notwithstanding the foregoing, the amount of the Capital Costs shall not exceed, and shall be reduced as and if necessary, to reflect, the actual amount incurred by Developer with respect to its delivery of or payment for the items hereinbefore described. The term Capital Costs specifically excludes Financing Costs.

“Certificate of Occupancy” has the meaning ascribed thereto in Section 3.08 hereof.

“Certified Inspector” has the meaning ascribed thereto in Section 3.04(a) hereof.

“Chapter 42” means Chapter 42, as amended, Texas Local Government Code.

“Chapter 43” means Chapter 43, as amended, Texas Local Government Code.

“Chapter 212” means Chapter 212, as amended, Texas Local Government Code.

“Chapter 245” means Chapter 245, as amended, Texas Local Government Code.

“Chapter 311” means Chapter 311, as amended, Texas Tax Code.

“Chapter 380” means Chapter 380, as amended, Texas Local Government Code.

“Chapter 395” means Chapter 395, as amended, Texas Local Government Code.

“Chapter 2258” means Chapter 2258, as amended, Texas Government Code.

“City” means the City of Castroville, Texas, a Texas General Law Type A Municipality, located in the County.

“City Ad Valorem Tax Proceeds Subaccount” means the “City of Castroville, Texas Alsatian Oaks Development Ad Valorem Tax Proceeds Collection Subaccount”, being a subaccount of the Grant Proceeds Collection Account, established, created, and required to be maintained by the City pursuant to the Authorizing Ordinance.

“City Ad Valorem Taxes” means the City revenues derived from those annual maintenance and operations ad valorem taxes levied upon the Property during the Term and collected by the City through the Reimbursement Period from the Property owners, but which term specifically

excludes any and all City annual ad valorem taxes levied and collected for payment of debt service on City ad valorem tax supported indebtedness now or hereafter outstanding.

“City Council” means the City Council of the City, as its governing body.

“City ETJ” means, as determined under Chapter 42, the unincorporated area that is contiguous to the corporate boundaries of the City and that is located within one-half mile of those boundaries (plus those contiguous areas that are included in the City ETJ by request of the owners thereof).

“City Representative” means the City Administrator of the City or another official or representative of the City, as the City representative designated by the City Council to undertake certain duties and obligations hereunder on the City’s behalf.

“City Sales Taxes” means the City sales and use tax revenues derived from its direct or indirect imposition and collection of sales and use tax on commerce involving Taxable Items within the Property.

“City Sales Tax Proceeds Subaccount” means the “City of Castroville, Texas Alsatian Oaks Development Sales Tax Proceeds Collection Subaccount”, being a subaccount of the Grant Proceeds Collection Account, established, created, and required to be maintained by the City pursuant to the Authorizing Ordinance.

“City Services Property” has the meaning ascribed thereto in Section 3.06(a) hereof.

“City Subdivision Ordinance” means Chapter 100 of the Code and any successor ordinance or regulation thereto under which is incorporated the general subject matter of Chapter 100 of the Code that exists as of the Effective Date.

“City Takeover Event” has the meaning ascribed thereto in Section 5.07 hereof.

“Code” means the City Code of Ordinances, as from time to time amended by the City Council.

“Commercial Area” means those portions of the Project identified as “Commercial/Retail” on the PUD.

“Comprehensive Zoning Ordinance” means Ordinance No. 107, originally adopted by the City Council on June 17, 1975 and as amended from time to time, which ordinance provides for zoning regulations within the City for the purpose of promoting health, safety, morals, and the general welfare of the City, and for the protection and preservation of places and areas of historical and cultural importance and significance therein, and any successor ordinance or regulation thereto under which is incorporated the general subject matter of Ordinance No. 107 that exists as of the Effective Date.

“County” means Medina County, Texas.

“Design Criteria” means the City’s Castroville Design Criteria for Commercial Buildings Located in the Commercial Districts Along U.S. Highway 90 Version 1.4, adopted March 13, 2006.

“Developer” means HWY 90 Castroville Partners, Ltd., a Texas limited partnership, its successors, transfers, and assigns.

“Developer Capital Contribution” has the meaning ascribed thereto in Section 3.07(a) hereof.

“Developer’s Costs” means the Capital Costs and the Financing Costs, being the costs incurred by Developer for, as applicable, annexing the Property into the City and designing, constructing, developing, acquiring, financing, and conveying the Developer’s Public Contribution, which costs Developer anticipates recouping from the City in the form of the Grants.

“Developer’s Engineer” means one or more engineering firms licensed by the Texas Board of Professional Engineers from time to time engaged by Developer to serve as the engineer of record for the Project, initially being M.W. Cude Engineers, LLC.

“Developer’s Public Contribution” means the Public Infrastructure, the Public Improvements, the City Services Property, and the Developer Capital Contribution, as well as (subject and pursuant to Section 3.05(a) hereof) the costs of Phase I System Improvements paid by Developer, if at all.

“Developer’s Reimbursement Request” means a Grant Installment payment request made by Developer for Developer’s Costs incurred, which request shall be in the form attached hereto as Exhibit H and shall include the requirements specified in Section 5.05 hereof.

“Economic Development Program” means a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the City, as authorized by and in compliance with Article III, Section 52-a of the Texas Constitution and Section 380.001, as amended, Texas Local Government Code, as established by the City in the Authorizing Ordinance for the benefit of the Project and pursuant to which the Grants are made.

“Effective Date” means September 24, 2019, being the date of this Agreement’s effectiveness.

“ETJ Petition” has the meaning ascribed thereto in Section 6.02 hereof.

“Fee Ordinance” means the City’s ordinance establishing the comprehensive fee schedule for City services, adopted annually and being uniformly applicable to all residents and development within the corporate limits of the City.

“Final Grant Installment Payment Date” means the date that is the earlier to occur of (i) the Grant Installment Payment Date that is the last day of the Reimbursement Period, (ii) the regularly scheduled Grant Installment Payment Date upon which the aggregate amount of all Grant

Installments paid to Developer under this Agreement totals the Maximum Disbursement Amount, and (iii) the regularly scheduled Grant Installment Payment Date that occurs in conjunction with a City Takeover Event.

“Financing Costs” means an amount, which the Developer anticipates recouping from the City in the form of Grants, not to exceed \$11,656,875, being the sum of that portion of the Developer’s Costs attributable to its financing the Capital Costs, estimated in the schedule attached hereto as Exhibit D; provided, however, that the foregoing amount shall be increased by the amount incurred by the Developer for financing the incremental increase in Capital Costs attributable to its incurrence of additional expenses for delivery of System Improvements pursuant to Section 3.05(c) hereof, as specified in Section 3.05(d) hereof, provided, further, however, that the amount of the Financing Costs shall not exceed and, as and if necessary shall be reduced to reflect, the actual costs incurred by Developer with respect to the foregoing.

“Force Majeure” means the occurrence of war, act of terrorism, acts of God, civil commotion, fire, severe flood, hurricane, tornado, explosion, court order, or change in legal requirements applicable to the Project or the System Improvements other than those in existence as of the Effective Date, but only to the extent that such events or circumstances delay development of the Project by the Developer or the System Improvements by the City (as and if applicable) or otherwise make Developer’s development of the Project or the City’s development of the System Improvements (as and if applicable) impracticable or impossible, in such responsible Party’s commercially reasonable judgement, after taking reasonable steps to mitigate the effects thereof.

“Form 1295” has the meaning ascribed thereto in Section 10.03(r) hereof.

“Front Lot Line” means any boundary line of a lot which abuts a public street. Where a lot is situated with lots lines fronting two intersecting streets, the Front Lot Line is deemed to be the lot line with shorter street frontage.

“Front Setback” means the distance between the Front Lot Line and the nearest point to which the foundation of a building or structure may be constructed.

“Front Setback Line” means a line parallel to the Front Lot Line and separated at all points along such line by a distance equal to the Front Setback.

“Governing Regulations” has the meaning ascribed thereto in Section 3.01(b) hereof.

“Grant Installment” has the meaning ascribed thereto in Section 5.04 hereof.

“Grant Installment Payment Date” means (i) March 1st, June 1st, September 1st, and December 1st of each year, commencing on the first such payment date to occur after the Initial Infrastructure Completion Date, and (ii) the last day of the Reimbursement Period.

“Grant Proceeds Collection Account” means the “City of Castroville, Texas Alsatian Oaks Development Grant Proceeds Collection Account” established, created, and required to be maintained by the City pursuant to the Authorizing Ordinance.

“Grants” means the Ad Valorem Tax Grant and the Sales Tax Grant, in the combined, aggregate amount (calculated as of each Grant Installment Payment Date) not to exceed the Maximum Disbursement Amount.

“Impact Fee Account” has the meaning ascribed thereto in Section 3.05(d) hereof.

“Impact Fees” has the meaning ascribed thereto in Section 3.10(c) hereof.

“Indemnified Parties” has the meaning ascribed thereto in Article 12 hereof.

“Initial Infrastructure Completion Date” means the last day of the month in which are completed and placed into service the necessary improvements to the City’s water and/or wastewater system, whether in the form of System Improvements or Phase I System Improvements, to permit the City’s delivery of retail water and wastewater service to the Project through at least the third (3rd) year of the Project’s development (based on the number of residential units and square feet of commercial space to be developed during such period, as evidenced in Exhibit G hereto).

“Maximum Disbursement Amount” means the maximum amount of Grants that Developer is eligible to receive hereunder, calculated on the basis and as the sum of the maximum amount of Capital Costs and Financing Costs, respectively.

“MVISD” has the meaning ascribed thereto in Section 4.06 hereof.

“Non-ETJ Petition” has the meaning ascribed thereto in Section 6.01 hereof.

“Party” or “Parties” means the City and Developer, collectively or (as applicable and in context) singularly.

“Phase” means a segment of Project development relating to a portion of the Project, as each such portion of the Project is identified in the PUD and hereby identified to be a “Phase”.

“Phase I System Improvements” means those System Improvements that are necessary to permit the Developer to commence Project development and continue such development, on the basis of the capacity of the City’s water and wastewater utility system (as improved) made available to provide the Project, as developed through at least the third (3rd) year of the Project development schedule (based on the number of residential units and square feet of commercial space to be developed during such period, as evidenced in Exhibit G hereto), with retail water and wastewater service.

“Phase II System Improvements” means those System Improvements that are necessary, after taking into account the increased capacity of the City’s water and wastewater utility system that has been made available to the Project as a result of the Phase I System Improvements, to permit the Developer to complete Project development pursuant to the Project development schedule (based on the number of residential units and square feet of commercial space to be developed after the third (3rd) year of Project development through complete Project buildout, as specified in Exhibit G hereto).

“Phase Infrastructure Plan” has the meaning ascribed thereto in Section 3.01(f) hereof.

“Project” means the master-planned, mixed-use development of the Property that is expected to encompass approximately nine hundred fifty (950) single-family lots, three hundred seventy-eight thirty (378,030) square feet of commercial retail, office, medical office, and other commercial development and associated parking and access roads, Public Infrastructure, Public Improvements, and various private amenities (available to residents of the homes that are a part of the Project), all as generally described in the PUD.

“Project Commencement Date” means the date on which the Developer commences site work on the Property to facilitate the acquisition, installation, or construction of Public Improvements or Public Infrastructure.

“Property” has the meaning ascribed thereto in the recitals of this Agreement.

“Public Improvements” means sidewalks, parks, open space, and other improvements accessible and enjoyed by the general public, as the same are identified and described in Exhibit E hereto, the design, construction, acquisition, development, and payment of which are the responsibility of the Developer (as herein provided).

“Public Infrastructure” means the on-site and off-site water, wastewater, natural gas, electric power, drainage, streets and roadway improvements and other public infrastructure necessary or incidental to serve the Property, as the same are identified and described in Exhibit E hereto, as well as any System Improvements the responsibility for delivery of which the Developer has, at its option, assumed pursuant to Section 3.05(c) hereof, the design, construction, acquisition, development, and payment of which are the responsibility of the Developer (as herein provided).

“PUD” means the Planned Unit Development plan, prepared and implemented in accordance with the City Subdivision Ordinance and the Comprehensive Zoning Ordinance, attached hereto as Exhibit F and incorporated herein by reference for all purposes.

“Rear Lot Line” means the boundary line of a lot which is opposite, and does not intersect, the Front Lot Line. Where Side Lot Lines converge to a point, the Rear Lot Line shall be deemed to be a straight line five feet long within the parcel, parallel to and at a maximum distance from the Front Lot Line. Where more than one boundary line is opposite to but does not intersect the Front Lot Line, the Rear Lot Line shall be deemed to be the longest of such lot lines.

“Rear Setback” means the distance between the Rear Lot Line and the nearest point to which the foundation of a building or structure may be constructed.

“Rear Setback Line” means a line parallel to the Rear Lot Line and separated at all points along such line by a distance equal to the Rear Setback.

“Reimbursement Period” means the period of time during which the City collects City Sales Taxes and City Ad Valorem Taxes that are subject to the City’s obligation to make, and the source of the City’s payment of, Ad Valorem Tax Grants and Sales Tax Grants, which period of time includes the Term and the remainder of the calendar year of the year in which occurs the

Termination Date; provided, however, that the Reimbursement Period ends on the Termination Date if the Termination Date's occurrence results from a City Takeover Event.

“Residential Phase” means those portions of the Project identified as “Single Family Residential” on the PUD.

“Retail Municipal Utility Service” means potable water, sewer, gas, electric power, and garbage services provided by the City to the Property.

“Retail Municipal Utility Service Rate Ordinance” means any City ordinance from time to time adopted that establishes the then-current rate schedule for the retail provision of any Retail Municipal Utility Service.

“Sales Tax Grant” means Grants funded from the City’s Sales Tax Proceeds subaccount.

“Side Lot Line” means the boundary line of a lot which intersects the Front Lot Line.

“Side Setback” means the distance between the Side Lot Line and the nearest point to which the foundation of a building or structure maybe constructed.

“Side Setback Line” means a line parallel to the Side Lot Line and separated at all points along such line by a distance equal to the Side Setback.

“State” shall mean the State of Texas.

“Structure” has the meaning ascribed thereto in Section 3.08 hereof.

“System Improvements” means the improvements to the City’s water and (as applicable) wastewater system to permit the City’s provision of retail water and wastewater services to the Property sufficient to support the Property’s development pursuant to the terms of this Agreement.

“Taxable Items” has the meaning given to such term in Section 151.010, as amended, Texas Tax Code.

“Term” means the period of time beginning on the Effective Date and ending on the Termination Date.

“Termination Date” means the date that is the first to occur of (i) (1) the thirty-third (33rd) anniversary of the Initial Infrastructure Completion Date or (2) the thirty-eighth (38th) anniversary of the Effective Date if the Developer undertakes the responsibility of delivering the System Improvements pursuant to Section 3.05(c) hereof; (ii) the City’s payment to Developer of the Maximum Disbursement Amount; and (iii) the date of a City Takeover Event.

“Trees” means any of the following species of trees: Cedar Elms, Live Oak, Post Oak, Red Oak, Texas Mountain Laurel, and Pecan.

ARTICLE 2 AUTHORITY AND TERM

2.01 Authority.

(a) The City enters into this Agreement pursuant to the authority granted thereto under the Constitution and general laws of the State of Texas, including (particularly) Article III, Section 52-a of the Texas Constitution, Subchapter G of Chapter 212, and Chapter 380, and the Authorizing Ordinance. Developer enters into this Agreement pursuant to its general corporate powers exercised pursuant to a resolution of its governing body.

(b) Regarding prescribed uses of portions of the Property herein described, this Agreement is determined to be a plan under which general uses and development of the Property are authorized pursuant to and in accordance with Section 212.172(b)(2), as amended, Texas Local Government Code.

(c) Developer acknowledges and agrees that the City may zone the Commercial Areas and the Residential Phases of the Property in a manner consistent with the uses hereunder contemplated, but this Agreement does not constitute a contract for specific zoning.

2.02 Term. This Agreement shall become effective and enforceable on the Effective Date and shall continue through the Termination Date. If the Termination Date is the date specified in Clause (i) of the definition of such term given in Section 1.02 hereof, then this Agreement shall terminate notwithstanding the City's not having paid to Developer the Maximum Disbursement Amount (or that such payment in full is not expected to be made through conclusion of the Reimbursement Period).

ARTICLE 3 PROJECT DEVELOPMENT, TIMING AND STANDARDS

3.01 Project Development.

(a) Generally; Jurisdiction. Development of the Project shall include the subdivision of the Property, the construction of Public Infrastructure adequate for the development of the Project, construction of Public Improvements for the benefit and enjoyment of the Project's inhabitants and the other residents of the City, and dedication of Public Infrastructure and Public Improvements to the City. As a result of full-purpose annexation of the Property in accordance with Article 6 hereof, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, the inspection of Public Infrastructure and Public Improvements (designed, constructed and installed pursuant to the Governing Regulations, and conveyed to the City pursuant to the terms hereof and thereof), and the issuance of a Certificate of Occupancy for each Structure.

(b) Governing Regulations. Except as specifically provided in this Agreement, all Property development shall be governed solely by the following regulations (together, the "Governing Regulations"):

- (i) this Agreement;
- (ii) the PUD;
- (iii) the Code;
- (iv) the Comprehensive Zoning Ordinance;
- (v) the Approved Plats;
- (vi) the 2006 International Building Codes, heretofore adopted by the City, and
- (vii) with respect to the Commercial Area, the Design Criteria (applied pursuant to Section 3.03 hereof).

The Governing Regulations are exclusive, and no other ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any development moratorium adopted by the City after the Effective Date) apply to the development of the Property.

The City Council may, upon Developer request, authorize exceptions to strict compliance with the Governing Regulations, within the limitations described therein and pursuant to applicable State law, when Developer demonstrates, to the reasonable satisfaction of the City Council, that the requested exception: (1) is not contrary to the public interest; (2) does not cause injury to adjacent property; and (3) does not materially adversely affect the quality of the Project's development. The City has the right to amend the Code and the Comprehensive Zoning Ordinance, from time to time, to include changes, including local amendments to either or both that have been approved by the International Code Council (or any successor organization) or have been adopted by the City Council (for uniform application throughout the corporate limits of the City). Development of the Property shall also be subject to ordinances that the City is required to adopt, from time to time, by State or federal law.

Notwithstanding the foregoing, and to the extent not inconsistent with the provisions of this Agreement, Developer may exercise rights under Chapter 245. The Parties hereby agree that the Effective Date shall be the date for establishment of Developer's rights under Chapter 245, pursuant to Section 245.002(a-1) of such Chapter. Developer may not take advantage of any changes to laws, rules, regulations, or ordinances of the City or other regulatory agency occurring after the Effective Date that are inconsistent with the terms of this Agreement without prior receipt of the City's consent (such consent not to be unreasonably withheld), which shall be reflected in the form of an amendment to this Agreement made in accordance with Section 13.05 hereof. For the avoidance of doubt, the foregoing restriction shall not prohibit the Developer from taking advantage of prospective changes in laws, rules, regulations, or City ordinances that do not otherwise conflict with the provisions of this Agreement.

Except as otherwise provided by the foregoing, if there is a conflict between this Agreement and the application of any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective

Date or hereafter adopted (including the Code or the Comprehensive Zoning Ordinance), then this Agreement shall control. If there is a conflict between any Approved Plat and any of the other Governing Regulations, the Approved Plat shall control.

(c) Planned Unit Development. The Project shall be developed in accordance with the PUD, which is the initial master general development plan of the Property and identifies the proposed land uses, Phases, Public Infrastructure (including major streets and major drainage ways), Public Improvements (such as location of sites for parks), and proposed land uses. The PUD regulates Property development by applying thereto the City's applicable zoning classifications under the Code or the Comprehensive Zoning Ordinance, as applicable, as they exist on the Effective Date (shown on the "LEGEND" to Exhibit F). The PUD satisfies all City requirements for the various plans required for subdivision development under the Code or the Comprehensive Zoning Ordinance, as applicable.

The PUD may be revised from time to time with the approval of the City, by action of the City Council, Developer, and the majority of owners of the portions of the Property within the area of the PUD being revised (if other than Developer). Notwithstanding the foregoing, the PUD may be revised by Developer, without the approval of the City or any other owners, regarding lot layout, right-of-way locations, and the location of Public Infrastructure and Public Improvements within the boundaries of the Property so long as: (i) the housing density of the Project does not increase; (ii) the amount of natural areas, public parks, or open space does not decrease; (iii) the change does not result in a violation of any other Governing Regulation that would otherwise require a City variance from compliance; (iv) the change does not impact the requisite size or capacity, location, or cost of off-Property public infrastructure (including the System Improvements); and (v) arterial and collector roadway alignments substantially conform to the roadway alignments shown on the then-current PUD. If the PUD is revised as provided by this Section, the revision shall be considered an amendment to this Agreement, and the City shall cause the revised PUD to be attached to the official version of this Agreement on file with the City Secretary's Office.

(d) Project Commencement; Phasing. Subject to its representations, warranties, and covenants made in Section 10.03 hereof, the timing and sequencing of Project development will be based on market demand and conditions and will be completed as and when Developer determines it to be economically feasible, subject to and in accordance with the following provisions and conditions. Project development shall be undertaken in Phases, but not necessarily in any sequential order. The Project Commencement Date shall occur not later than the ninetieth (90th) day after the Initial Infrastructure Completion Date. Once development of a particular Residential Phase has commenced, the Developer shall be required to complete Public Infrastructure and Public Improvements, as indicated on the Phase Infrastructure Plan for such Residential Phase. Site work on any new Residential Phase shall not commence if work related to the acquisition, installation, or construction of Public Improvements and Public Infrastructure of another Residential Phase in the process of development, but not yet completed, has ceased for a period of thirty (30) consecutive days for a reason other than Force Majeure unless Developer has delivered to the City the reasons for the cessation in development of the particular Residential Phase, an explanation of its efforts to mitigate or eliminate the reasons for the delay, and the expected date of resolution of the reason for delay and recommencement of development of that Residential Phase; provided, however, that no development of a new Residential Phase shall

commence or continue if the development of Public Infrastructure or Public Improvements of a preceding Residential Phase shall have ceased for a period of one hundred eighty (180) consecutive days or more.

