

STATE OF TEXAS
COUNTY OF BEXAR

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ECONOMIC DEVELOPMENT
GRANT AGREEMENT OF THE
CITY OF SAN ANTONIO

This Economic Development Grant Agreement (hereinafter referred to as this "Agreement") is made and entered into on this ____ day of _____ 2024 ("Effective Date") by and between the City of San Antonio, a municipal corporation of the State of Texas (hereinafter referred to as "Grantor"), acting by and through its City Manager or his designee, and JCB Texas, LLC, a Delaware limited liability company (hereinafter referred to as "Grantee"). In this Agreement, Grantor and Grantee may together be referred to as the "Parties".

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, Grantor is authorized to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, in accordance with City Ordinance No. 100684, Grantor created an economic development program to make such grants available; and

WHEREAS, Grantee is a wholly-owned subsidiary of the world's largest privately-owned manufacturer of construction, agricultural, and industrial equipment headquartered in Savannah, Georgia, manufacturing more than 300 products for customers in 150 countries; and

WHEREAS, Grantee is engaged in an economic development project (the "Project") that will consist of expanding its North American manufacturing footprint where it will create 1,580 new full-time jobs with one hundred percent (100%) of those jobs earning a base wage of at least \$20.54 per hour (the "Median Wage"); and

WHEREAS, Grantee has identified real property located at 13610 State Highway 16 S., San Antonio, Texas, legally described in Exhibit A, attached hereto and incorporated herein (the "Project Site") to undertake the Project; and

WHEREAS, once completed, the Project will achieve the intent and purpose of Chapter 380 by promoting local economic development and stimulating business and commercial activity in the City of San Antonio; and

WHEREAS, as an incentive to undertake and complete the Project at the Project Site, Grantee is seeking an economic development grant from Grantor to defray costs associated with the Project; and

WHEREAS, Grantee's Project meets Tier 6 eligibility through required minimum capital investment (\$265,700,000.00) and required minimum number of jobs created (1,580). Furthermore, the Project qualifies as a target industry, specifically, Mobility-Advanced Manufacturing, and is in a census tract with a score of at least 7 in the City of San Antonio Equity Atlas; and

WHEREAS, Grantor, to induce Grantee, its successors and assigns to undertake and complete the Project has identified lawfully available funds to provide a grant to Grantee for use in undertaking and successfully

completing the Project at the Project Site in accordance with the terms and conditions of this Agreement; and

WHEREAS, the City Council of Grantor has authorized the Grantor's City Manager or his designee to enter into this Agreement with Grantee in accordance with City Ordinance No. 2024-04-04-_____, passed and approved on the ____ day of April, 2024, to grant funds to support the Project.

NOW THEREFORE, the Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

SECTION 1. AGREEMENT PURPOSE

The Project is anticipated to promote local economic development and to stimulate business and commercial activity in the City of San Antonio in accordance with the purpose of Chapter 380 of the Texas Local Government Code. Grantor is supporting the Project through lawfully available funds which shall be used by Grantee to defray costs of undertaking and completing the Project. The economic incentive being offered by Grantor to Grantee is in furtherance of promoting investment and job creation in the City of San Antonio.

SECTION 2. TERM

The term of this Agreement shall commence on the Effective Date and continue thereafter until the earlier of (1) June 1, 2029, or (2) upon Grantee satisfying the (i) capital investment requirements under Section 3(B) and (ii) the job creation requirements under Section 3(C), unless sooner terminated in accordance with the provisions this Agreement (the "Term").

SECTION 3. PROJECT REQUIREMENTS

In addition to the obligations and duties that may be imposed on Grantee by other agreements it may have entered into with the City of San Antonio as they may relate to the Project, in order to be in compliance with the terms of this Agreement and to receive the economic development incentive provided for hereunder, Grantee must satisfy the following requirements:

- A. **Project Site.** Grantee, its successors and assigns, shall own or hold an interest in (fee simple or leasehold) the Project Site for the Term of this Agreement.