(e) Plat Application. Subdivision of the Property shall require the City's approval of plats in accordance with the City Subdivision Ordinance, except as otherwise specifically modified by the provisions of this Agreement. No plat shall be approved within a Phase except in substantial conformity with the approved Phase Infrastructure Plan. Easements for the location, installation, construction, operation, and maintenance of major infrastructure shown on approved Phase Infrastructure Plans will be dedicated to the City by separate instrument or plat at the discretion of the Developer.

(f) Phase Infrastructure Plan. A plat application made in conformance with Subsection 3.01(e) shall be preceded or accompanied by the submittal to the City of an infrastructure development plan for the Phase (the "Phase Infrastructure Plan"). The Phase Infrastructure Plan shall identify Public Infrastructure that will be required to develop the portion of the Property covered by the plat application. Each Phase Infrastructure Plan shall be subject to review and approval by the City Representative (or the designee thereof) solely to determine compliance with the PUD and compliance with applicable Code provisions. Plat applications shall not be considered complete until the related Phase Infrastructure Plan is submitted. The Phase Infrastructure Plan shall be approved prior to approval of any plat with respect to which such Phase Infrastructure Plan relates.

(g) Security; Secured Site. Developer shall post signage (at least eight feet (8') by eight feet (8') in size) warning the public that the Property is under development and that it is private property, to help prevent, to the extent practicable, theft, vandalism, loitering, and other criminal mischief.

(h) Project Development Reporting. Unless Developer has submitted a Developer's Reimbursement Request pursuant to Section 5.05 hereof covering such period. Developer shall submit to the City a written report detailing Project development progress, with the first such report to be delivered not later than the one hundred eightieth (180th) day after the Project Commencement Date, and continuing each one hundred eightieth (180th) day thereafter until completion of the Project in accordance with the Project development schedule attached hereto as Exhibit G. Each report shall compare actual Project development progress against projected Project development progress as of the Effective Date (and included in the Exhibits hereto).

3.02 Residential Unit Construction Standards.

(a) Minimum Single Family Lot Size. No single-family residential lot within the Property shall be smaller than (i) 6,000 square feet in net area (on a metes and bounds basis and as indicated in each Approved Plat) and (ii) 8,000 square feet in gross area (calculated on the basis of (1) the Project's average lot size on a net lot area basis plus (2) public open space within the Property, as identified in the PUD (and defined herein as a Public Improvement), allocated to each residential lot on a relative square footage, pro rata basis). Conformance with this requirement shall be evidenced in each Approved Plat.

Residential lots shall have the following minimum building setback lengths:

- (i) Front Setback Line: twenty feet (20');
- (ii) Side Setback Line: five feet (5'); and
- (iii) Rear Setback Line: twenty feet (20').

Of the anticipated nine hundred fifty (950) single family residential lots, not more than sixty percent (60%), or five hundred seventy (570) in total, of all such lots shall have a frontage width of fifty feet (50'), with the remaining forty percent (40%) of such lots being comprised of residential lots having frontage widths of sixty feet (60') and seventy feet (70'), respectively, or larger. Frontage width shall be measured at the Front Setback Line for each lot for the purpose of determining compliance with this requirement. The foregoing will result in available single-family, residential lot sizes within the Project of at least 6,000 square feet, 7,200 square feet, and 8,400 square feet. These projected lot sizes are approximations, though the minimum requirements specified in the first paragraph of this Section 3.02(a) are not approximations and provide actual limitations on minimum lot sizes. A greater than three percent (3%) variance from the sixty/forty percent (60%/40%) mix of lot sizes provided for in the first sentence of this paragraph shall require an amendment to this Agreement prior to, pursuant to Section 3.01 hereof, the City's approval of a plat indicating such greater variance.

(b) Minimum House Size; Slab and Exterior Construction Standards. All single-family houses within the Project shall consist of a minimum of 1,400 square feet in gross floor area (inclusive of all space enclosed in the house, but excluding the garage area), site-built on engineered, concrete slabs (no pier and beam construction or manufactured or modular homes). The exterior material of all single-family houses shall be masonry (brick, stone and/or stucco) on a minimum of 75% (three sides) of the façade (first and second stories, to the roofline).

(c) Floorplan Restriction. Developer shall, through a "Covenants, Conditions and Restrictions Agreement" (or similar agreement) acting as a deed restriction upon any portion of the Property included in a Residential Phase to be prepared by Developer and filed in the deed records of the County prior to its sale of any residential lot within any such Residential Phase, prohibit homes with identical floorplans from being built on adjacent lots or on lots directly across from each other (if facing each other on a shared street).

3.03 Commercial Unit Construction Standards.

Facilities within the Commercial Area shall be constructed pursuant to and in accordance with the Governing Regulations and in a manner that will accommodate and facilitate commercial development of the general type that will enhance the business and retail opportunities and amenities of the City's residents, to include restaurants, retail, and medical and other professional office space, in general accordance with the Commercial Area renderings attached hereto as Exhibit C and incorporated herein by reference. Compliance with the Design Criteria shall be achieved by development of facilities within the Commercial Area in accordance with the site plan, elevation renderings, and other specified design criteria attached hereto as Exhibit C.

The following uses shall not be permitted within the Project: sexually oriented business, shops dedicated primarily to the sale of drug or tobacco paraphernalia, unlicensed massage parlors, flea markets, bingo halls, pawn shops, and payday lenders.

3.04 Public Improvement and Public Infrastructure.

(a) Design Standards; Inspection. Public Infrastructure and Public Improvements shall be designed to comply with the Governing Regulations, and no construction or installation of Public Infrastructure or Public Improvements shall begin until plans and specifications thereafter have been approved by the City. All Public Infrastructure and Public Improvements shall be constructed and installed in compliance with the Governing Regulations and shall be inspected by inspectors (certified and State-licensed, to the extent required by law) that have been approved by the City and that have agreed, in writing, to be bound by this Agreement and to follow State bond submittal inspection requirements, as and to the extent applicable (each, a "Certified Inspector"). The cost for such inspections shall be paid for by the owner of the property on which the work is being performed. All Public Infrastructure and Public Improvements constructed by Developer or by any person or entity on behalf of or in the name of Developer shall have a maintenance bond with an expiration period of two years after completion and City acceptance of such Public Infrastructure or Public Improvement. Maintenance bonds shall name the City as a co-beneficiary and shall be assignable to the City.

Each Certified Inspector shall maintain a permanent record of all Public Infrastructure and Public Improvements inspected. All such records shall be available for copying by the City and Developer. All such records shall be kept in a form reasonably approved by the City. Each Certified Inspector shall provide to the City and Developer a copy of each Public Infrastructure and Public Improvement inspection report within ten (10) days after the inspection is performed (including reports that identify deficiencies and subsequent corrective action). Unless the City shall have objected in writing with reasonable specificity to Developer within thirty (30) days of the City's receipt of copies of such certificates, records or reports, then such certificates, records, or reports shall be deemed accepted and approved by the City for all purposes.

The City and Developer each shall have the right to terminate any Certified Inspector for failure to properly perform any duty or for failure to provide inspection reports, all as required by this Agreement (after written notice to the Certified Inspector and the other Party and the failure of the Certified Inspector to cure the failure within ten (10) days); provided, however, that Developer shall have no right to terminate the employment of any City employee then serving in the capacity of a Certified Inspector, but may only terminate such City employee's engagement as Certified Inspector of the Public Infrastructure and Public Improvements. Upon any such termination, the City, at its option, may allow the use of another Certified Inspector or may elect to perform some or all of the duties of the Certified Inspectors (unless such terminated Certified Inspector was a City employee, in which case the replacement Certified Inspector shall be a qualified third-party engaged to serve in such capacity). If the City elects to perform any of those duties, such duties shall be performed (and reports provided to Developer) in the same manner as would be applicable to the Certified Inspectors, and the actual, reasonable costs and expenses paid or incurred by the City in performing the duties shall be paid by Developer (or the contractor or builder or by the owner of the property on which the work is being performed). Notwithstanding

the foregoing, Developer shall have no right to terminate a Certified Inspector provided at the sole cost and expense of the City.

The City shall have the right, at its sole cost and expense, to conduct additional inspections, from time to time, of the construction of any Public Infrastructure or Public Improvement. If the City determines that any Public Infrastructure or Public Improvement is not being constructed in compliance with the Governing Regulations and the contractor or builder fails to correct the non-compliance within a reasonable period of time after notice thereof, the City shall have the right to enforce compliance and to stop new work on the Public Infrastructure or Public Improvement by the issuance of a "stop-work order" until the non-compliance is corrected to the reasonable satisfaction of the City.

(b) Dedication of Public Infrastructure and Public Improvements to City. Upon completion, Public Infrastructure and Public Improvements shall be dedicated and conveyed to, and accepted by, the City. As a condition to the City's final acceptance of any Public Infrastructure or Public Improvement, the following shall be delivered to the City:

- (i) a report of a Certified Inspector concerning the subject Public Infrastructure or Public Improvement, in form satisfactory to the City in its reasonable judgment;
- (ii) executed Affidavit of Payment, bills of sale, assignments, or other instruments of transfer (and evidence of recordation thereof in the deed records of the County) reasonably requested by the City;
- (iii) utility, drainage, and other easements or rights-of-way (and evidence of recordation thereof in the deed records of the County) that are related to or necessary for use of the subject Public Infrastructure or Public Improvement; and
- (iv) all bonds, warranties, guarantees, and other assurances of performance, "record" drawings in both hard copy and digital (PDF and CAD) and sealed by the Developer's Engineer pursuant to Chapter 1001, as amended, Texas Occupations Code, easements, project manuals and all other documentation related to subject Public Infrastructure or Public Improvement.

After delivery of the foregoing, and upon the City issuing to Developer a letter indicating satisfaction of the conditions precedent to such acceptance pursuant to and in accordance with this Agreement, Developer shall, by proper instrument (as agreed to by the City and Developer), dedicate the subject Public Infrastructure or Public Improvement to the City and cause such dedication to be recorded in the deed records of the County. The City shall then accept each such completed Public Infrastructure or Public Improvement for ownership, operation and maintenance within twenty (20) business days of such dedication.

(c) City to Own, Operate and Maintain Dedicated Public Improvements and Public Infrastructure. From and after the time of the City's final acceptance of Public Infrastructure or a

Public Improvement, the City will own, operate, and maintain each such Public Infrastructure or Public Improvement and shall be responsible for all costs associated therewith.

(d) Developer Access to Dedicated Public Infrastructure and Public Improvements. Upon the City's acceptance of Public Infrastructure or a Public Improvement within a particular Approved Plat, Developer shall be allowed to connect, access or otherwise utilize the dedicated Public Infrastructure or Public Improvement in such a manner to serve residential and commercial lots within the particular Phase, subject to (i) payment to the City of applicable Impact Fees, rates, charges and other connection fees, as and to the extent applicable, and (ii) satisfaction of any such connection, access, or use requirements of any Governing Regulation.

3.05 System Improvements.

(a) As expeditiously as practicable after the Effective Date, the City shall diligently work to determine the scope and cost of necessary improvements to its water and/or wastewater utility system to increase capacity of such system for the purpose of accommodating development along the City's eastern Highway 90 corridor, to include the Phase I System Improvements. The City shall, not later than the one hundred eightieth (180th) day after the Effective Date, notify the Developer (i) of the anticipated cost and completion schedule for the Phase I System Improvements, as certified by the City's consulting engineer or engineer of record or (ii) that it will not undertake completion of the Phase I System Improvements.

If the City provides to the Developer the estimated cost and schedule for completion of the Phase I System Improvements described in the preceding paragraph, then the Developer shall, within thirty (30) days of receipt of such notice and upon receipt of confirmation from the City that it has sufficient funds to complete all identified improvements to its water and wastewater system if the Phase I System Improvements are part of a more comprehensive utility system improvement project, deliver to the City, in lawfully available funds, the cost of the Phase I System Improvements (as specified in the aforementioned notice). The City shall only use funds delivered by the Developer to the City pursuant to this Section 3.05(a) to pay the costs of Phase I System Improvements. Upon receipt of such funds, (i) the City shall diligently work to cause the occurrence of the Initial Infrastructure Completion Date as expeditiously as practicable and (ii) the Capital Costs shall be increased by the costs for the Phase I System Improvements paid to the City pursuant to this Section 3.05(a), as described in the definition for such term appearing in Section 1.02 hereof.

(b) If the City has undertaken completion of the Phase I System Improvements pursuant to Section 3.05(a) hereof, the City shall, on or before the first anniversary of the Initial Infrastructure Completion Date, determine if it will pursue development of the Phase II System Improvements, whether alone or as part of a comprehensive water and wastewater utility system improvement undertaking, and provide notice to the Developer of that determination (as well as the Developer's allocated cost of such Phase II System Improvements). If the City determines to undertake the Phase II System Improvements, it shall make available to the Property water and wastewater capacity at least sufficient to accommodate the Project's scheduled residential and commercial development (based on the number of residential units and square feet of commercial

space to be developed after the third (3rd) year of Project development through complete Project buildout, as specified in Exhibit G hereto).

(c) If the City fails to timely provide either of the notices specified in Section 3.05(a) or Section 3.05(b), or if the City, pursuant to Section 3.05(a) or Section 3.05(b), notifies the Developer that it will not undertake either the Phase I System Improvements or the Phase II System Improvements, or within thirty (30) days after receipt of notice from the City of the anticipated cost and schedule for completion of the Phase I System Improvements or Phase II System Improvements the Developer notifies the City that the proposed cost, delivery schedule, or proffered capacity of these system improvements will not accommodate its available budget or requisite schedule for or scope of Project development, then the Developer shall assume the responsibility for developing and delivering those System Improvements necessary to satisfy the water and wastewater utility system needs of the Property based on the scope and schedule of Project development as described herein and in the Exhibits hereto. In such event, the City shall cooperate with the Developer, and provide the Developer with necessary information, to properly design and engineer the System Improvements and to facilitate their connection and integration with the City's water and wastewater utility system.

(d) If, pursuant to Section 3.05(a), Developer delivers to the City its cost for completing the Phase I System Improvements or Phase II System Improvements and, if pursuant to Section 3.05(c), Developer assumes responsibility for developing and delivering the System Improvements (which may be the Phase I System Improvements and/or the Phase II System Improvements), the City shall thereafter deposit, segregate, and hold in a separate account Impact Fees collected for new residential and commercial connections within the Property (the "Impact Fee Account"), authorization for the creation and maintenance of which is provided in the Authorizing Ordinance, and continue such segregation until the aggregate amount from time to time deposited therein equals the Developer's costs of Phase I System Improvements and its costs of designing, constructing, acquiring, and financing the System Improvements (as previously presented to the City and approved on its behalf by the City's consulting engineer or engineer of record). Reimbursement to Developer of its Phase I System Improvements costs and costs of System Improvements shall be paid pursuant to Section 5.05 hereof and this Section. Amounts in the Impact Fee Account shall only be used to reimburse the Developer for its Phase I System Improvements costs and any other costs of the System Improvements thereby incurred; except as immediately hereafter provided, any reimbursement to Developer of its Phase I System Improvements costs and costs of System Improvements requested pursuant to Section 5.05 hereof shall be limited to amounts at such time on deposit in the Impact Fee Account.

If the aggregate amount deposited to the Impact Fee Account is insufficient to reimburse to the Developer its costs of the Phase I System Improvements or its costs of designing, constructing, acquiring, and financing any other System Improvements, then the difference between the sum of such cost of Phase I System Improvements and the System Improvements costs less the aggregate amount deposited to the Impact Fee Account (which may not be determined until completion of Project development) shall be reflected by an increase in the amount of Capital Costs by such amount (less the amount of any unreimbursed costs to finance such improvements, which increased costs of financing shall be added to, and caused to be

increased, the Financing Costs) and an extension of the Termination Date, as specified in each of those respective defined terms included in Section 1.02 hereof.

3.06 City Services Property.

(a) Developer shall, by the Project Commencement Date, convey and dedicate to the City two (2) acres of land suitable for use by the City to provide municipal services to the Property (such property, being the portion of the Property identified on the PUD as "city services", the "City Services Property").

(b) The City Services Property has a stipulated value of \$500,000, which amount shall be used in determining the total amount of Capital Costs.

(c) The City Services Property shall be used to construct thereon facilities from which shall be provided to City residents emergency response services or other municipal services (including bill payment, library services, community event, or similar services). The City Services Property shall not be used by the City as a storage yard for materials, equipment, or vehicles. Upkeep of the City Services Property shall be the responsibility of the City once ownership thereof is dedicated to the City by the Developer.

3.07 Additional Public Improvements; Developer Capital Contribution.

(a) Developer shall, by the time specified below, deliver to the City \$1,500,000.00 in unencumbered, immediately available funds (the "Developer Capital Contribution"). The City shall use the Developer Capital Contribution to pay the costs of (i) public safety improvements to be located on the City Service Property from which the Property will be directly served or (ii) improving, enlarging, and expanding the youth sports facilities located on City-owned property at the Castroville Airport, which improvements shall be permanent in nature and shall enhance and expand the opportunity for sports participation by area youth.

(b) The City shall, not later than the first (1st) anniversary of the Effective Date, notify the Developer of its intent to utilize the Developer Capital Contribution for the purpose specified in clause (i) or (ii) of paragraph (a) above.

(c) The Developer Contribution shall be delivered to the City not later than the third (3rd) anniversary of the Initial Infrastructure Completion Date.

(d) The expenditure of the Developer Capital Contribution by the City shall be at the City's discretion; provided, however, that it shall be a condition to Developer's obligation to deliver the Developer Capital Contribution to the City that the City shall have first delivered to Developer a plan that identifies the project or projects on which such funds will be spent as evidence of compliance with the applicable provisions of this Agreement and a schedule of delivery or completion of such planned project or projects. As part of any such project, the City shall erect permanent signage that identifies *Alsation Oaks* as the sponsor thereof (which signage shall be agreed upon by Developer as a condition its delivery of the Developer Capital Contribution, such agreement not to be unreasonable withheld).

3.08 Building Permits; Certificates of Occupancy. No permanent structure designed or intended for human occupancy or commercial use (a “Structure”) shall be constructed unless a building permit has been issued by the City and a final plat has been recorded for the lot on which the Structure is being built (which shall be included in an Approved Plat). Except for model homes, no Structure shall be occupied until a certificate of occupancy has been issued by the City (a “Certificate of Occupancy”) in accordance with the Code. Model homes may be occupied for the sole purpose of sales and marketing; however, no model home may be sold to, or occupied by, any end buyer until a Certificate of Occupancy therefor has been issued by the City.

3.09 Tree Preservation. Developer shall preserve at least forty percent (40%) of the Trees located on the Property as of the Effective Date and as of the date of submission to the City of a plat pursuant to Section 3.01(e) that are: 1) over eight inches (8”) in diameter as measured at four and a half feet (4.5’) above grade; and 2) located outside of building footprints and public rights of way and easements.

Once a Phase is completed pursuant to the approved Plat, that portion of the Property shall be subject to tree preservation policies or ordinances that are from time to time adopted as having general applicability to the area within the City’s corporate limits.

3.10 Fees and Charges.

(a) General Applicability of City Fee Ordinance; Other Fees. Activities within the Property, including development activities, shall be subject to payment to the City of the fees and charges from time to time specified in the Fee Ordinance, as well as other fees described in this Section 3.10. In the event a requested service is not covered by the provisions of this Agreement or another Governing Regulation, the Parties shall negotiate a reasonable fee for such service, on a cost basis and not with an intention of profit generation.

(b) Inspection Fees. In addition to any plan review fees identified in the Fee Ordinance, any inspections of Public Infrastructure or Public Improvements pursuant to the City’s inspection rights under Section 3.04(a) hereof (if the City determines that any Public Infrastructure or Public Improvement is not being constructed in accordance with the Governing Regulations or if the City terminates any Certified Inspector), shall be subject to the payment to the City of all reasonable costs and expenses paid or incurred by the City in performing such inspections.

(c) Impact Fees. Development of the Property will be subject to the payment to the City of the capital recovery fees and charges set forth in this Section for Public Infrastructure and Public Improvements necessitated by and attributable to the development of the Property, but only to the extent such fees and charges are adopted and applied to the Property in compliance with Chapter 395 and otherwise subject to the provisions set forth in this Agreement (the “Impact Fees”). With the exception of Impact Fees, no other impact fees, capital recovery fees or charges of any kind or assessments shall be charged in connection with the development of the Property unless agreed to by Developer. All Impact Fees shall be payable upon, and as a condition to, the issuance of building permits. Impact Fees include, and are limited to, the following:

- (i) Impact Fees for any requirements for compliance with applicable State or federal law; and

(ii) Fees applicable to development within the City, as identified in the Fee Ordinance and as the same are in effect on the date of submittal of a plat application.

(d) Tap Fees. City tap fees, as indicated in the Fee Ordinance, shall only be charged for development within the Property when the City incurs an expense (other than nominal, which is herein defined to mean \$10.00 on a per occurrence basis) to connect a facility to the City's water, wastewater, or natural gas utility system.

(e) City Costs for Negotiating this Agreement. On the Effective Date, Developer shall deliver to the City the amount not to exceed \$100,000 as payment for costs incurred by Norton Rose Fulbright US LLP, legal counsel to the City, in the negotiation of this Agreement.

(f) City Record of Fees and Charges; Developer Inspection. The City shall maintain a record of all fees and charges received from Project development activity at the Property. These records may be inspected by Developer at the City municipal offices, during normal business hours, upon delivery to the City Representative of at least forty-eight (48) hours prior written notice.

ARTICLE 4 MUNICIPAL SERVICES

4.01 Retail Municipal Utility Services. The City shall provide Retail Municipal Utility Services to lots within the Property, and will connect each Structure to the City's water, sewer or gas system upon payment of applicable fees described in Article 3 hereof and issuance of a Certificate of Occupancy for the Structure. For the avoidance of doubt, nothing in this Agreement shall be determined or deemed to modify or impact Developer's obligation to comply with Section 100-25(c) of the City Subdivision Ordinance. Retail Municipal Utility Services will be delivered pursuant to and in accordance with State law and the Governing Regulations, and rates and charges for such services imposed pursuant to and in accordance with the Retail Municipal Utility Services Rate Ordinance from time to time valid and in effect. As of the Effective Date, on the basis of the development scope indicated by the PUD and the Project development schedule included in Exhibit G hereto, and assuming timely completion of the System Improvements, the City has sufficient capacity (or the resources to acquire such capacity) to provide the Retail Municipal Utility Services to the Property.

4.02 Police Services. The City shall, upon annexation (and not before), provide police service to the Property.

4.03 Electric Service. Retail electric service shall be provided to the Property by City Public Service Board of San Antonio, Texas, also known as CPS Energy.

4.04 Cable Television and Internet Service Provider. Developer shall ensure installation of state-of-the art cable television and internet infrastructure from providers serving the City (determined as of the time of installation of such infrastructure).

4.05 Fire and Emergency Response Services. Fire and emergency response services to the Property will be provided by a Texas political subdivision having jurisdiction over such area and charged with the responsibility of providing such services.

4.06 Medina Valley ISD Agreement. The Developer shall offer for conveyance the portion of the Property identified on the PUD as "School", with utilities, to Medina Valley Independent School District ("MVISD") for the purpose of MVISD's construction of an elementary school. Such conveyance shall be at an amount equal to the developed cost (and not the fair market value) of such land. If Developer and MVISD do not execute a contract to convey such land within twelve (12) months of the Developer's offer to MVISD, then Developer shall have satisfied and be relieved of this requirement of this Agreement.

ARTICLE 5 **ECONOMIC DEVELOPMENT INCENTIVES**

5.01 Generally. Other than their inclusion as a Capital Cost and Financing Cost respectively, as herein described, the Public Infrastructure and Public Improvements shall be developed, constructed, and dedicated by the Developer at no expense to the City, the City Services Property shall be dedicated to the City at no cost thereto, and the Developer Capital Contribution is made available to the City with no payment or reimbursement obligation of the City. These Project-related public financial benefits, when combined with the potential population increase, increased property tax revenue, increased sales and use tax revenue, increased utility service customer base, and other benefits potentially created by the Project, are intended to provide a catalyst to the economy of the City in numerous ways. In exchange for delivery of these Project-related public financial benefits, the City agrees to provide Developer with the economic development incentives as outlined below.

5.02 Grants. In exchange for Developer's satisfaction of its duties and obligations hereunder, the City shall grant, convey and deliver to Developer, at the times, in the amounts, subject to the limitations, and otherwise in accordance with the terms hereafter provided, financial incentives, in an amount equal to the Developer's Costs, in the form of the Grants. The Grants are made, granted, conveyed, and delivered to Developer pursuant to and in furtherance of the Economic Development Program established in the Authorizing Ordinance.

Grants shall be funded by the City solely from, and subject to the availability of, City Ad Valorem Taxes and City Sales Taxes in amounts sufficient to fund the Ad Valorem Tax Grant and the Sales Tax Grant (being the amounts at such time on deposit in the City Ad Valorem Tax Proceeds Subaccount and City Sales Tax Proceeds Subaccount, respectively, of the Grant Proceeds Collection Account), and from no other source of City funds or revenues. The City makes no representations or warranties as to the sufficiency or availability of City Ad Valorem Taxes and City Sales Taxes to fund the Grants and because this City payment obligation is so limited as to source and amount as heretofore described, Developer and City agree that the City's obligation to pay Grants to Developer does not result in the creation of a City debt as prohibited by the state constitution. No lien is granted, nor does Developer possess any right of access, priority, or preference to the City Ad Valorem Taxes or the City Sales Taxes or amounts from time to time on deposit and held in the Grant Proceeds Collections Account or the subaccounts thereof.

As stated above, Grants shall only be paid to Developer subject to the availability of City Ad Valorem Taxes and City Sales Taxes to fund the Grants from amounts at such time on deposit in the Grant Proceeds Collection Account. Further, Grants shall only be made to Developer for those Developer's Costs actually incurred and, with respect to Public Infrastructure and Public Improvements with respect to which the subject Developer's Costs relate, such Public Infrastructure or Public Improvements shall have been conveyed to and accepted by the City or other applicable or appropriate local governmental entity pursuant to Section 3.04 hereof.

5.03 Grant Proceeds Collection Account. In the Authorizing Ordinance, the City has established the Grant Proceeds Collection Account and, within such Account, the City Ad Valorem Tax Proceeds Subaccount and the City Sales Tax Proceeds Subaccount. As required by the Authorizing Ordinance, the City shall deposit to the applicable subaccount of the Grant Proceeds Collection Account, as received, City Ad Valorem Taxes and City Sales Taxes, in accordance with the following schedule:

(a) from the Effective Date through and including the fifteenth (15th) anniversary of the Initial Infrastructure Completion Date, an amount equal to eighty percent (80%) of the City Ad Valorem Taxes and the City Sales Taxes, respectively; and

(b) from the day following the fifteenth (15th) anniversary of the Initial Infrastructure Completion Date through the end of the Reimbursement Period, an amount equal to seventy percent (70%) of the City Ad Valorem Taxes and the City Sales Taxes, respectively.

Upon receipt, (i) City Ad Valorem Taxes, in accordance with the preceding schedule, shall be deposited to the City Ad Valorem Tax Proceeds Subaccount of the Grant Proceeds Collection Account and (ii) City Sales Taxes, in accordance with the preceding schedule, shall be deposited to the City Sales Tax Proceeds Subaccount of the Grant Proceeds Collection Account.

5.04 Payment of Grants; Grant Installment Payment Dates. Grants shall be funded in installments (each, a "Grant Installment") on each Grant Installment Payment Date solely from and to the extent of availability of funds on deposit in the Grant Proceeds Collection Account. Each Grant Installment shall equal to the lesser of (i) the amount of eligible Developer's Costs included in a Developer's Reimbursement Request (defined herein) received by City from Developer in accordance with Section 5.05 hereof prior to the subject Grant Installment Payment Date, plus any eligible Developer's Costs included in any previously-submitted Developer's Reimbursement Request that remain unpaid because of unavailability of funds in the Grant Proceeds Collection Account, and (ii) the amount of funds at such time on deposit in the Grant Proceeds Collection Account. The City shall make Grant Installment payments on each Grant Installment Payment Date by withdrawing from the Grant Proceeds Collections Account an amount of money equal to the Grant Installment to be paid on such date, calculated in the manner hereinbefore described, and delivering such sum to Developer, by check, to the address identified in Section 8.04 hereof.

5.05 Developer Reports; Requests for Grant Installment Payment or Impact Fee Reimbursement. When Developer has incurred Developer's Costs or costs under Section 3.05(c) hereof that are eligible for reimbursement pursuant to the terms of this Agreement, and unless such Developer's Costs or costs eligible for reimbursement under Section 3.05(c) hereof are the subject

of a previously-submitted Developer's Reimbursement Request, Developer shall, not later than the fifteenth (15th) calendar day of the month preceding the month in which occurs the next Grant Installment Payment Date, deliver to the City a Developer's Reimbursement Request, which request shall be substantially in the form attached hereto as Exhibit H and include:

- (a) the amount of Developer's Costs or costs eligible for reimbursement under Section 3.05(c) hereof;
- (b) a statement of no default hereunder;
- (c) documentation evidencing the name and address of the entity or entities that performed the work or service for which such Developer's Costs or costs eligible for reimbursement under Section 3.05(c) hereof were incurred, a description of the contract pursuant to which the payment is made, the amount of such payment, the original contract amount, total payments made to date on such contract, adequate proof of payment (i.e., cancelled checks and invoices for said payments, if available, or properly executed Affidavit of Payment),
- (d) an estimate of remaining work to be completed on the specific Phase, the cost of such remaining work, and the anticipated timing of its completion,
- (e) if the Developer's Reimbursement Request relates to Developer's Costs incurred with respect to any Public Infrastructure or Public Improvements or costs eligible for reimbursement under Section 3.05(c) hereof (unless the City undertook responsibility for developing and delivering the applicable System Improvements for which the Developer seeks cost reimbursement), the items specified in Section 3.04(b) hereof, and
- (f) with respect to any Developer's Costs included in the Developer's Reimbursement Request that are Financing Costs or that constitute a financing component of costs eligible for reimbursement under Section 3.05(c) hereof, appropriate receipts, ledgers, or other documentation evidencing Developer's incurrence of such Financing Costs.

The City is not obligated to fund any Developer's Reimbursement Request until such time as all documentation required by this Section shall have been submitted to the City and determined, in the City's reasonable judgment, to be accurate and complete. The City shall have ten (10) calendar days after receipt of Developer's Reimbursement Request to object to any matter contained therein, after which Developer may remedy such objection(s) and resubmit the Reimbursement Request. Upon determination of satisfactory completion of the requirements under this Section, the City shall fund the Developer's Reimbursement Request on the next occurring Grant Installment Payment Date that is at least five (5) calendar days after the date of the City's determination of satisfaction.

5.06 Continued Delivery of Developer's Reimbursement Requests: City's Continuing Obligation to Pay. Developer shall continue to submit Developer's Reimbursement Requests until such time as the total amount of all Developer's Costs included in all Developer's Reimbursement Requests equal the Maximum Disbursement Amount. Subject to the amounts at such time held in the Grant Proceeds Collection Account, the City shall pay Grant Installments on each Grant Installment Payment Date through the Final Grant Installment Payment Date; provided,

however, that if, on the Final Grant Installment Payment Date, the aggregate amount of Grant Installments total an amount less than the Maximum Disbursement Amount, the City shall have no obligation to reimburse Developer for Developer's Costs that at such time remain unreimbursed. As of the Final Grant Installment Payment Date, the City shall have no continuing obligation to fund Grants from the Grant Proceeds Collection Account and those City Ad Valorem Taxes and City Sales Taxes that have previously been required to be deposited to the Grant Proceeds Collection Account shall be available for use by the City and shall immediately be transferred to the City's General Fund for utilization for any lawful purpose.

5.07 City Takeover. Not later than the thirtieth (30th) day prior to any Grant Installment Payment Date, the City may provide written notice to Developer of its intent to assume the financial responsibility for delivering Public Improvements and Public Infrastructure that have not yet been completed by Developer (such event, a "City Takeover Event"). Any such notice shall be accompanied by action of the City Council evidencing the City's agreement to complete any incomplete Public Infrastructure and Public Improvements in accordance with the PUD and (ii) pay to Developer on the next occurring Grant Installment Payment Date, all Developer's Costs that at such time remain outstanding and unpaid and Developer's development costs for Public Infrastructure and Public Improvements that are at such time in progress but incomplete or not yet conveyed and dedicated to the City. After receipt of notice of a City Takeover Event, the Developer shall include in the next Developer's Reimbursement Request all expenses of the type heretofore described for review, approval, and payment by the City on the applicable Grant Installment Payment Date. The City shall pay amounts owed to Developer on the Grant Installment Payment Date that occurs after delivery to Developer of a notice of City Takeover Event from funds on deposit in the Grant Proceeds Collection Account or any other source of funds that are lawfully available to the City.

ARTICLE 6 ANNEXATION

6.01 Petition for Annexation into ETJ. Developer hereby agrees to the voluntary annexation of the portion of the Property outside the City ETJ into the City ETJ and hereby submits, as Exhibit I hereto, a petition requesting the inclusion of such portion of the Property (the "Non-ETJ Petition") into the City ETJ. The Non-ETJ Petition is deemed filed by Developer as of the Effective Date.

6.02 Petition for Annexation into City. Developer hereby agrees to the voluntary, full-purpose annexation of any portion of the Property outside the corporate limits of the City, including the portion of the Property described in Section 6.01 of this Agreement, into the City and hereby submits, as Exhibit J hereto, a petition requesting the annexation of the Property (the "ETJ Petition"). The ETJ Petition is deemed filed by Developer as of the Effective Date.

6.03 City Council Action. City action initiating Property annexation shall occur as soon as practicable after the Effective Date and after the City's receipt of the completed Non-ETJ Petition and ETJ-Petition, which shall include the steps required under Chapter 43 for the full-purpose annexation of all Property. Notwithstanding its full-purpose annexation of the Property,

provision of City services, including extension of public infrastructure, to the Property shall be made subject to this Agreement and no other agreement, regulation, or law.

ARTICLE 7 ASSIGNMENT OF COMMITMENTS AND OBLIGATIONS; SUCCESSORS

7.01 Assignment of Developer Rights. Developer may assign in whole or part its rights and obligations under this Agreement to persons purchasing all of the Property or a part of the Property but not to the purchaser of one individual residential lot within the Property. In the event Developer assigns all of its respective rights under this Agreement in conjunction with the conveyance of any unplatted portion of the Property, a written assignment of said rights must be filed of record in the Official Public Records of the County in order to be effective.

Because the City's entering into this Agreement with Developer is conditioned, in part, on Developer's demonstrated skill, expertise, and financial resources with respect to the development of projects similar to the Project, demonstrating its ability to satisfy its obligations arising under this Agreement, any assignment by Developer of its rights hereunder shall be subject to the City's approval, not to be unreasonably withheld; provided, however, an assignment by Developer to any Developer-affiliated entity does not require approval by the City. In connection with any request for approval of assignment Developer shall provide to the City evidence of the assignee's similar experience, resources, and financial resources that are demonstrative of such assignee's ability to complete Project development in a manner at least equal to those of Developer.

7.02 Lot Conveyance Not an Assignment. The mere conveyance of a lot or any portion of the Property without a written assignment of the rights of Developer under this Agreement shall not be sufficient to constitute an assignment of the rights or obligations of Developer hereunder, unless specifically provided herein.

7.03 Agreement Binding on Assigns. In the event of an assignment of this Agreement, Developer shall be released from any obligations of this Agreement, provided the successors or assigns agree in writing to all terms and conditions of this Agreement. Any reference to Developer, City, or Parties shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

ARTICLE 8 DEFAULT AND NOTICE

8.01 Notice and Opportunity to Cure. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least thirty (30) calendar days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the thirty (30) calendar day period, the commencement of the cure within the thirty (30) calendar day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period. Notwithstanding the

foregoing, the occurrence of a Bankruptcy Event shall result in immediate default hereunder without opportunity to cure.

8.02 Enforcement. The Parties may enforce this Agreement by any proceeding at law or equity. Failure of either Party to enforce this Agreement shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. The Parties agree that monetary damages are not a sufficient remedy for a default of this Agreement. As a remedy for default, the non-defaulting party shall be entitled to equitable relief, including specific performance of this Agreement, but not monetary damages. In addition to the foregoing, a remedy to each Party for the other's default hereunder, after compliance with Section 8.01 hereof, shall be termination of this Agreement; provided, however, that no termination of this Agreement by a Party as a result of the other Party's default shall allow the reduction or elimination of the Developer's right to receive Grants equal to the amount of Capital Costs or its right to receive reimbursement under Section 3.05(d) hereof for costs incurred under Section 3.05(c) hereof as of such time of termination incurred, plus, with respect to Capital Costs, Financing Costs and, with respect to costs under Section 3.05(c) hereof, the financing component thereof, accrued or to accrue thereon until such time of reimbursement in the form of Grants in accordance with the applicable terms of this Agreement. The City shall be under no obligation to honor a Developer's Reimbursement Request while Developer's default under the terms of this Agreement has occurred and is at such time continuing and uncured.

8.03 Litigation. In the event of any third-party lawsuit or other claim relating to the validity of this Agreement or any actions taken by the Parties hereunder, Developer and the City intend to cooperate in the defense of such suit or claim, and to use their respective best efforts to resolve the suit or claim without diminution of their respective rights and obligations under this Agreement. The City's participation in the defense of such a lawsuit is expressly conditioned on budgetary appropriations for such action by the City Council and shall be covered by Article 12 hereof, as applicable. The filing of any third-party lawsuit relating to this Agreement or the development of the Project will not delay, stop or otherwise affect the development of the Project or the City's processing or issuance of any approvals for the Project or Project development or Grant Installment Payments, unless otherwise required by a court of competent jurisdiction.

8.04 Notices. Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed received on the earlier of (i) actual receipt by mail, Federal Express or other delivery service, fax, email or hand delivery; or (ii) three (3) business days after being sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to City or Developer, as the case may be, at the address stated below.

Any notice mailed to the City shall be addressed:

City of Castroville
Attn.: City Administrator
1209 Fiorella St.
Castroville, Texas 78009

With a copy to:

Clay Binford
Norton Rose Fulbright US LLP
111 W. Houston Street, Suite 1800
San Antonio, Texas 78205

Any notice mailed to the Developer shall be addressed:

HWY 90 Castroville Partners, Ltd.
Attn: James W. Collins, Jr.
P.O. Box 790209
San Antonio, Texas 78279

With a copy to:

Terracor Real Estate Services
Attn: James W. Collins Jr.
10101 Reunion Place, Suite 500
San Antonio, Texas 78216

With a copy to:

Kaufman Killen, Inc.
Attn: Rob Killen, Attorney
100 West Houston Street, Suite 1250
San Antonio, Texas 78205

Any Party may change the address for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

ARTICLE 9 CERTIFICATE OF COMPLIANCE

Within thirty (30) calendar days of written request by either Party given to the other Party requesting a statement of compliance with this Agreement, the other Party will execute and deliver to the requesting Party a statement certifying that:

(a) this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified and stating the date and nature of each modification; and

(b) there are no current uncured defaults under this Agreement, or specifying the date and nature of each default.

ARTICLE 10

REPRESENTATIONS, WARRANTIES, AND COVENANTS

10.01 Mutual Representations, Warranties and Covenants of the Parties. The Parties acknowledge that each Party is acting in reliance upon the other Party's performance of its obligations under this Agreement in making the decision to commit substantial resources and money to the Project's development. In recognition of such mutual reliance, each Party represents and warrants to the other that it shall employ commercially reasonable efforts to perform its duties and obligations hereunder and shall adhere to the requirements of this Agreement.

10.02 City Representations, Warranties and Covenants.

(a) The City covenants, represents and warrants to Developer that the City has and shall exercise sole and exclusive jurisdiction over the review and approval of preliminary and final plats, the inspection of Public Infrastructure and Public Improvements (except to the extent that such inspection responsibilities are undertaken by a Certified Inspector pursuant to Section 3.04(a) hereof) and the issuance of Certificates of Occupancy for Structures.

(b) As stated in Article 5 and Section 3.05(d) hereof, respectively, the City shall pay, but only from and to the extent of the availability of amounts from time to time held in the Grant Proceeds Collection Account or the Impact Fee Account, respectively, the Developer's Costs, in the form of Grants, as and when required by (but subject to the limitations of) this Agreement.

(c) The City shall place no lien on, pledge, or otherwise encumber the City Ad Valorem Taxes or City Sales Taxes required to be deposited to the Grant Proceeds Collection Account or the amounts from time to time on deposit in the Grant Proceeds Collection Account.

(d) The City recognizes this Agreement as a development agreement under Subchapter G of Chapter 212.

(e) The City recognizes and acknowledges that the Project, as described in the PUD, is a planned unit development under Article IV of the Subdivision Ordinance.

(f) To the extent required to implement Project development in accordance with the PUD, the City shall provide necessary waivers and variances to the Code.

(g) The City has, pursuant to the Authorizing Ordinance, taken all requisite and necessary actions to enter into this Agreement, and this Agreement represents a valid and binding agreement of the City, subject to governmental immunity and principles of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity.

(h) To the extent (but only to the extent) its obligations are not uncertain or in dispute, the City is not entitled to claim immunity on the grounds of sovereignty from (i) relief by writ of mandamus to perform its obligations hereunder or (ii) enforcement by writ of mandamus of its payment obligations with respect to amounts due to Developer pursuant to the terms of this Agreement.

10.03 Developer Representations, Warranties and Covenants.

(a) The Developer hereby represents to the City that it owns the Property, free and clear of any and all liens or mortgages.

(b) The Developer hereby warrants and covenants to the City that any prospective lien, mortgage, or encumbrance on any portion of the Property shall be made subject to the dedication of Public Infrastructure and Public Improvements, as indicated on the Approved Plat that is applicable to the portion of the Property to be subject to any such lien, mortgage, or encumbrance.

(c) Developer agrees to dutifully, diligently, and continually work to develop the Property in accordance with the PUD and shall complete, or cause to be completed, the Public Infrastructure and Public Improvement that are included in the PUD and pay their costs, notwithstanding the actual costs of those Public Infrastructure and Public Improvements exceeding the Capital Costs therefor identified herein.