- B. **Investment.** Grantee shall invest, or cause to be invested, at least TWO HUNDRED SIXTY-FIVE MILLION SEVEN HUNDRED THOUSAND DOLLARS AND NO CENTS (\$265,700,000.00) ("Required Capital Investment") in real and personal property improvements ("Property Improvements") at the Project Site prior to December 31, 2028. Grantee shall provide evidence of investment by establishing a separate tax account for the Project Site prior to the commencement of construction with the Bexar County Tax Appraisal District for the real property improvements made at the Project Site and a separate tax account for the personal property improvements made at the Project Site. Grantee shall provide (the tax account numbers and related entity information to Grantor. Such accounts shall be monitored by Grantor as evidence of Grantees investment in the Property.

C. Job Requirements. Grantee agrees to the following:

1. Definitions

A New Full-Time Employee is defined as a person who is hired, or relocated, by JCB and Related Organizations on a permanent basis (approximately 2,080 hours per calendar year), after execution of this Agreement in a "New Full-Time Job" associated with the Project Site.

A New Full-Time Job is a position created by JCB and Related Organizations after the execution of this Agreement that is dependent upon the Project. These jobs must not simply relocate current employees from within the San Antonio Metropolitan Statistical Area. A permanently contracted job will not be considered a New Full-Time Job.

A "Full-Time Job" is defined as the performance by one individual associated with the Project Site on a permanent basis, approximately 2,080 hours per calendar year, excluding shift differential work and overtime.

2. Full-Time Jobs. Under the terms of this Agreement, Grantee shall create and maintain a cumulative of ONE THOUSAND FIVE HUNDRED EIGHTY (1,580) New Full-Time Jobs ("Full-Time Job Requirement") at the Project Site by December 31, 2028.
3. Wages. One hundred percent (100%) of New Full-Time Employees at the Project Site shall be paid at least \$20.54 per hour (80% of the Median Wage under the City's adopted 2023 Chapter 380 Policy) for the Term of the Agreement.
4. Benefits. Grantee covenants and agrees that it shall offer workers' compensation coverage, as well as a Health Benefits Package to all full-time persons employed at the Project Site and their eligible dependents. The Parties acknowledge and agree that the intended benefits package may change from time to time in accordance with the applicable benefits market and any applicable changes in law. A current copy of Grantee's benefits package shall be maintained on-site and shall be made available to the City's Director of Economic Development Department or designee for review during each semi-annual certification period.
5. Employment Law. Grantee covenants and agrees that it shall comply with all applicable federal, state, and local laws governing the employment relationship between employers and employees, with respect to its employees at the Project Site.

D. Construction Law. Any construction Grantee performs or causes to be performed on the Project Site shall be in accordance with all applicable federal, state, and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended.

E. No Delinquent Taxes. Grantee, its successors and assigns, shall not allow its ad valorem taxes on the land, real and personal property or inventory and supplies (the "Taxes") within the Project Site to become delinquent. Grantee shall not receive any EDIF Funds (as defined below) so long as any Taxes remain delinquent and unpaid.

- F. Good Repair. Grantee covenants and agrees that it shall maintain the Project Site and any constructed improvements in good repair and condition during the Term of this Agreement, normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of Grantee excepted. Provided that the Property and Facilities comply with the requirements of applicable law, compliance with the maintenance obligations imposed herein shall be presumed if Grantee follows its normal and customary maintenance procedures and schedules.
- G. Prevailing Wage. Grantee agrees to provide salaries to all employees, including contract employees and employees hired by contractors for construction of Project facilities related to this Agreement for monitoring of the general prevailing wage rate. Grantee will be required to submit quarterly reports and shall be on the form set forth in, or substantially similar to the form set forth in, Exhibit C attached hereto and incorporated herein.
- H. Business Activities. Grantee, its successors and assigns, shall occupy and use the Project Site for its business activities, which are defined for the purposes of this Agreement as the manufacture, assembly, production, and distribution of heavy equipment ("Business Activities") at the Project Site for the Term of this Agreement, except to the extent said Project Site may be rendered unsuitable for such use due to a Force Majeure Event, as defined in Section 23 this Agreement. Grantee shall establish the Project at the Project Site and conduct its Business Activities at the Project Site commencing on or before January 1, 2029, and throughout the Term of this Agreement.
1. Assignment. Without additional consent or approval by the City Council, a parent, subsidiary or affiliate organization of Grantee or new entity created as a result of a merger, acquisition, joint venture, and or other corporate restructure or reorganization of Grantee, or any component thereof, including without limitation, JCB, Inc. and JCB Manufacturing Inc. (hereinafter, a "Related Organization") or a successor or assigns of Grantee may occupy and use the Project Site for such Related Organization's normal business activities, so long as such business activities are the same as the Business Activities defined in this Agreement and such Related Organization has agreed to be bound by the obligations of this Agreement by written agreement with Grantee.
 2. Changes of Use. Except as authorized above, Grantee covenants and agrees not to change the overall Business Activities of the Project Site without prior approval by the City Council, as evidenced in a duly approved ordinance. Any change shall be deemed a material default of this Agreement and may result in a loss or recapture of the economic development grant provided to Grantee under this Agreement. Notwithstanding, Grantee may make non-substantial changes to locations and functions of buildings depicted on Exhibit A, so long as such changes do not result in a material deviation from the description of the Project Site without the prior approval of Grantor.
 3. Sale, Lease, Transfer. Grantee shall not assign, transfer or lease the Project Site during the Term without prior written permission of Grantor. Approval of the assignment or lease shall be promptly considered by the Grantor and shall not be unreasonably withheld, denied, delayed, or conditioned.
 4. Relocation/Cessation of Business Activities. If Grantee shall occupy and use the Project Site for its Business Activities and subsequently relocates or ceases conducting Business Activities at the Project Site for a continuous period of three (3) months during the Term of this Agreement for