(d) Developer shall deliver to the City the Developer's Public Contribution at the times, in the amounts, and in the condition required by the terms of this Agreement.

(e) Developer shall provide, or cause to be provided, all materials, labor, and services for completing the Public Infrastructure and Public Improvements, which materials, labor, and services shall be of adequate quality when graded against industry standards.

(f) Developer agrees to obtain or cause to be obtained all necessary permits and approvals required by any Governing Regulation from the City and/or all other governmental entities having jurisdiction or regulatory authority over the construction, installation, operation, or maintenance of improvements within the Property and, with respect thereto, pay or cause to be paid all applicable permit, or similar, license fees.

(g) Developer acknowledges and agrees that, pursuant to State law, Developer is required to make information regarding its contractual relationships regarding construction or acquisition of Public Infrastructure and Public Improvements generally available as public records and, with respect thereto, Developer acknowledges and agrees that any information provided by Developer to the City with respect to the Public Infrastructure and Public Improvements, this Agreement, and any work performed by Developer, a contractor, or a subcontractor for any Public Infrastructure and Public Improvements (including pricing and payment information) may be subject to public disclosure by the City pursuant to applicable law.

(h) Developer shall use good faith, commercially-reasonable efforts to obtain the best price (taking into account the reputation of relevant contractors and vendors and all other reasonable factors) and quality of goods and services (including from Developer affiliates) in connection with the development, construction, financing and acquisition of any Public Infrastructure and Public Improvements.

(i) Developer shall notify the City of any change in Developer's Engineer.

(j) Developer shall prepare, or cause to be prepared, for each Phase of the Project, plats that are compliant with applicable provisions of the Code and the Comprehensive Zoning Ordinance and shall submit such plats to, and have such plats approved by, the City prior to starting any construction in said Phase.

(k) Developer shall supervise the construction of the Project and cause the construction to be performed in accordance with the PUD and any Approved Plats.

(l) If substantial completion of the Project is delayed by reason of Force Majeure, governmental restrictions, regulations, fire or other casualty, court injunction, necessary condemnation proceedings, interference by third parties or drop in overall economic conditions, or any circumstances reasonably beyond Developer's control, then following written request of Developer made to the City (which request shall document the relied-upon reason for delay), the deadlines set forth in the construction schedule included in the PUD shall be extended by the period of each such delay (which period shall be evidenced in the aforementioned request).

(m) Development services that are performed by the Developer hereunder shall be enforced in compliance with the Governing Regulations.

(n) Except with respect to a Certified Inspector then employed by the City pursuant to Section 3.04(a), all personnel supplied or used by Developer in the performance of its obligations arising under this Agreement shall be deemed employees, contractors or subcontractors of the Developer and shall not be considered employees, agents or subcontractors of the City for any purpose whatsoever. The Developer shall be solely responsible for the compensation of all such personnel.

(o) Developer acknowledges and agrees that it is subject as an employer to all applicable unemployment compensation statutes and agrees to indemnify and hold harmless the City from any and all responsibilities thereunder toward employees of Developer.

(p) As and to the extent applicable, Developer shall comply with all regulations concerning employment of labor required by law (including, but not limited to, Chapter 2258 requiring the Developer to pay prevailing wages to workers, which shall be determined using the wage scales from time to time published online by Wage Determinations online at www.wdol.gov/wdol/scafiles/davisbacon/tx.html). The reference to this source of prevailing wages is not a warranty, guaranty or other representation by the City that adequate numbers of skilled or unskilled workers are actually available in the local market to perform the required services or that workers may be hired for the wages identified in the such prevailing wage schedule.

(q) Developer hereby represents, warrants, and covenants for the benefit of the City:

(i) Developer is a limited partnership, duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated;

- (ii) Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer;
- (iii) this Agreement is a valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity;
- (iv) Developer will not include any costs that are not Developer's Costs in any Developer Reimbursement Request;
- (v) Developer will diligently follow all procedures set forth in this Agreement with respect to its request for payment of Grant Installments;
- (vi) Developer understands the duties, limitations, and responsibilities imposed upon the City under the applicable State law having application to matters that are the subject of this Agreement, including Project development, its making of the Grants, and the development, construction, and dedication of the Public Infrastructure and Public Improvements; and
- (vii) Developer has sufficient knowledge, experience, and financial resources to perform its obligations under this Agreement in accordance with all duties, obligations, regulations, Governing Regulation requirements, and other applicable law affecting or required to perform the development work with respect to the Project and, in this regard, the Developer shall bid, procure, supervise, manage, perform, and from time to time provide information relating to such development work regarding Project development in compliance with all duties, obligations, regulations, code and legal requirements arising under any Governing Regulation with jurisdiction over the subject development work and the Project.

(r) Developer has delivered, unless exempted under State law, the Certificate of Interested Parties Form 1295 ("Form 1295") and certification of filing generated by the Texas Ethics Commission's electronic portal, signed by an authorized agent, prior to the execution of this Agreement by the City and Developer. Developer and the City understand that none of the City or any City representative, consultant, or advisor have the ability to verify the information included in Form 1295, and none of the City or any City employee, official consultant, or advisor have an obligation, nor have undertaken any responsibility, for advising Developer with respect to the proper completion of Form 1295 other than providing the identification numbers required for the completion of Form 1295.

(s) Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this

Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, as amended, and to the extent such section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

(t) Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s Internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable Texas or federal law and excludes Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

ARTICLE 11 TAX INCREMENT REINVESTMENT ZONE

Prior to the Initial Infrastructure Completion Date, Developer shall, if requested by the City, take such necessary steps to allow the City’s designation of all or part of the Property as a Tax Increment Reinvestment Zone under Chapter 311. If the City so elects, and other taxing units whose jurisdiction includes the Property or such portion thereof participate in such a Zone, then the City shall be permitted to utilize any incremental tax revenues thereunder generated as a source of payment of Developer’s Costs that are reimbursable to the Developer hereunder in the form of Grants and such payment shall relieve the City from its obligation to fund Grants, in such amount of these other available funds, from City Ad Valorem Taxes and City Sales Taxes; provided, however, that such methodology of reimbursement shall not otherwise impact, modify, or lessen the City’s obligations hereunder or impose obligations on the Developer in addition to any that are herein described (unless specifically agreed to by each of the Parties and memorialized in an amendment to this Agreement in the manner specified in Section 13.05). The City agrees that if it exercises its option to create a Tax Increment Reinvestment Zone, no additional costs or fees

will be imposed upon Developer other than such costs, fees, and contributions explicitly provided for herein.

ARTICLE 12 INDEMNIFICATION

DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE CITY, THE CITY COUNCIL, AND ANY OTHER OFFICIAL, EMPLOYEE, AGENT, ATTORNEY, OR REPRESENTATIVE OF ANY OF THE FOREGOING (TOGETHER, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY A THIRD PARTY, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON ANY INDEMNIFIED PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF THE DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES, WHILE IN THE EXERCISE OF PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY. IN THE EVENT THE DEVELOPER AND AN INDEMNIFIED PARTY ARE FOUND JOINTLY LIABLE, BECAUSE OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNIFIED PARTY, BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO ANY SUCH INDEMNIFIED PARTY UNDER APPLICABLE TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES HERETO UNDER TEXAS LAW AS TO SAID CLAIMANTS. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL IMMEDIATELY ADVISE THE CITY, IN WRITING, OF ANY CLAIM OR DEMAND AGAINST DEVELOPER OR AN INDEMNIFIED PARTY, TO THE EXTENT AND WHEN KNOWN TO THE DEVELOPER, RELATED TO OR ARISING OUT OF DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT.

In addition to the indemnification provided above, Developer shall also require each of its general contractors working on the Project to indemnify each Indemnified Party from and against any and all claims, losses, damages, causes of actions, suits and liabilities arising out of their actions related to the performance of this Agreement, utilizing (in its entirety) the same indemnification language contained herein.

ARTICLE 13 MISCELLANEOUS

13.01 Multiple Originals. The Parties may execute this Agreement in one or more duplicate originals, each of equal dignity.

13.02 Entire Agreement; Parties in Interest. This Agreement, together with any exhibits attached hereto, constitutes the entire agreement between Parties with respect to its subject matter, and may not be amended except by a writing signed by all Parties with authority to sign and dated subsequent to the date hereof. There are no other agreements, oral or written, except as expressly set forth herein. No person, other than a Party, shall acquire or have any right hereunder or by virtue hereof.

13.03 Recordation. A copy of this Agreement will be recorded in the Official Public Records of the County by the City.

13.04 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. This Agreement is performable in the County. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in a court of competent jurisdiction located in the County. Notwithstanding the foregoing, the parties hereto agree that any dispute that may arise under this Agreement shall first be submitted to non-binding mediation, or to alternative dispute resolution proceedings, before litigation is filed in court.

13.05 Termination or Amendment by Agreement. This Agreement may only be terminated prior to the Termination Date or its terms amended by mutual written consent of the Parties.

13.06 No Oral or Implied Waiver. The Parties may waive any of their respective rights or conditions contained herein or any of the obligations of the other Party hereunder, but unless this Agreement expressly provides that a condition, right, or obligation is deemed waived, any such waiver will be effective only if in writing and signed by the party waiving such condition, right, or obligation. The failure of either party to insist at any time upon the strict performance of any covenant or agreement in this Agreement or to exercise any right, power, or remedy contained in this Agreement will not be construed as a waiver or a relinquishment thereof for the future.

13.07 No Third-Party Beneficiary. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a Party, unless expressly otherwise provided herein.

13.08 No Personal Liability. None of the members of the City Council, nor any officer, agent, or employee of the City, shall be charged personally by Developer with any liability, or be held liable to Developer under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

13.09 Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

13.10 Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

* * *

DEVELOPER:

HWY 90 Castroville Partners, Ltd.,
a Texas limited partnership

BY: Liam Interests, LLC
a Texas limited liability company,
its General Partner

By:

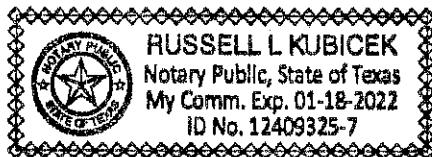
Name: James W. Collins, Jr.

Title: Managing Member

Date: 10-8-19

THE STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on OCTOBER 8, 2019, by
JAMES W. COLEMAN, JR., MANAGING MEMBER of Liam Interests, LLC, a Texas limited
liability company, general partner of HWY 90 Castroville Partners, Ltd., a Texas limited
partnership.



Notary Public in and for the State of Texas

CITY OF CASTROVILLE, TEXAS

By:

Herb Dyer
Herb Dyer, Mayor Pro Tem

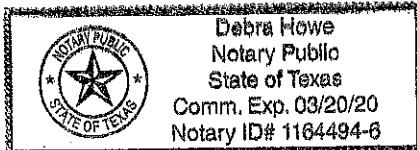
Date: Sep 30, 2019

THE STATE OF TEXAS
COUNTY OF

This instrument was acknowledged before me on September 30, 2019, by
Herb Dyer, Mayor Pro Tem of the City of Castroville, a Texas General Law Type A Municipality.

ne on September 30, 2019, by
a Texas General Law Type A Municipality


Notary Public in and for the State of Texas



FILED AND RECORDED

Instrument Number: 2019008578

Filing and Recording Date: 11/07/2019 10:35:54 AM Pages: 51 Recording Fee: \$222.00

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the PUBLIC RECORDS of Medina County, Texas.



Gina Champion

Gina Champion, County Clerk
Medina County, Texas

Filed By Kaci Lutz Deputy

INDEX TO EXHIBITS

Exhibit A	Property Description (Metes and Bounds and Location Map)
Exhibit B	Schedule of Capital Costs
Exhibit C ..	Commercial Area Site Plan, Elevation Renderings, and Design Criteria
Exhibit D	Schedule of Financing Costs
Exhibit E	Public Infrastructure and Public Improvements
Exhibit F	Planned Unit Development Plan
Exhibit G	Project Development Schedule
Exhibit H	Developer's Reimbursement Request
Exhibit I	Petition for Annexation (ETJ)
Exhibit J	Petition for Annexation (Full Purpose)

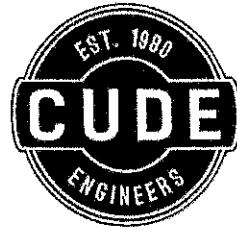
92635887.15


City


Developer

**Exhibit A
PROPERTY DESCRIPTION**

[METES AND BOUNDS AND LOCATION MAP]



LEGAL DESCRIPTION
401.020 ACRES OF LAND

401.020 acres of land located in the L.M. Collard Survey Number 97, Abstract Number 1259, Medina County, Texas and being comprised of that certain 383.723 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2013006833, Official Public Records of Medina County, Texas; that certain 2.00 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2013006835, Official Public Records of Medina County, Texas; that certain 2.00 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2013006836, Official Public Records of Medina County, Texas and a portion of that certain 33.360 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Volume 763, Page 378, Official Public Records of Medina County, Texas; said 401.020 acres being more particularly described as follows:

BEGINNING, at a found 5/8 inch iron rod with "ROTHE" cap located in the northerly right of way line of U.S. Highway 90 (US 90) and marking the southeasterly corner of an unnamed right of way (now referred to as Tondre Parkway) as shown on the plat of Walmart Store No. 4102-00, as recorded in Volume 10, Pages 318-322, Map and Plat Records of Medina County, Texas;

THENCE, along the easterly and northerly right of way lines of said Tondre Parkway, the following courses:

North 00deg 19' 45" East, a distance of 120.96 feet, to a found 5/8 inch iron rod;
North 05deg 05' 34" East, a distance of 60.21 feet, to a found 5/8 inch iron rod with "TERRA" cap;
North 00deg 19' 45" East, a distance of 838.11 feet, to a set ½ inch iron rod with "CUDE" cap;
Northeasterly, along the arc of a curve to the right having a radius of 30.00 feet, a central angle of 50deg 40' 49", an arc length of 26.54 feet and a chord bearing: N 25deg 47' 06" E, 25.68 feet, to a set ½ inch iron rod with "CUDE" cap;
Westerly, along the arc of a curve to the left having a radius of 65.00 feet, a central angle of 230deg 51' 40", an arc length of 261.90 feet and a chord bearing: N 64deg 15' 40" W, 117.40 feet, to a found 5/8 inch iron rod with "TERRA" cap located in the easterly line of Lot 1 of said Walmart Store No. 4102-00 subdivision;

THENCE, along the easterly and northerly lines of said Lot 1, the following courses:

North 00deg 18' 27" East, a distance of 258.88 feet, to a found 5/8 inch iron rod with "TERRA" cap;
South 89deg 42' 21" West, a distance of 630.52 feet, to a found 5/8 inch iron rod with "ROTHE" cap; said rod being located in the easterly line of that certain called 25.7512 acres of land conveyed to Kathy Eaton, et al, as described in Volume 191, Page 711, Official Public Records of Medina County, Texas;

THENCE, along the easterly and northerly lines of the said 25.7512 acres, the following courses:

North 00deg 20' 52" East, a distance of 2513.10 feet, to a found P.K. Nail;
North 88deg 58' 15" West, a distance of 660.43 feet, to a found P.K. Nail;
North 56deg 59' 23" West, a distance of 883.43 feet, to a found 5/8 inch iron rod located in the easterly line of the remainder of a called 64.5 acres of land conveyed to Patricia Ann DeCock Wurzbach, as described in Volume 274, Page 695, Official Public Records of Medina County, Texas

THENCE, North 00deg 03' 52" East, along the easterly line of the said remainder of the 64.5 acres and the easterly line of that certain called 140.48 acres of land conveyed to Olan F. Karm, as described in Volume 169, Page 891, Official Public Records of Medina County, Texas, a distance of 1,542.70 feet, to a found ½ inch iron rod with "KOCHE" cap located in the southerly line of that certain tract of land conveyed to J2G Properties, Ltd., as described in Document Number 20180010053, Official Public Records of Medina County, Texas;

THENCE, South 89deg 34' 19" East, along the southerly line of the said J2G Properties, Ltd. Land, a distance of 4,087.82 feet, to a found Cotton Spindle marking the northwesterly corner of that certain called 154.17 acres of land conveyed to Dickerson Tausch Properties, LLC, as described in Document Number 2018002306, Official Public Records of Medina County, Texas;

THENCE, South 00deg 01' 45" West, along the westerly line of the said 154.17 acres, a distance of 5,805.58 feet, to a found 5/8 inch iron rod with "ROTHE" cap marking the northeasterly corner of that certain called 0.02 acres of land conveyed to the City of Castroville, as described in Volume 99, Page 307, Official Public Records of Medina County, Texas;

THENCE, along the northerly and westerly lines of the said 0.02 acres, the following courses:

South 89deg 54' 24" West, a distance of 34.00 feet, to a set 1/2 inch iron rod with "CUDE" cap;
 South 00deg 01' 45" West, a distance of 26.69 feet, to a set 1/2 inch iron rod with "CUDE" cap located in the northerly right of way line of said US 90;

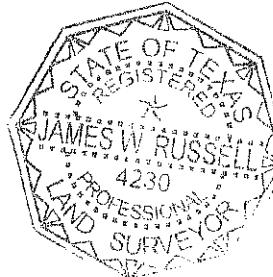
THENCE, along the northerly right of way line of said US 90, the following courses:

South 89deg 54' 08" West, a distance of 1,217.36 feet, to a set 1/2 inch iron rod with "CUDE" cap;
 Westerly, along the arc of a curve to the left having a radius of 5,804.58 feet, a central angle of 03deg 06' 35", an arc length of 315.04 feet and a chord bearing: S 88deg 21' 05" W, 315.00 feet, to a found 5/8 inch iron rod;
 South 86deg 47' 08" West, a distance of 422.17 feet, to the **POINT OF BEGINNING** and containing 401.020 acres of land, more or less.

Basis of bearings is the Texas State Plane Coordinate System, South Central Zone (4204), NAD 83 (93).

James W. Russell 4/2/19

James W. Russell
 Registered Professional Land Surveyor No. 4230
 Cude Engineers
 4122 Pond Hill Road, Suite 101
 San Antonio, Texas 78231
 TBPLS Firm No. 10048500
 TBPE Firm No. 455



J2G PROPERTIES, LTD.
DOC# 2018001053
O.P.R.M.C.

OLAN F. KARM
VOL. 169, PG. 891
O.P.R.M.C.

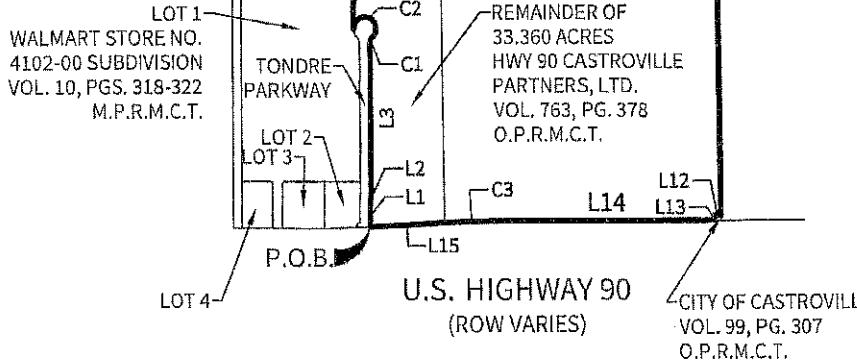
REMAINDER OF
64.5 ACRES
PATRICIA ANN DECOCK
WURZBACH
VOL. 274, PG. 695
O.P.R.M.C.

KATHY EATON, ET AL
VOL. 191, PG. 711
O.P.R.M.C.

0 500' 1000' 2000'
SCALE: 1" = 1000'

DICKERSON TAUSCH PROPERTIES, LLC
DOC# 2018002306
O.P.R.M.C.T.

17,468,429 SF
401.020 AC
383.723 ACRES
HWY 90 CASTROVILLE
PARTNERS, LTD.
DOC# 2013006833
O.P.R.M.C.

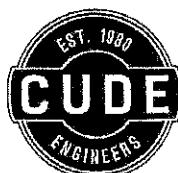


LINE TABLE

LINE NO.	BEARING	DISTANCE
L1	N00°19'45"E	120.96'
L2	N05°05'34"E	60.21'
L3	N00°19'45"E	838.11'
L4	N00°18'27"E	258.88'
L5	S89°42'21"W	630.52'
L6	N00°20'52"E	2513.10'
L7	N88°58'15"W	660.43'
L8	N56°59'23"W	883.43'
L9	N00°03'52"E	1542.70'
L10	S89°34'19"E	4087.82'
L11	S00°01'45"W	5805.58'
L12	S89°54'24"W	34.00'
L13	S00°01'45"W	26.69'
L14	S89°54'08"W	1217.36'
L15	S86°47'08"W	422.17'

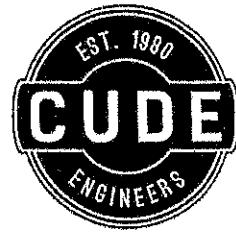
CURVE TABLE

CURVE NO.	DELTA	ARC LENGTH	RADIUS	CHORD BEARING	CHORD DIST.
C1	050°40'49"	26.54'	30.00'	N25°47'06"E	25.68'
C2	230°51'40"	261.90'	65.00'	N64°15'40"W	117.40'
C3	003°06'35"	315.04'	5804.58'	S88°21'05"W	315.00'



CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
TEL 210.681.2951 • FAX 210.523.7112
WWW.CUDEENGINEERS.COM
TBPE FIRM #455
TBPLS FIRM #10048500

EXHIBIT OF
401.020 ACRES OF LAND LOCATED IN THE L.M. COLLARD SURVEY NUMBER 97, ABSTRACT NUMBER 1259, MEDINA COUNTY, TEXAS AND BEING COMPRISED OF THAT CERTAIN 383.723 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2013006833, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS; THAT CERTAIN 2.00 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2013006835, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS; THAT CERTAIN 2.00 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2013006836, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS AND A PORTION OF THAT CERTAIN 33.360 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN VOLUME 763, PAGE 378, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS.
DATE: APRIL 1, 2019
JOB NO.: 02869.060



Page 1 of 1

LEGAL DESCRIPTION
14.131 ACRES OF LAND

A 14.131 acre tract of land located in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, and being all of that certain 13.470 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2015003983, Official Public Records of Medina, County, Texas and all of that certain 0.660 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2015003984, Official Public Records of Medina, County, Texas said 14.131 acre tract being more particularly described as follows:

BEGINNING, at a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454" located on the southerly right-of-way line of U.S. Highway 90, a varying width right-of-way, marking the northeasterly corner of said 13.470 acre tract and the northwesterly corner of a called 45.172 acre tract, conveyed to Marshel Persyn and wife, Joy Persyn, recorded in Volume 163, Page 281, Deed Records of Medina County, Texas,

THENCE, South 00deg 06' 32" West, along the easterly line of said 13.470 acre tract and the westerly line of said 45.172 acre tract, a distance of 848.42 feet to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE";

THENCE, North 88deg 47' 39" West, along the southerly line of the said 13.470 acres, a distance of a distance of 732.96 feet to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE";

THENCE, along the westerly line of the said 13.470 acres and the westerly line of the said 0.660 acres, the following courses:

North 00deg 06' 32" East, at a distance of 143.09 feet, passing a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE marking the southwesterly corner of the said 0.660 acres, a total distance of 256.02 feet, found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454";

North 04deg 00' 22" East, a distance of 617.46 feet, to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454" located on the southerly right-of-way line of U.S. Highway 90;

THENCE, along the southerly right-of-way line of U.S. Highway 90 the following courses:

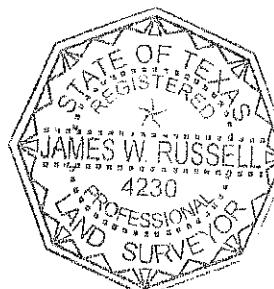
South 85deg 44' 39" East, at a distance of 40.00 feet passing a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE, a total distance of 335.24 feet to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454";

Easterly, along the arc of a curve to the left having a radius of 5,809.58 feet, a central angle of 03deg 31' 08", an arc length of 356.80 feet and a chord bearing: S 87deg 44' 03" E, 356.75 feet, to the **POINT OF BEGINNING** and containing 14.131 acres of land, more or less

Note: Basis of Bearings is the Texas State Plane Coordinate System, South Central Zone (4204), NAD 83 (93).

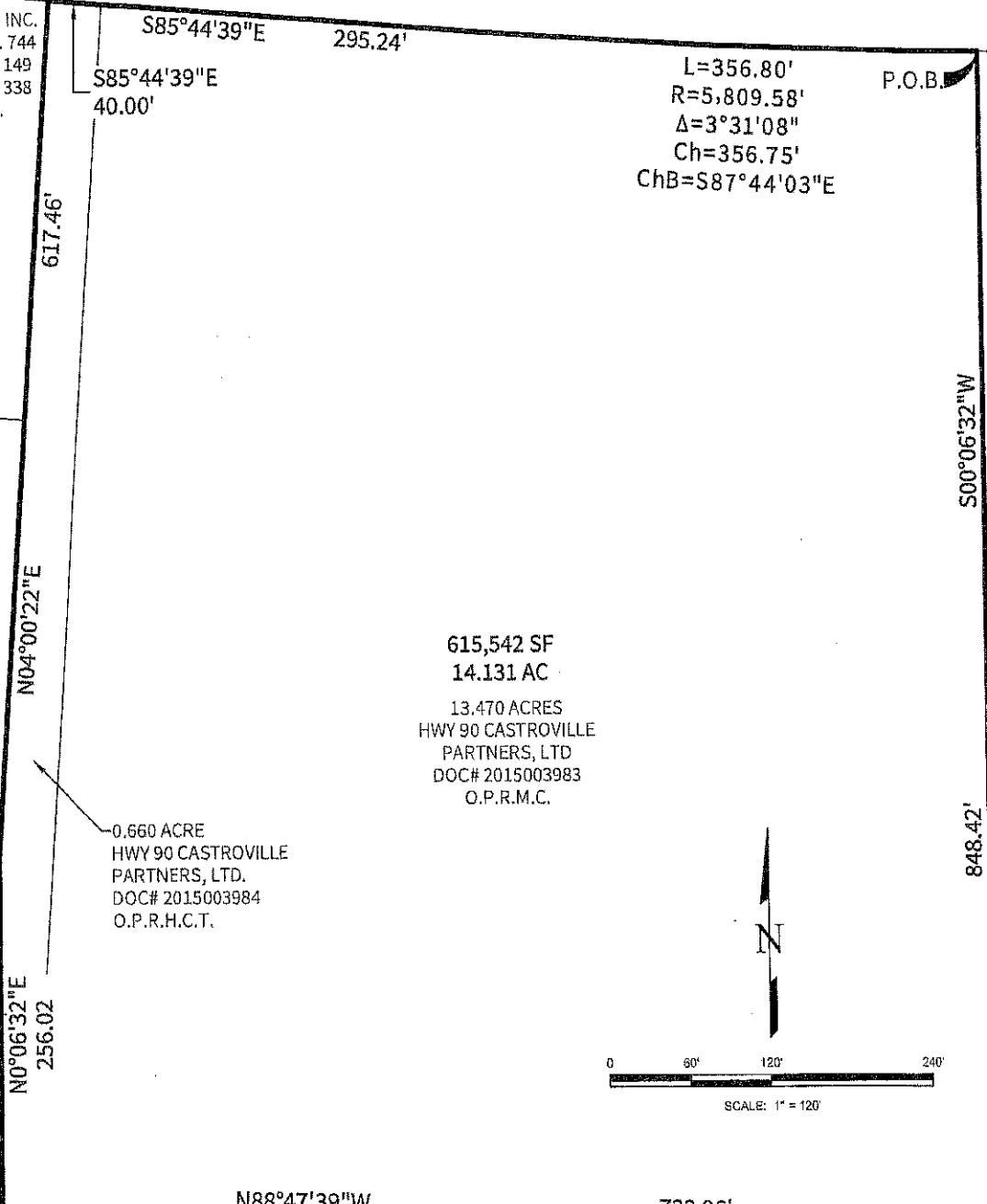
James W. Russell 4/2/19

James W. Russell
Registered Professional Land Surveyor No. 4230
Cude Engineers
4122 Pond Hill Road, Suite 101
San Antonio, Texas 78231
TBPLS Firm No. 10048500
TBPE Firm No. 455
Job No. 02869.006



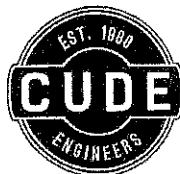
U.S. HIGHWAY 90
(ROW VARIES)

KELLER GRAIN INC.
VOL. 298, PG. 744
VOL. 273, PG. 149
VOL. 397, PG. 338
O.P.R.M.C.



MARSHEL & JOY PERSYN
VOL. 163, PG. 281
D.R.M.C.T.

REPRODUCTION OF THE ORIGINAL SIGNED AND SEALED PLAN AND/OR ELECTRONIC MEDIA MAY HAVE BEEN INADVERTENTLY ALTERED. CONTRACTOR IS RESPONSIBLE FOR VERIFYING THE SCALE OF THE DOCUMENT AND CONTACTING CUDE ENGINEERS TO VERIFY DISCREPANCIES PRIOR TO CONSTRUCTION.

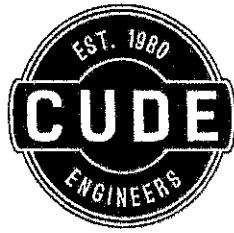


CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
TEL 210.681.2951 • FAX 210.523.7112
WWW.CUDEENGINEERS.COM
TBPE FIRM #455
TBPLS FIRM #10048500

EXHIBIT OF

A 14.131 ACRE TRACT OF LAND LOCATED IN THE L. M. COLLARD SURVEY NO. 97, ABSTRACT NO. 1259, MEDINA COUNTY, TEXAS, AND BEING ALL OF THAT CERTAIN 13.470 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2015003983, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS AND ALL OF THAT CERTAIN 0.660 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2015003984, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS.
DATE: APRIL 1, 2019

JOB NO.: 02869.060



Page 1 of 1

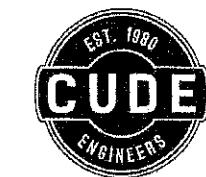
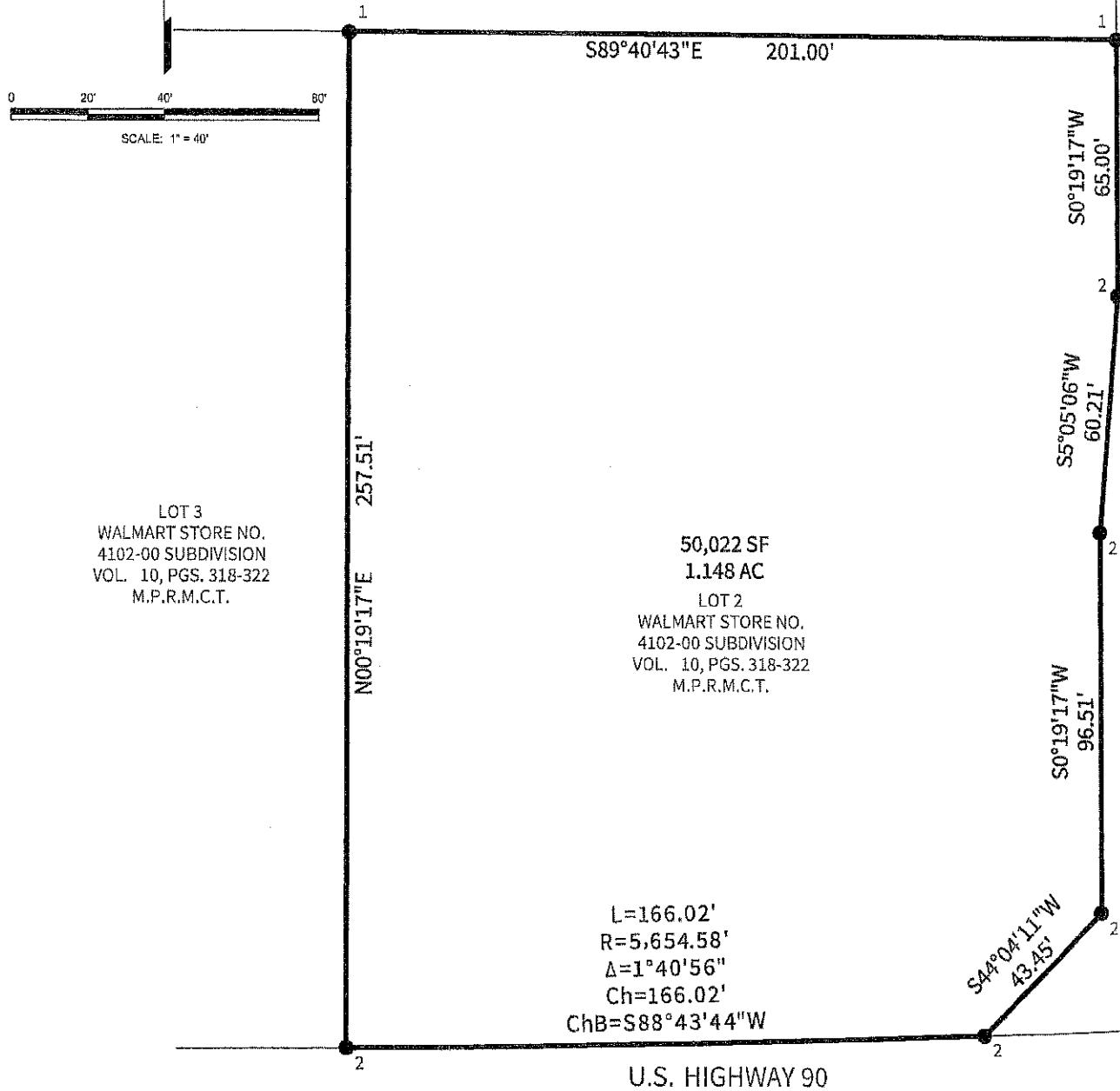
LEGAL DESCRIPTION

LOT 2

WALMART STORE NO. 4102-00

1.148 acres of land located in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, and being all of Lot 2, Walmart Store No. 4102-00 subdivision, according to the map or plat thereof recorded in Volume 10, Pages 318-322, Map and Plat Records of Medina County, Texas.

LOT 1
WALMART STORE NO.
4102-00 SUBDIVISION
VOL. 10, PGS. 318-322
M.P.R.M.C.T.



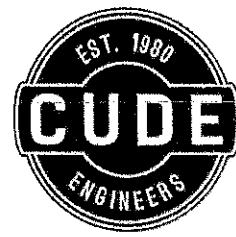
CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
TEL 210.681.2951 • FAX 210.523.7112
WWW.CUDEENGINEERS.COM
TBPE FIRM #455
TBPLS FIRM #10048500

EXHIBIT OF

1.148 ACRES OF LAND LOCATED IN THE L. M. COLLARD SURVEY NO. 97,
ABSTRACT NO. 1259, MEDINA COUNTY, TEXAS, AND BEING ALL OF LOT 2,
WALMART STORE NO. 4102-00 SUBDIVISION, ACCORDING TO THE MAP OR
PLAT THEREOF RECORDED IN VOLUME 10, PAGES 318-322, MAP AND PLAT
RECORDS OF MEDINA COUNTY, TEXAS.

DATE: APRIL 1, 2019

JOB NO.: 02869.060



Page 1 of 1

LEGAL DESCRIPTION

LOT 4

WALMART STORE NO. 4102-00

1.018 acres of land located in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, and being all of Lot 4, Walmart Store No. 4102-00 subdivision, according to the map or plat thereof recorded in Volume 10, Pages 318-322, Map and Plat Records of Medina County, Texas.

KATHY EATON, ET AL.
VOL. 191, PG. 711
O.P.R.M.C.

NO. 00-18'56"E 208'82'

N00°23'50"E
49.18'

S89°40'43"E 161.96

161.96

S44°40'48"
14.

14

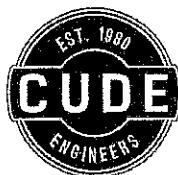
LOT 1
WALMART STORE NO.
4102-00 SUBDIVISION
VOL. 10, PGS. 318-322
M.P.R.M.C.T.

44,327 SF
1.018 AC
LOT 4
WALMART STORE NO.
4102-00 SUBDIVISION
VOL. 10, PGS. 318-322
M.P.R.M.C.T.

N89°40'43" W 172.00'

3. HIGHWAY:
(ROW VARIES)

- ₁ = SET 1/2" IRON ROD WITH CAP STAMPED "CUDE"
- ₂ = FOUND 5/8" IRON ROD WITH CAP STAMPED "TERRA"
- ₃ = FOUND 5/8" IRON ROD WITH CAP STAMPED "ROTHE"



CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
TEL. 210.681.2951 • FAX 210.523.7112
WWW.CUDEENGINEERS.COM
TBPE FIRM #455
TBPLS FIRM #10048500

EXHIBIT OF

EXHIBIT OF
1.018 ACRES OF LAND LOCATED IN THE L. M. COLLARD SURVEY NO. 97,
ABSTRACT NO. 1259, MEDINA COUNTY, TEXAS, AND BEING ALL OF LOT 4,
WALMART STORE NO. 4102-00 SUBDIVISION, ACCORDING TO THE MAP
OR PLAT THEREOF RECORDED IN VOLUME 10, PAGES 318-322, MAP AND
PLAT RECORDS OF MEDINA COUNTY, TEXAS.

DATE: APRIL 1, 2019

JOB NO.: 02869.060

P:\02869\06010\Survey\Drawings\SV 02869.050 Base.dwg 2019/04/01 15:50pm black

Exhibit B
SCHEDULE OF CAPITAL COSTS

Alsatian Oaks								
EXHIBIT B: SCHEDULE OF CAPITAL COSTS								
Improvements Category	2019 Up-Front	2020 Phase 1	2021 Phase 2	2022 Phase 3	2023 Phase 4	Total Ph 1-4	2025 Future Phases	Project Total
Alsatian Oaks Parkway - Arterial		\$2,870,068			\$2,620,782	\$5,490,850	\$2,066,786	\$7,557,636
Tondre Drive / Collectors		\$1,634,939		\$328,639		\$1,963,578	\$2,319,999	\$4,283,577
Commercial Access Road			\$344,900			\$344,900	\$0	\$344,900
Water Improvements - Onsite		\$896,309	\$98,706	\$250,042	\$221,362	\$1,466,419	\$302,209	\$1,768,628
Water Improvements - Offsite						\$0	\$0	\$0
Sanitary Sewer - Onsite		\$753,189	\$304,306	\$265,664	\$499,553	\$1,822,712	\$291,276	\$2,113,988
Sanitary Sewer - Offsite		\$397,934				\$397,934	\$0	\$397,934
Natural Gas		\$167,573		\$12,735	\$70,874	\$251,182	\$165,189	\$416,371
Detention Pond - Commercial			\$355,862	\$313,760		\$669,622	\$0	\$669,622
US 90 Road Improvements - Offsite		\$88,957	\$2,084,522			\$2,173,479	\$162,696	\$2,336,175
Development Legal - City Cost	\$100,000					\$100,000	\$0	\$100,000
Developer Capital Contribution					\$1,500,000	\$1,500,000	\$0	\$1,500,000
City Services Property		\$500,000				\$500,000	\$0	\$500,000
Development Soft Costs	\$490,000	\$513,500	\$163,500	\$63,500	\$163,500	\$1,394,000	\$213,500	\$1,607,500
Total Capital Costs	\$590,000	\$7,822,469	\$3,351,796	\$1,234,340	\$5,076,071	\$18,074,676	\$5,521,655	\$23,596,331
<i>% of Total</i>		33.2%	14.2%	5.2%	21.5%	76.6%	23.4%	100.0%

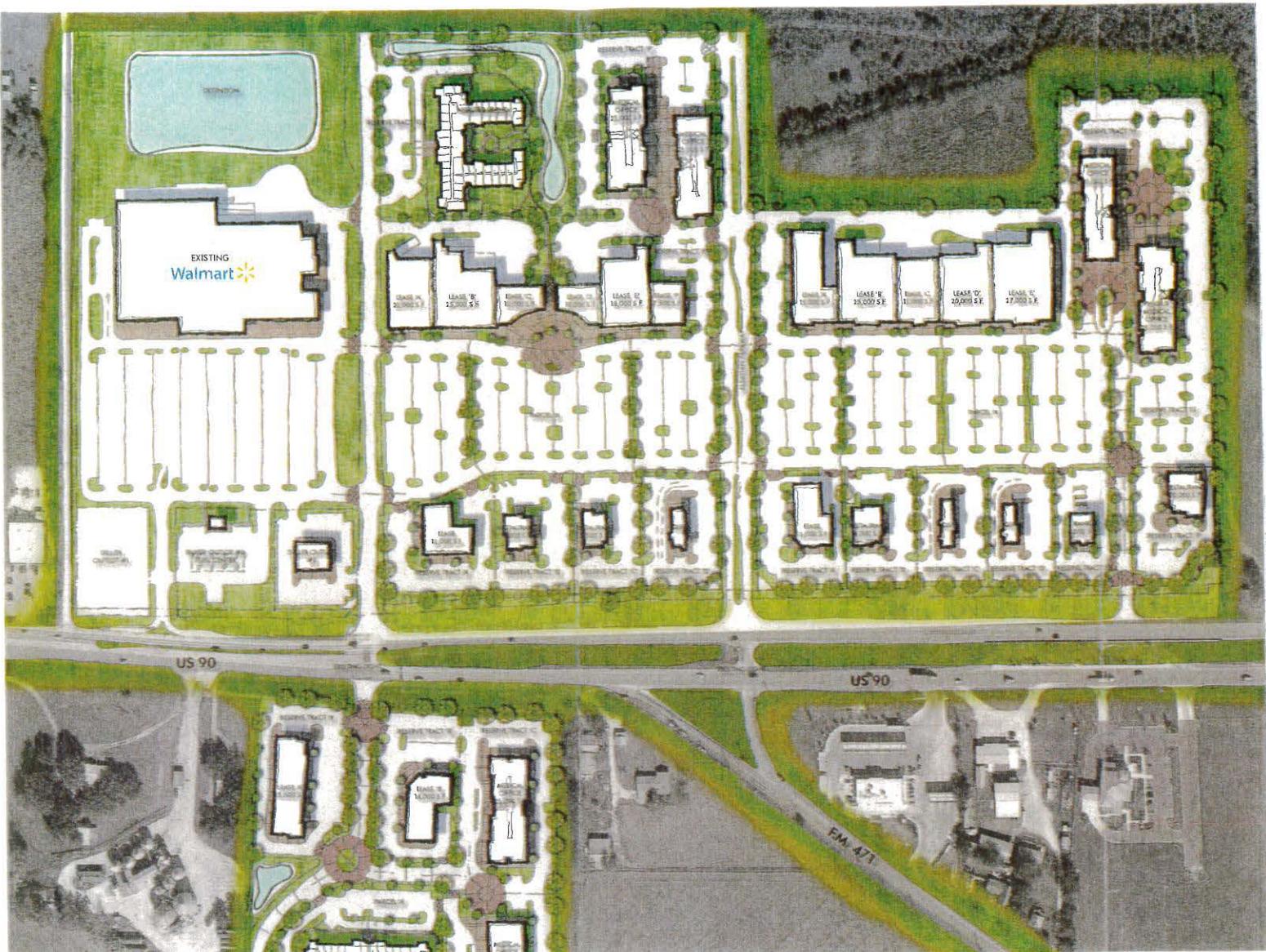
Exhibit C
COMMERCIAL AREA SITE PLAN, ELEVATION RENDERINGS, AND DESIGN
CRITERIA

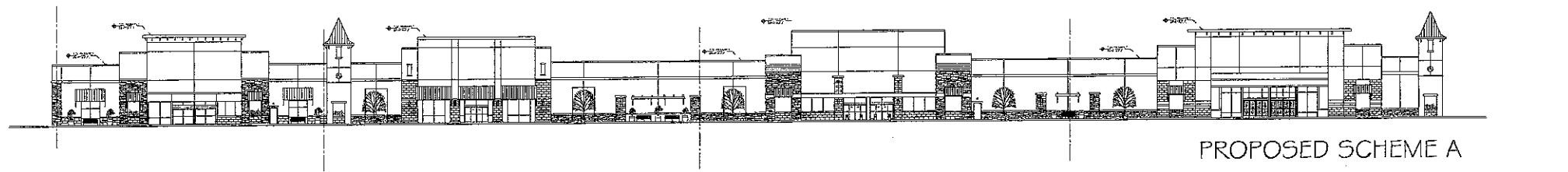
Commercial Areas of the Project shall be developed generally in accordance with the Design Criteria, modified (as applicable) by the site plan and elevation renderings (compliance with which in connection with Commercial Area development shall be determined to be compliant with the applicable provisions of the Design Criteria) attached to the Development Agreement as this Exhibit C (respectively, the "Site Plan" and the "Elevation Renderings"). In addition, certain specific requirements of the Design Criteria are addressed below:

1. Chapter 1 – Design Guidelines for Commercial Districts Along U.S. Highway 90
 - a. Mass and Size (Subpart D, Maximum Façade Length). Compliant if consistent with the Site Plan and the Elevation Renderings.
 - b. Building and Roof Form. Compliant if consistent with the Elevation Renderings.
 - c. Building Setbacks. Compliant if consistent with the Site Plan.
 - d. Exterior Design Standards.
 - i. Horizontal Articulation (Subpart B). Compliant if similar to that shown on Elevation Renderings.
 - ii. Vertical Articulation (Subpart C). Compliant if similar to that shown on Elevation Renderings.
 - iii. Entryways (Subpart E). Compliant if similar to that shown on Elevation Renderings.
 - e. Corporate and Franchise Designs. Corporations permitted to use prototypical designs, as permitted with business in the vicinity (such as Walmart, Dollar General, and Tractor Supply).
2. Chapter 2 – Building Materials Design Guidelines
 - a. Building Materials.
 - i. Exterior Walls and Siding (Subpart A). Compliant if similar to that shown on the Elevation Renderings. Store front for "small shop" multi-tenant buildings will be comprised primarily of glass.
 - ii. Permitted Materials for Exterior Walls and Siding (Subpart B). To include brick and EFIS. Concrete also permitted, but to be finished (covered) with a permitted material.

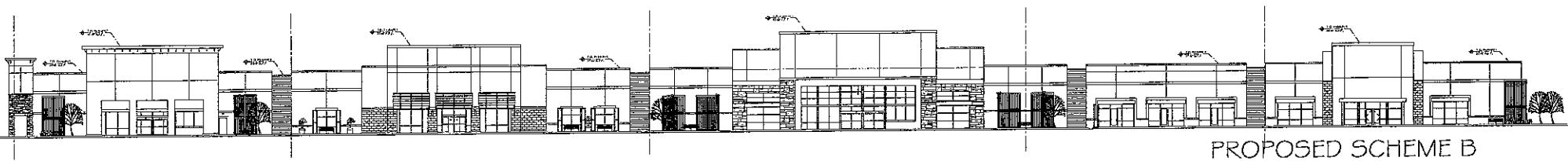
- b. Roof Materials. Allowed use of Built-Up Modified Bitumen and Single-ply Thermoplastic Polyolefin ("TPO") roofing systems.
- 3. Chapter 3 – Landscaping. To equal or exceed landscaping currently employed at adjacent Walmart property. Compliant if similar to that shown on Site Plan.

* * *





PROPOSED SCHEME A



PROPOSED SCHEME B



CDA
Architects

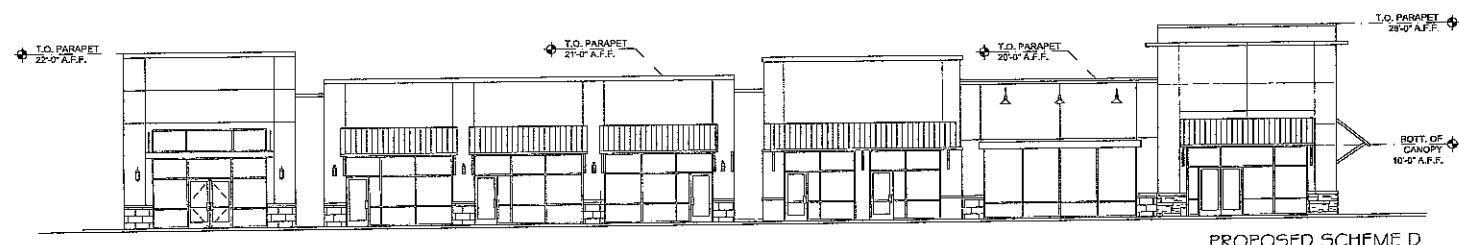
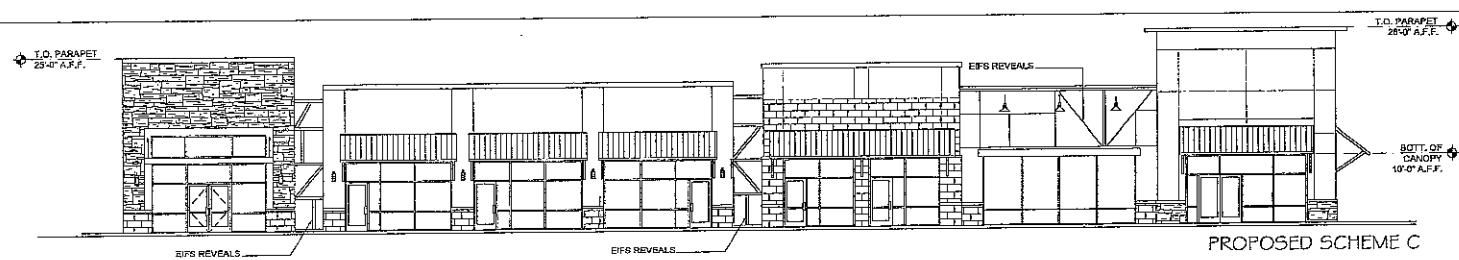
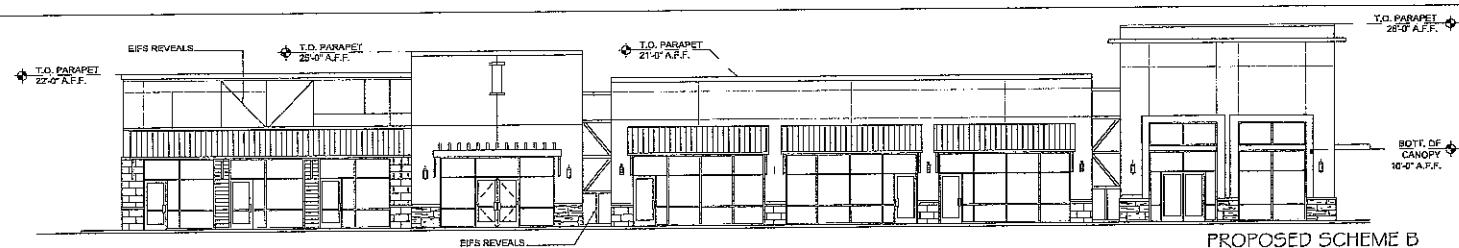
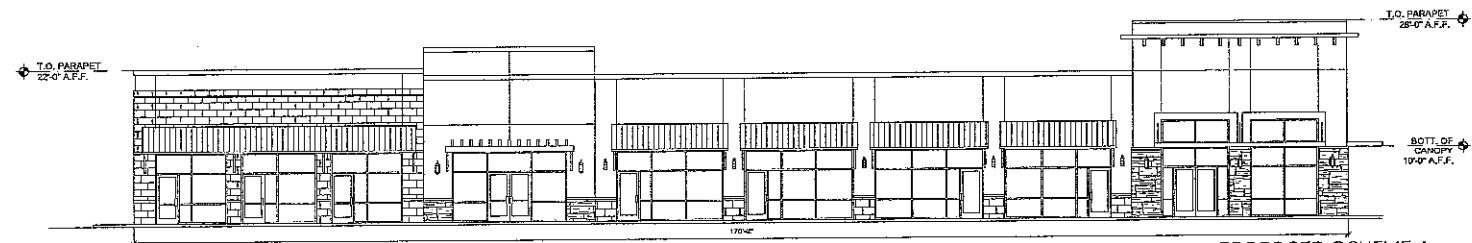
NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION.
Tahim El Hage, AIA Date: 05/14/2015

PROPOSED SCHEMES

ANCHORS LINE UP

ALSATIAN OAKS

CASTROVILLE, TEXAS



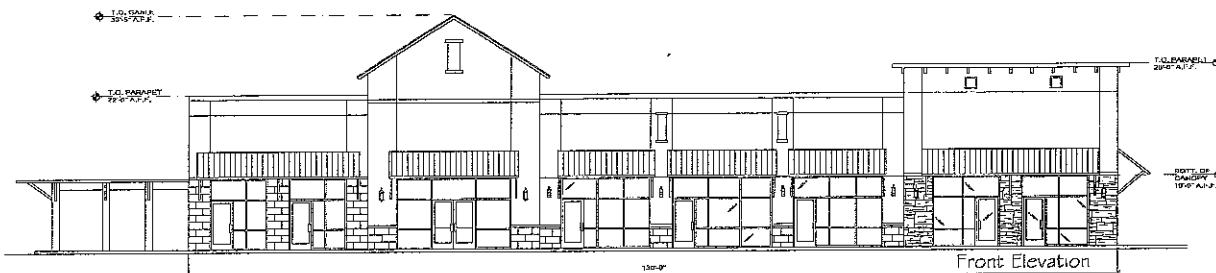
**CDA
Architects**

NOT FOR REGULATORY APPROVAL, PERMITTING, OR CONSTRUCTION.
Tariq El Hage, AIA Date: 02/12/2019

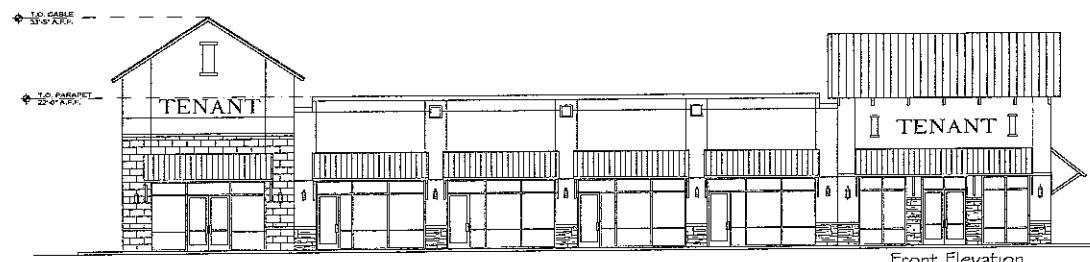
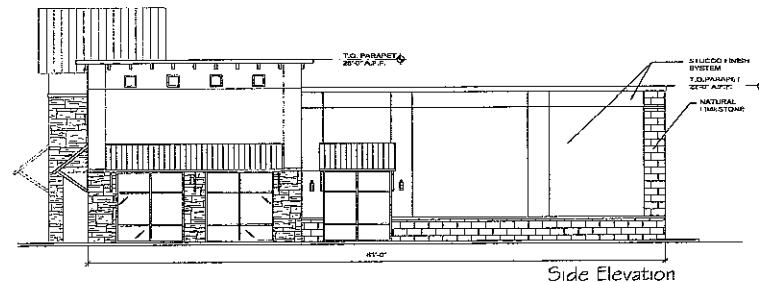
PROPOSED SCHEMES

2

MULTI TENANT RETAIL
ALSATIAN OAKS
CASTROVILLE, TEXAS



PROPOSED SCHEME A



PROPOSED SCHEME B

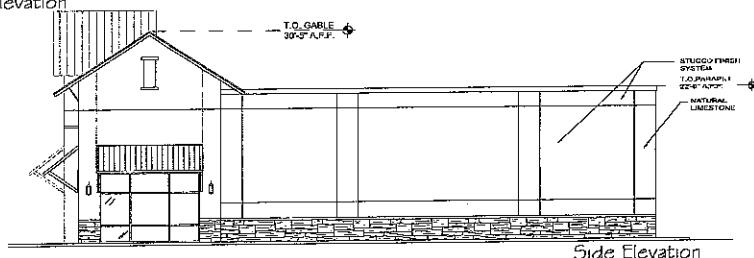


Exhibit D
SCHEDULE OF FINANCING COSTS

Alsatian Oaks

Exhibit D: Schedule of Financing Costs

Financing Costs	Total Ph 1-4	Future Phases	Project Total
Financing Costs	\$8,768,746	\$2,888,128	\$11,656,875

Note:
Assumes a 6.0% interest rate.



4122 Pond Hill Road, Suite 101
San Antonio, Texas 78231
P: (210) 681-2951 F: (210) 523-7112

ALSATION OAKS DEVELOPMENT AGREEMENT

PUBLIC INFRASTRUCTURE AND PUBLIC IMPROVEMENTS

DATE
6/10/2019
PROJECT NO.
02869.070
DRAWN BY
SMR/JRT/RR
CHECKED BY
BMS/JAM
CUDÉ ENGINEERS
TBPE No. 455

EXH E

4 OF 4

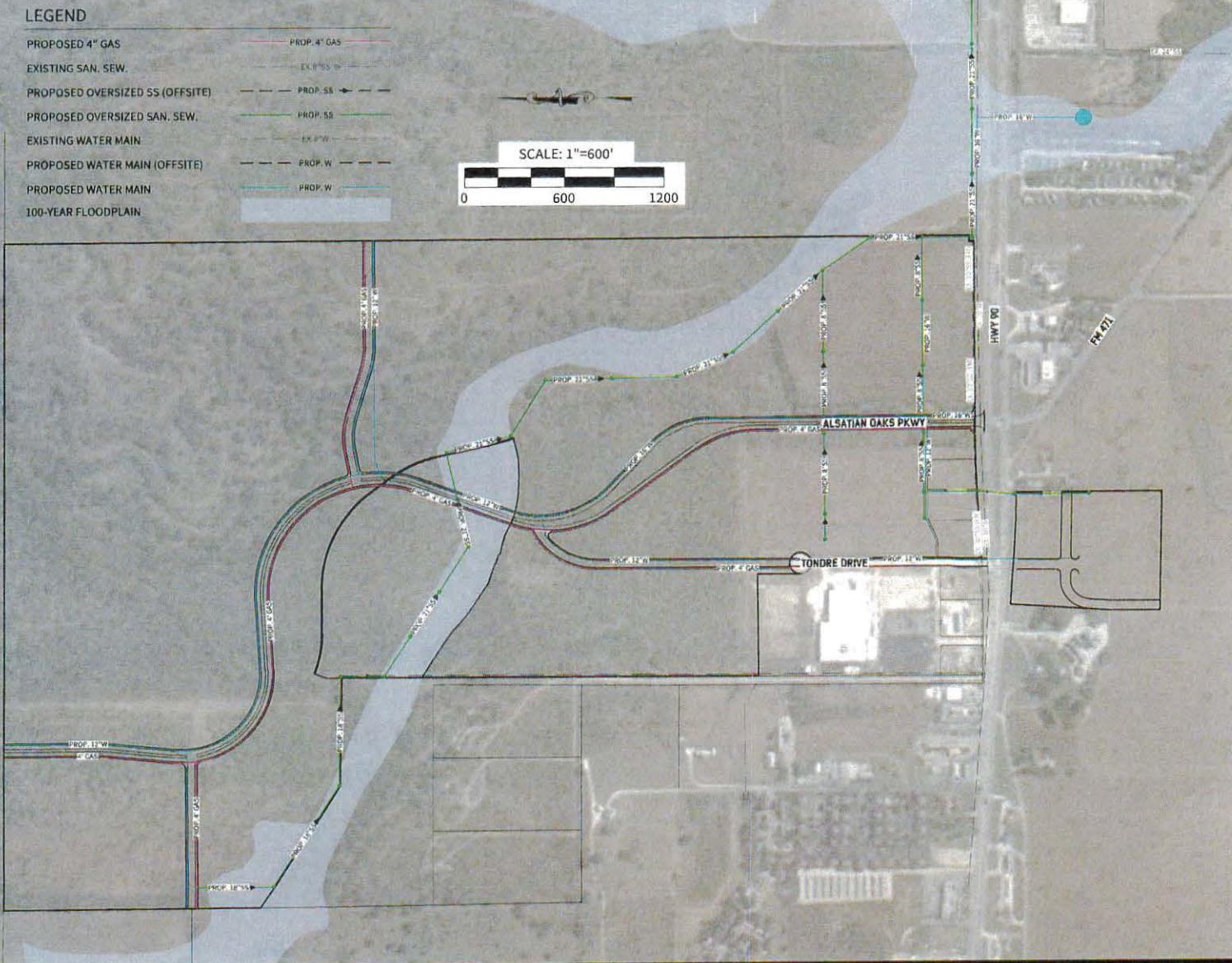
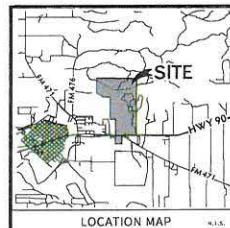


Exhibit F
PLANNED UNIT DEVELOPMENT PLAN

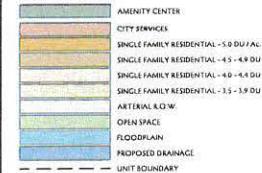


DEVELOPER
HWY 90 CASTROVILLE PARTNERS, LTD.
WILL COLLINS
10101 REUNION PLACE, 5TH FLOOR
SAN ANTONIO, TEXAS 78216

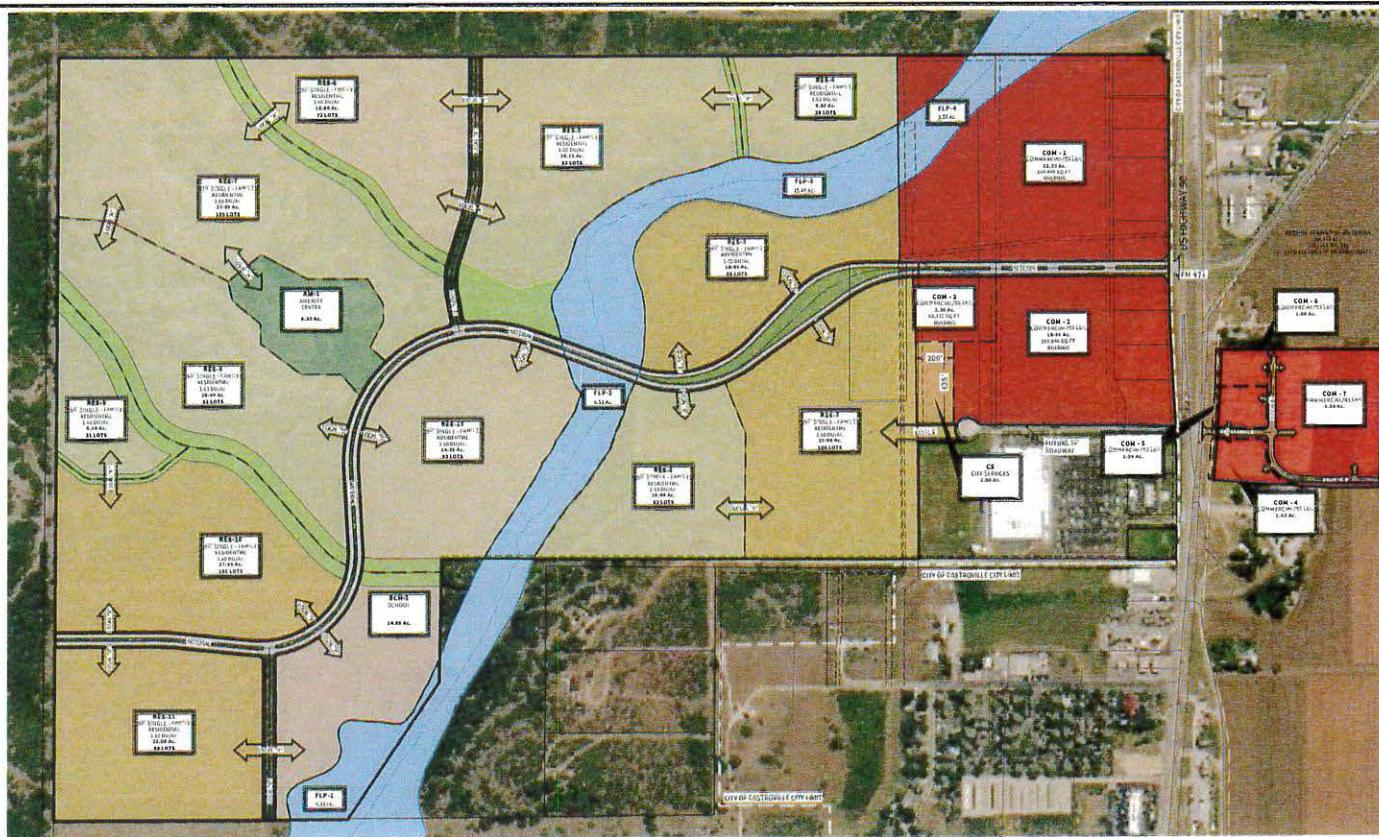
CIVIL ENGINEER/DESIGNER
CUDE ENGINEERS, LLC.
CONTACT PERSON: CHRISTOPHER DICE, P.E.
4122 POND HILL ROAD, STE. 101
SAN ANTONIO, TX 78231
TEL: (210) 681-2951
FAX: (210) 523-7112
WWW.CUDEENGINEERS.COM

NOTES:
1. LOCATION OF EXISTING 100-YEAR FEMA FLOODPLAIN IS BASED ON THE MOST RECENTLY PUBLISHED FIRM PANELS & IS SUBJECT TO CHANGE IN ACCORDANCE WITH A DETAILED FLOODPLAIN ANALYSIS TO BE PERFORMED DURING THE PLATTING STAGE.
2. WATER, SEWER, ELECTRIC, AND GAS SERVICE WILL BE PROVIDED BY THE CITY OF CASTROVILLE.
3. OPEN SPACES SHALL EITHER BE DEDICATED TO THE CITY AS PUBLIC PARK LAND OR BE ASSUMED AS COMMON AREA FOR COMMUNITY OCCUPANTS OF THIS PUD, TO BE OWNED AND MANAGED BY A COMMUNITY ASSOCIATION.

LEGEND



SCALE: 1"=300'
0 300 600



ALSATIAN OAKS MASTER DEVELOPMENT PLAN

MASTER DEVELOPMENT PLAN

DATE
YYYY/MM/DD

PROJECT NO.
02669.60

DRAWN BY
J.C.

CHECKED BY
J.A.M.

REVISIONS

1.
2.
3.
4.
5.
6.
7.
8.

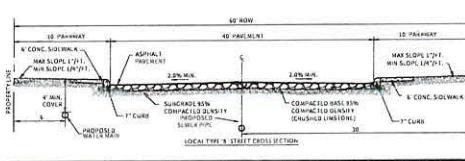
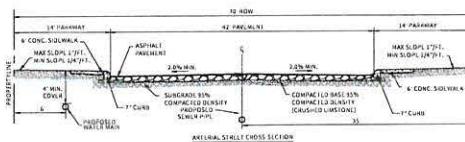
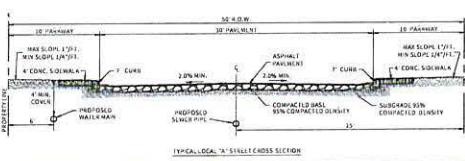
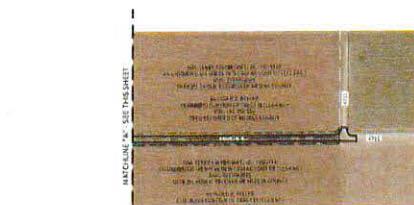
CUDE ENGINEERS
IBP No. 452
IBPLS No. 0045000

PLAT NO.
SAWS JOB NO.

E-1

1 OF 1

DEVELOPMENT SUMMARY						
AREA / PHASE	LAND USE	AREA (AC.)	DENSITY (DU/AC.)	DENSITY (BUILDING SQ. FT.)	UNITS/LOTS	OPEN SPACE REQ. (AC.)
AM-1	AMENITY CENTER	0.30	----	----	----	0.00
COM-1	COMMERCIAL/RETAIL	32.33 ^{**}	4.00 ^{**}	116,900 ^{**}	3,221 ^{**}	0.00
COM-2	COMMERCIAL/RETAIL	19.37 ^{**}	4.00 ^{**}	77,480 ^{**}	2,221 ^{**}	0.00
COM-3	COMMERCIAL/RETAIL	3.30 ^{**}	4.00 ^{**}	12,600 ^{**}	3,233 ^{**}	0.00
COM-4	COMMERCIAL/RETAIL	1.53 ^{**}	4.00 ^{**}	5,720 ^{**}	1,530 ^{**}	0.00
COM-5	COMMERCIAL/RETAIL	1.21 ^{**}	4.00 ^{**}	4,840 ^{**}	1,210 ^{**}	0.00
COM-6	COMMERCIAL/RETAIL	1.08 ^{**}	4.00 ^{**}	4,320 ^{**}	1,080 ^{**}	0.00
COM-7	COMMERCIAL/RETAIL	0.76 ^{**}	4.00 ^{**}	3,040 ^{**}	760 ^{**}	0.00
FLP-1	FLOODPLAIN	4.31 ^{**}	----	----	----	2.16 ^{**}
FLP-2	FLOODPLAIN	6.51 ^{**}	----	----	----	3.26 ^{**}
FLP-3	FLOODPLAIN	15.42 ^{**}	----	----	----	7.71 ^{**}
FLP-4	FLOODPLAIN	3.30 ^{**}	----	----	----	1.65 ^{**}
RES-1	SINGLE FAMILY RESIDENTIAL	18.09 ^{***}	3.63 ^{***}	65 ^{***}	3,40 ^{***}	2.30
RES-2	SINGLE FAMILY RESIDENTIAL	21.06 ^{***}	3.63 ^{***}	706 ^{***}	5,59 ^{***}	3.70
RES-3	SINGLE FAMILY RESIDENTIAL	18.01 ^{***}	3.63 ^{***}	68 ^{***}	3,60 ^{***}	2.41
RES-4	SINGLE FAMILY RESIDENTIAL	9.93 ^{***}	3.63 ^{***}	36 ^{***}	1,38 ^{***}	1.05
RES-5	SINGLE FAMILY RESIDENTIAL	30.74 ^{***}	3.63 ^{***}	92 ^{***}	5,15 ^{***}	4.17
RES-6	SINGLE FAMILY RESIDENTIAL	18.04 ^{***}	3.63 ^{***}	72 ^{***}	3,29 ^{***}	2.57
RES-7	SINGLE FAMILY RESIDENTIAL	37.01 ^{***}	3.00 ^{***}	109 ^{***}	7.01 ^{***}	5.62
RES-8	SINGLE FAMILY RESIDENTIAL	28.49 ^{***}	3.63 ^{***}	92 ^{***}	5,05 ^{***}	3.06
RES-9	SINGLE FAMILY RESIDENTIAL	8.33 ^{***}	3.63 ^{***}	31 ^{***}	1,66 ^{***}	1.11
RES-10	SINGLE FAMILY RESIDENTIAL	17.11 ^{***}	3.63 ^{***}	105 ^{***}	5,99 ^{***}	3.73
RES-11	SINGLE FAMILY RESIDENTIAL	23.08 ^{***}	3.63 ^{***}	68 ^{***}	4,62 ^{***}	3.13
RES-12	SINGLE FAMILY RESIDENTIAL	24.35 ^{***}	3.63 ^{***}	93 ^{***}	6,87 ^{***}	3.30
ROW-1	ARTERIAL RIGHT OF WAY	16.52 ^{**}	----	----	----	----
ROW-2	LOCAL RIGHT OF WAY (EAST)	2.34 ^{**}	----	----	----	----
ROW-3	LOCAL RIGHT OF WAY (WEST)	0.44 ^{**}	----	----	----	----
ROW-4	LOCAL RIGHT OF WAY (SOUTH)	0.75 ^{**}	----	----	----	----
CS	CITY SERVICES	2.00 ^{**}	----	----	----	----
SCH-1	SCHOOL	0.16 ^{**}	----	----	----	----
TOTAL		415.15		721,616	956	60.01
* MINIMUM REQUIREMENT OF 20% OF GROSS SITE AREA FOR NON-RESIDENTIAL ** MINIMUM REQUIREMENT OF 20% OF GROSS SITE AREA FOR LOCAL RIGHT OF WAY *** MINIMUM REQUIREMENT OF 20% OF GROSS SITE AREA FOR RESIDENTIAL						



REPRODUCTION OF THE ORIGINAL SIGNED AND SEALED PLAN AND/OR ELECTRONIC MEDIA MAY HAVE BEEN UNINTENTIONALLY ALTERED. CONTRACTOR IS RESPONSIBLE FOR MAINTAINING THE SCALE OF THE DOCUMENT AND CONTACTING CUDE ENGINEERS TO VERIFY DISCREPANCIES FROM CONSTRUCTION.

Exhibit G
PROJECT DEVELOPMENT SCHEDULE

Alsatian Oaks

Exhibit G: Project Development Schedule

Annual Period	Completion Year	Commercial Square Feet Delivered	Residential Lots Delivered
Year 1	2021	8,750	50
Year 2	2022	7,700	12
Year 3	2023	12,000	60
Year 4	2024	7,000	46
Year 5	2025	3,000	35
Year 6	2026	10,500	33
Year 7	2027	4,500	20
Year 8	2028	10,850	16
Year 9	2029	3,500	50
Year 10	2030	47,000	42
Year 11	2031	84,900	49
Year 12	2032	33,600	23
Year 13	2033	79,550	50
Year 14	2034		55
Year 15	2035	65,180	50
Year 16	2036		42
Year 17	2037		31
Year 18	2038		35
Year 19	2039		35
Year 20	2040		35
Year 21	2041		45
Year 22	2042		43
Year 23	2043		50
Year 24	2044		43
Year 25	2045		
Year 26	2046		
Year 27	2047		
Year 28	2048		
Year 29	2049		
Year 30	2050		
Total Completed		378,030	950

Exhibit H
DEVELOPER'S REIMBURSEMENT REQUEST

THE STATE OF TEXAS
COUNTY OF MEDINA

I, the undersigned, being an authorized representative of HWY 90 Castroville Partners, Ltd. (the "Developer"), in such capacity and in connection with this Developer's Reimbursement Request (this "Request"), made under that certain Development Agreement (the "Agreement"), dated and effective as of _____, 2019, by and among Developer and City of Castroville, Texas, do hereby request reimbursement for the hereinafter-described Developer's Costs actually incurred, which reimbursement shall be in the form of Grants, in the amount of \$_____, and in connection with this Request, I DO HEREBY CERTIFY:

(i) There now exists no default under the Agreement and no event has occurred which, with the giving of notice, passage of time, or otherwise would constitute an event of default under the Agreement.

(ii) The representations and warranties made in the Agreement are true and correct in all material respects as of this date.

(iii) The Developer's Costs that are the subject of this Request represent actual costs incurred by Developer, as evidenced by the invoices, executed releases or waivers of mechanics' and materialmen's liens and receipted bills showing payment of all amounts due to all parties who have furnished materials or services or performed labor of any kind in connection with the Developer's Costs heretofore referenced that are attached hereto and included herewith.

(v) All work in furtherance of Project completion performed to the date hereof has been performed in a good and workmanlike manner in strict conformance with the PUD.

[vi] With respect to Developer's Costs of Public Infrastructure or Public Improvements that are the subject of this request,

(1) There are no liens or encumbrances against the Public Infrastructure or Public Improvements.

(2) Attached herewith are the items described in Section 3.04(b) of the Agreement.]

(vii) No changes to the PUD have been made since its approval by the City Council.

Capitalized terms used herein without definition have the meanings ascribed thereto in the Agreement.

DATED as of this, the _____ day of _____, 20__.

HWY 90 Castroville Partners, Ltd

By: _____

Name: _____

Title: _____

Exhibit I
PETITION FOR ANNEXATION

PETITION FOR ANNEXATION
OF LAND INTO THE CITY OF CASTROVILLE EXTRATERRITORIAL
JURISDICTION

TO THE HONORABLE CITY COUNCIL, CITY OF CASTROVILLE, TEXAS:

I or we, _____, owner(s) of the land described below by metes and bounds and, being contiguous and adjacent land and territory to the present corporate limits of the City of Castroville, Texas, hereby request annexation of the described land into the City of Castroville Extraterritorial Jurisdiction. I (we) understand that the request does not necessarily mean that the land will be annexed into the Extraterritorial Jurisdiction, but that the City will consider the request based upon requests received from other land owners and an evaluation of services to be provided.

Name: _____

Address: _____ City/State/Zip: _____

**{INSERT LEGAL DESCRIPTION AND/OR ATTACH PLAT & METES AND BOUNDS
DESCRIPTION}**

Wherefore, petitioners respectfully request that the hereinabove described land be forthwith incorporated into and become a part of the territory of the municipal corporation of the City of Castroville, Medina County, Texas.

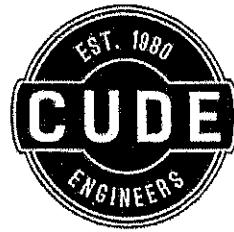
Respectfully Submitted,

Petitioner(s) Signature

STATE OF TEXAS
COUNTY OF MEDINA

BEFORE ME, the undersigned authority, on this day personally appeared _____, who having knowledge of the facts contained herein acknowledged to me that he executed the same for the purposes and consideration therein expressed, on this _____ day of _____, 2019.

Notary Public



LEGAL DESCRIPTION
131.613 ACRES OF LAND

131.613 acres of land located in the L.M. Collard Survey Number 97, Abstract Number 1259, Medina County, Texas and being a portion of that certain 383.723 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2013006833, Official Public Records of Medina County, Texas; said 131.613 acres being more particularly described as follows:

BEGINNING, at a found Cotton Spindle marking the northeasterly corner of the said 383.723 acres and the northwesterly corner of that certain called 154.17 acres of land conveyed to Dickerson Tausch Properties, LLC, as described in Document Number 2018002306, Official Public Records of Medina County, Texas;

THENCE, South 00deg 01' 45" West, along the westerly line of the said 154.17 acres, a distance of 2,878.60, to a point;

THENCE, crossing the said 383.723 acres and along the Extra Territorial Jurisdiction line (ETJ) of the City of Castroville, the following courses:

Northwesterly, along the arc of a curve to the left having a radius of 2,640.00 feet, a central angle of 25deg 00' 13", an arc length of 1,152.09 feet and a chord bearing: N 50deg 48' 37" W, 1,142.97 feet, to a point;

Northwesterly, along the arc of a curve to the left having a radius of 2,640.00 feet, a central angle of 65deg 31' 42", an arc length of 3,019.33 feet and a chord bearing: N 62deg 00' 24" W, 2,857.44 feet, to a point;

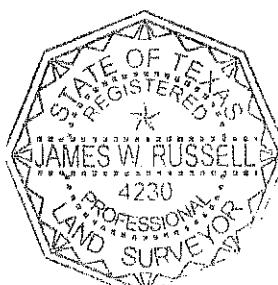
North 89deg 40' 32" West, a distance of 678.20 feet, to a point located in the easterly line of that certain called 140.48 acres of land conveyed to Olan F. Karm, as described in Volume 169, Page 891, Official Public Records of Medina County, Texas;

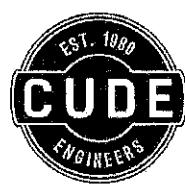
THENCE, North 00deg 03' 52" East, along the easterly line of the said 140.48 acres, a distance of 841.88 feet, to a found 1/2 inch iron rod with "KOCHE" cap located in the southerly line of that certain tract of land conveyed to J2G Properties, Ltd., as described in Document Number 20180010053, Official Public Records of Medina County, Texas;

THENCE, South 89deg 34' 19" East, along the southerly line of the said J2G Properties, Ltd. Land, a distance of 4,087.82 feet, to the **POINT OF BEGINNING** and containing 131.613 acres of land, more or less.

Basis of bearings is the Texas State Plane Coordinate System, South Central Zone (4204), NAD 83 (93).

James W. Russell
Registered Professional Land Surveyor No. 4230
Cude Engineers
4122 Pond Hill Road, Suite 101
San Antonio, Texas 78231
TBPLS Firm No. 10048500
TBPE Firm No. 455





CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
TEL 210.681.2951 • FAX 210.523.7112
WWW.CUDEENGINEERS.COM
TBPE FIRM #455
TBPLS FIRM #10048500

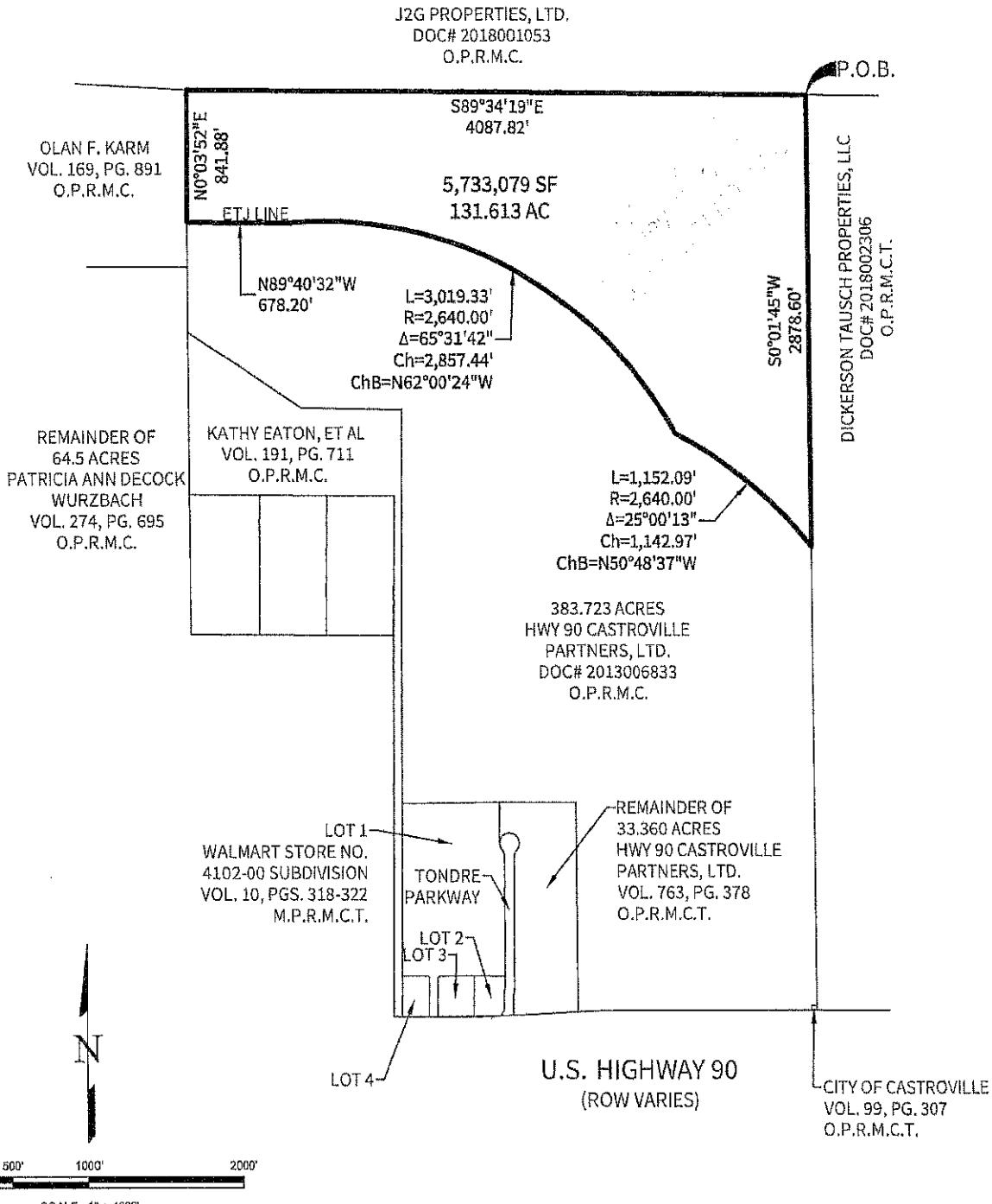


EXHIBIT OF
131.613 ACRES OF LAND LOCATED IN THE L.M. COLLARD SURVEY
NUMBER 97, ABSTRACT NUMBER 1259, MEDINA COUNTY, TEXAS AND
BEING A PORTION OF THAT CERTAIN 383.723 ACRES OF LAND CONVEYED
TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN
DOCUMENT NUMBER 2013006833, OFFICIAL PUBLIC RECORDS OF
MEDINA COUNTY, TEXAS.

DATE: APRIL 1, 2019

JOB NO.: 02869.060

Exhibit J
PETITION FOR ANNEXATION

**PETITION FOR ANNEXATION
OF LAND INTO THE CITY OF CASTROVILLE**

TO THE HONORABLE CITY COUNCIL, CITY OF CASTROVILLE, TEXAS:

I or we, _____, owner(s) of the land described below by metes and bounds and, being contiguous and adjacent land and territory to the present corporate limits of the City of Castroville, Texas, hereby request annexation of the described land into the City of Castroville. I (we) understand that the request does not necessarily mean that the land will be annexed, but that the City will consider the request based upon requests received from other land owners and an evaluation of services to be provided.

Name: _____

Address: _____

City/State/Zip: _____

***{INSERT LEGAL DESCRIPTION AND/OR ATTACH PLAT & METES AND BOUNDS
DESCRIPTION}***

Wherefore, petitioners respectfully request that the hereinabove described land be forthwith incorporated into and become a part of the territory of the municipal corporation of the City of Castroville, Medina County, Texas.

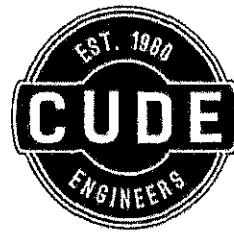
Respectfully Submitted,

Petitioner(s) Signature

STATE OF TEXAS
COUNTY OF MEDINA

BEFORE ME, the undersigned authority, on this day personally appeared _____, who having knowledge of the facts contained herein acknowledged to me that he executed the same for the purposes and consideration therein expressed, on this _____ day of _____, 2019.

Notary Public



**LEGAL DESCRIPTION
269.407 ACRES OF LAND**

269.407 acres of land located in the L.M. Collard Survey Number 97, Abstract Number 1259, Medina County, Texas and being comprised of that certain 383.723 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2013006833, Official Public Records of Medina County, Texas; that certain 2.00 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2013006835, Official Public Records of Medina County, Texas; that certain 2.00 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2013006836, Official Public Records of Medina County, Texas and a portion of that certain 33.360 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Volume 763, Page 378, Official Public Records of Medina County, Texas; said 269.407 acres being more particularly described as follows:

BEGINNING, at a found 5/8 inch iron rod with "ROTHE" cap located in the northerly right of way line of U.S. Highway 90 (US 90) and marking the southeasterly corner of an unnamed right of way (now referred to as Tondre Parkway) as shown on the plat of Walmart Store No. 4102-00, as recorded in Volume 10, Pages 318-322, Map and Plat Records of Medina County, Texas;

THENCE, along the easterly and northerly right of way lines of said Tondre Parkway, the following courses:

North 00deg 19' 45" East, a distance of 120.96 feet, to a found 5/8 inch iron rod;
North 05deg 05' 34" East, a distance of 60.21 feet, to a found 5/8 inch iron rod with "TERRA" cap;
North 00deg 19' 45" East, a distance of 838.11 feet, to a set 1/2 inch iron rod with "CUDE" cap;
Northeasterly, along the arc of a curve to the right having a radius of 30.00 feet, a central angle of 50deg 40' 49", an arc length of 26.54 feet and a chord bearing: N 25deg 47' 06" E, 25.68 feet, to a set 1/2 inch iron rod with "CUDE" cap;
Westerly, along the arc of a curve to the left having a radius of 65.00 feet, a central angle of 230deg 51' 40", an arc length of 261.90 feet and a chord bearing: N 64deg 15' 40" W, 117.40 feet, to a found 5/8 inch iron rod with "TERRA" cap located in the easterly line of Lot 1 of said Walmart Store No. 4102-00 subdivision;

THENCE, along the easterly and northerly lines of said Lot 1, the following courses:

North 00deg 18' 27" East, a distance of 258.88 feet, to a found 5/8 inch iron rod with "TERRA" cap;
South 89deg 42' 21" West, a distance of 630.52 feet, to a found 5/8 inch iron rod with "ROTHE" cap; said rod being located in the easterly line of that certain called 25.7512 acres of land conveyed to Kathy Eaton, et al, as described in Volume 191, Page 711, Official Public Records of Medina County, Texas;

THENCE, along the easterly and northerly lines of the said 25.7512 acres, the following courses:

North 00deg 20' 52" East, a distance of 2,513.10 feet, to a found P.K. Nail;
North 88deg 58' 15" West, a distance of 660.43 feet, to a found P.K. Nail;
North 56deg 59' 23" West, a distance of 883.43 feet, to a found 5/8 inch iron rod located in the easterly line of the remainder of a called 64.5 acres of land conveyed to Patricia Ann DeCock Wurzbach, as described in Volume 274, Page 695, Official Public Records of Medina County, Texas

THENCE, North 00deg 03' 52" East, along the easterly line of the said remainder of the 64.5 acres and the easterly line of that certain called 140.48 acres of land conveyed to Olan F. Karm, as described in Volume 169, Page 891, Official Public Records of Medina County, Texas, a distance of 700.83 feet, to a point;

THENCE, crossing the said 383.723 acres and along the Extra Territorial Jurisdiction line (ETJ) of the City of Castroville, the following courses:

South 89deg 40' 32" East, a distance of 678.20 feet, to a point;
 Southeasterly, along the arc of a curve to the right having a radius of 2,640.00 feet, a central angle of 65deg 31' 42", an arc length of 3,019.33 feet and a chord bearing: S 62deg 00' 24" E, 2,857.44 feet, to a point;
 Southeasterly, along the arc of a curve to the right having a radius of 2,640.00 feet, a central angle of 25deg 00' 13", an arc length of 1,152.09 feet and a chord bearing: S 50deg 48' 37" E, 1,142.97 feet, to a point located in the westerly line of that certain called 154.17 acres of land conveyed to Dickerson Tausch Properties, LLC, as described in Document Number 2018002306, Official Public Records of Medina County, Texas;

THENCE, South 00deg 01' 45" West, along the westerly line of the said 154.17 acres, a distance of 2,926.98 feet, to a found 5/8 inch iron rod with "ROTHE" cap marking the northeasterly corner of that certain called 0.02 acres of land conveyed to the City of Castroville, as described in Volume 99, Page 307, Official Public Records of Medina County, Texas;

THENCE, along the northerly and westerly lines of the said 0.02 acres, the following courses:

South 89deg 54' 24" West, a distance of 34.00 feet, to a set 1/2 inch iron rod with "CUDE" cap;
 South 00deg 01' 45" West, a distance of 26.69 feet, to a set 1/2 inch iron rod with "CUDE" cap located in the northerly right of way line of said US 90;

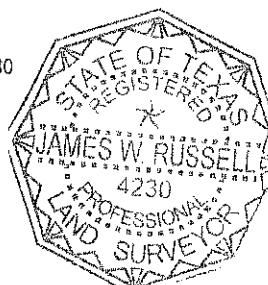
THENCE, along the northerly right of way line of said US 90, the following courses:

South 89deg 54' 08" West, a distance of 1,217.36 feet, to a set 1/2 inch iron rod with "CUDE" cap;
 Westerly, along the arc of a curve to the left having a radius of 5,804.58 feet, a central angle of 03deg 06' 35", an arc length of 315.04 feet and a chord bearing: S 88deg 21' 05" W, 315.00 feet, to a found 5/8 inch iron rod;
 South 86deg 47' 08" West, a distance of 422.17 feet, to the **POINT OF BEGINNING** and containing 269.407 acres of land, more or less.

Basis of bearings is the Texas State Plane Coordinate System, South Central Zone (4204), NAD 83 (93).

James W. Russell 4/21/19

James W. Russell
 Registered Professional Land Surveyor No. 4230
 Cude Engineers
 4122 Pond Hill Road, Suite 101
 San Antonio, Texas 78231
 TBPLS Firm No. 10048500
 TBPE Firm No. 455



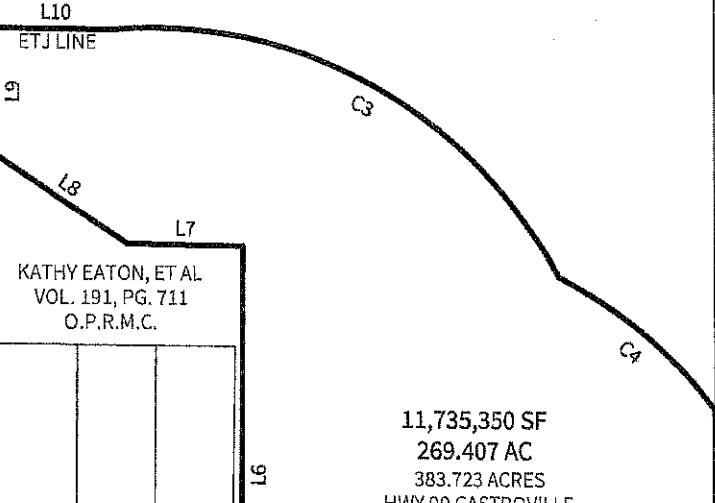
J2G PROPERTIES, LTD.
DOC# 2018001053
O.P.R.M.C.

OLAN F. KARM
VOL. 169, PG. 891
O.P.R.M.C.

REMAINDER OF
64.5 ACRES
PATRICIA ANN DECOCK
WURZBACH
VOL. 274, PG. 695
O.P.R.M.C.

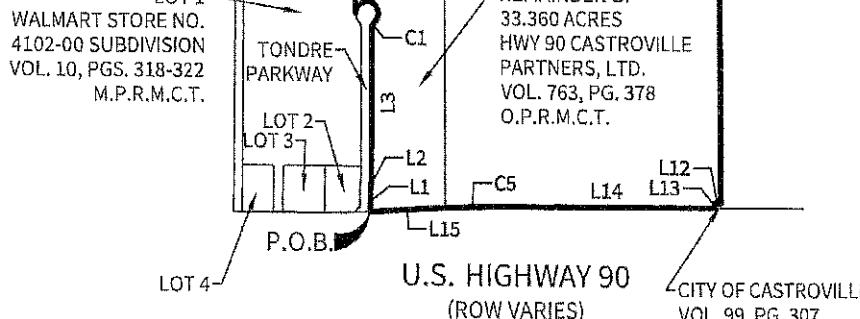
0 500' 1000' 2000'
SCALE: 1" = 1000'

N

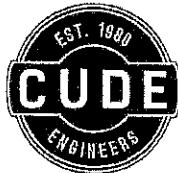


DICKERSON TAUSCH PROPERTIES, LLC
DOC# 2018002306
O.P.R.M.C.T.

LINE TABLE		
LINE NO.	BEARING	DISTANCE
L1	N00°19'45"E	120.96'
L2	N05°05'34"E	60.21'
L3	N00°19'45"E	838.11'
L4	N00°18'27"E	258.88'
L5	S89°42'21"W	630.52'
L6	N00°20'52"E	2513.10'
L7	N88°58'15"W	660.43'
L8	N56°59'23"W	883.43'
L9	N00°03'52"E	700.83'
L10	S89°40'32"E	678.20'
L11	S00°01'45"W	2926.98'
L12	S89°54'24"W	34.00'
L13	S00°01'45"W	26.69'
L14	S89°54'08"W	1217.36'
L15	S86°47'08"W	422.17'

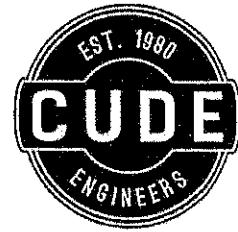


CURVE TABLE					
CURVE NO.	DELTA	ARC LENGTH	RADIUS	CHORD BEARING	CHORD DIST.
C1	050°40'49"	26.54'	30.00'	N25°47'06"E	25.68'
C2	230°51'40"	261.90'	65.00'	N64°15'40"W	117.40'
C3	065°31'42"	3019.33'	2640.00'	S62°00'24"E	2857.44'
C4	025°00'13"	1152.09'	2640.00'	S50°48'37"E	1142.97'
C5	003°06'35"	315.04'	5804.58'	S88°21'05"W	315.00'



CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
TEL 210.681.2951 • FAX 210.523.7112
WWW.CUDEENGINEERS.COM
TBPE FIRM #455
TBPLS FIRM #10048500

269.407 ACRES OF LAND LOCATED IN THE L.M. COLLARD SURVEY NUMBER 97, ABSTRACT NUMBER 1259, MEDINA COUNTY, TEXAS AND BEING COMPRISED OF THAT CERTAIN 383.723 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2013006833, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS; THAT CERTAIN 2.00 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2013006835, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS; THAT CERTAIN 2.00 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2013006836, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS AND A PORTION OF THAT CERTAIN 33.360 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN VOLUME 763, PAGE 378, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS.
DATE: APRIL 1, 2019
JOB NO.: 02869.060



Page 1 of 1

LEGAL DESCRIPTION
14.131 ACRES OF LAND

A 14.131 acre tract of land located in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, and being all of that certain 13.470 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2015003983, Official Public Records of Medina, County, Texas and all of that certain 0.660 acres of land conveyed to HWY 90 Castroville Partners, Ltd., as described in Document Number 2015003984, Official Public Records of Medina, County, Texas said 14.131 acre tract being more particularly described as follows:

BEGINNING, at a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454" located on the southerly right-of-way line of U.S. Highway 90, a varying width right-of-way, marking the northeasterly corner of said 13.470 acre tract and the northwesterly corner of a called 45.172 acre tract, conveyed to Marshel Persyn and wife, Joy Persyn, recorded in Volume 163, Page 281, Deed Records of Medina County, Texas,

THENCE, South 00deg 06' 32" West, along the easterly line of said 13.470 acre tract and the westerly line of said 45.172 acre tract, a distance of 848.42 feet to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE";

THENCE, North 88deg 47' 39" West, along the southerly line of the said 13.470 acres, a distance of a distance of 732.96 feet to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE";

THENCE, along the westerly line of the said 13.470 acres and the westerly line of the said 0.660 acres, the following courses:

North 00deg 06' 32" East, at a distance of 143.09 feet, passing a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE marking the southwesterly corner of the said 0.660 acres, a total distance of 256.02 feet, found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454";

North 04deg 00' 22" East, a distance of 617.46 feet, to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454" located on the southerly right-of-way line of U.S. Highway 90;

THENCE, along the southerly right-of-way line of U.S. Highway 90 the following courses:

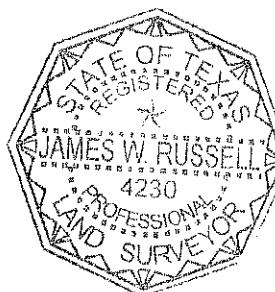
South 85deg 44' 39" East, at a distance of 40.00 feet passing a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "MW CUDE, a total distance of 335.24 feet to a found $\frac{1}{2}$ " iron rod with red plastic cap stamped "CAREY 4454";

Easterly, along the arc of a curve to the left having a radius of 5,809.58 feet, a central angle of 03deg 31' 08", an arc length of 356.80 feet and a chord bearing: S 87deg 44' 03" E, 356.75 feet, to the **POINT OF BEGINNING** and containing 14.131 acres of land, more or less

Note: Basis of Bearings is the Texas State Plane Coordinate System, South Central Zone (4204), NAD 83 (93).

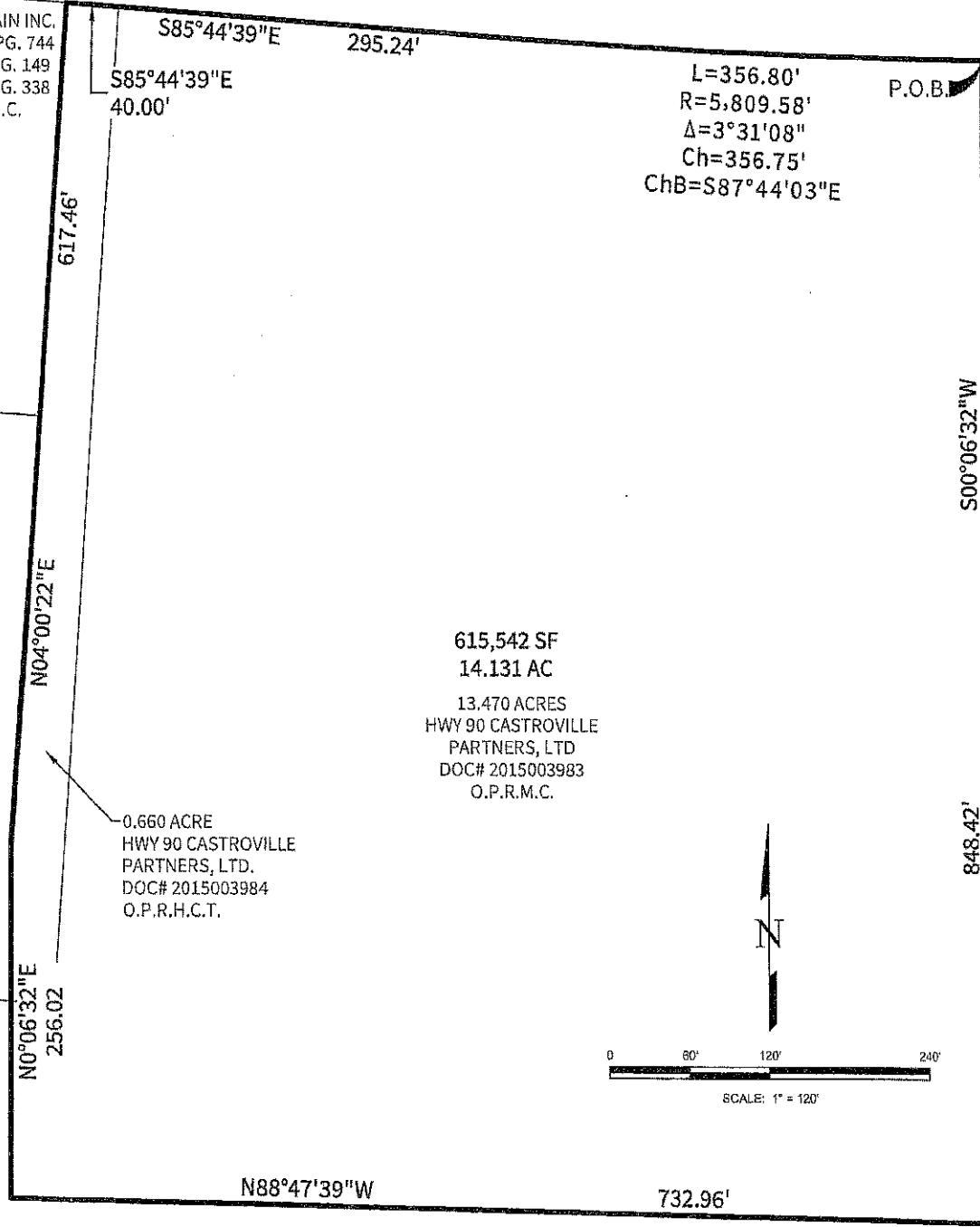
James W. Russell 4/2/19

James W. Russell
Registered Professional Land Surveyor No. 4230
Cude Engineers
4122 Pond Hill Road, Suite 101
San Antonio, Texas 78231
TBPLS Firm No. 10048500
TBPE Firm No. 455
Job No. 02869.006

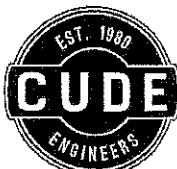


U.S. HIGHWAY 90
(ROW VARIES)

KELLER GRAIN INC.
VOL. 298, PG. 744
VOL. 273, PG. 149
VOL. 397, PG. 338
O.P.R.M.C.



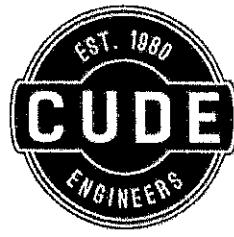
MARSHEL & JOY PERSYN
VOL. 163, PG. 281
D.R.M.C.T.



CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
TEL 210.681.2951 • FAX 210.523.7112
WWW.CUDEENGINEERS.COM
TBPE FIRM #455
TBPLS FIRM #10048500

EXHIBIT OF

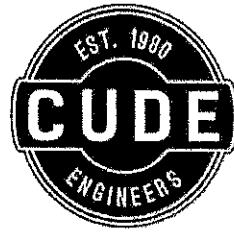
A 14.131 ACRE TRACT OF LAND LOCATED IN THE L. M. COLLARD SURVEY NO. 97, ABSTRACT NO. 1259, MEDINA COUNTY, TEXAS, AND BEING ALL OF THAT CERTAIN 13.470 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2015003983, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS AND ALL OF THAT CERTAIN 0.660 ACRES OF LAND CONVEYED TO HWY 90 CASTROVILLE PARTNERS, LTD., AS DESCRIBED IN DOCUMENT NUMBER 2015003984, OFFICIAL PUBLIC RECORDS OF MEDINA COUNTY, TEXAS.
DATE: APRIL 1, 2019
JOB NO.: 02869.060



Page 1 of 1

LEGAL DESCRIPTION
LOT 2
WALMART STORE NO. 4102-00

1.148 acres of land located in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, and being all of Lot 2, Walmart Store No. 4102-00 subdivision, according to the map or plat thereof recorded in Volume 10, Pages 318-322, Map and Plat Records of Medina County, Texas.



Page 1 of 1

LEGAL DESCRIPTION
LOT 4
WALMART STORE NO. 4102-00

1.018 acres of land located in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, and being all of Lot 4, Walmart Store No. 4102-00 subdivision, according to the map or plat thereof recorded in Volume 10, Pages 318-322, Map and Plat Records of Medina County, Texas.

KATHY EATON, ET AL
VOL. 191, PG. 711
O.P.R.M.C.

44,327 SF
1.018 AC

LOT 4
WALMART STORE NO.
4102-00 SUBDIVISION
VOL. 10, PGS. 318-322
M.P.R.M.C.T.

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TBPLS FIRM #10048500

0 20' 40' 80'
SCALE: 1" = 40'

EXHIBIT OF

1.018 ACRES OF LAND LOCATED IN THE L. M. COLLARD SURVEY NO. 97,
ABSTRACT NO. 1259, MEDINA COUNTY, TEXAS, AND BEING ALL OF LOT 4,
WALMART STORE NO. 4102-00 SUBDIVISION, ACCORDING TO THE MAP
OR PLAT THEREOF RECORDED IN VOLUME 10, PAGES 318-322, MAP AND
PLAT RECORDS OF MEDINA COUNTY, TEXAS.

DATE: APRIL 1, 2019

JOB NO.: 02869.060