any reason, except if such cessation is caused by a Force Majeure Event, then the Grantor shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the relocation or cessation occurred. Unless Grantee presents credible evidence to clearly indicate a date of cessation, Grantor's determination of a date of relocation or date of cessation shall be final and conclusive. Upon termination, the Grantor shall have the right to recapture from Grantee all EDIF Funds previously disbursed to Grantee. For purposes of this section, "Relocation," "Relocated," or "Relocate" shall mean Grantee or a Related Organization, or any other permitted transferee of Grantee's rights under this Agreement which has taken the place of Grantee, transferring all Business Activities from the Project Site to a location outside of City limits of San Antonio.

- J. Compliance. Grantee shall comply with all other terms of this Agreement applicable to Grantee. Additionally, Grantee shall comply with all other agreements with Grantor applicable to the Project. .

SECTION 4. ECONOMIC DEVELOPMENT PROGRAM GRANT

Following approval of this Agreement by a duly authorized City Ordinance and execution of this Agreement by the Parties, and in exchange for Grantee undertaking and completing the Project at the Project Site, Grantor will provide an economic development incentive grant in the cumulative maximum amount of TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$2,350,000.00) ("EDIF Funds") for reimbursement of eligible site improvements as outlined in the *City of San Antonio Economic Development Chapter 380 Policy, Section 5.3* (2023) ("Chapter 380 Policy"), to Grantee as follows:

- A. Economic Development Program Grant. Grantor is providing Grantee with an Economic Development Program Grant in an amount not to exceed ONE MILLION FIVE HUNDRED THOUSAND AND NO DOLLARS (\$1,500,000.00) ("Grant Funds"). The purposes of the Grant Funds are to: (1) attract Grantee to conduct its Business Activities at the Project Site; (2) enhance Grantee's economic feasibility of locating the Project at the Project Site; and (3) incentivize Grantee to create and retain for the Term of this Agreement the high-wage New Full-Time Jobs at the Project Site.
- B. Grant Disbursement. Grantee shall submit to the City's Director of Economic Development Department with a semi-annual certification detailed in Section 7(B) a Request for Payment detailing the specific costs expensed in the previous six-month period for eligible site improvements. Grantor will make the Grant Funds available to Grantee within forty-five (45) days of Grantee's submission to Grantor of the Request for Payment and any appropriate documentation and invoices demonstrating actual costs incurred by Grantee for eligible site improvements at the Project Site.
- C. Reserve Funds. Grantee agrees a sum of EIGHT HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$850,000.00) ("Reserve Funds") of the total EDIF Funds will be reserved by Grantor exclusively for reimbursement of Grantee's unforeseen eligible site development costs outlined in the City's Chapter 380 Policy. The disbursement of Reserve Funds is contingent upon the prior approval of the City Manager and Grantee's submission of appropriate documentation and invoices demonstrating actual costs incurred by Grantee for eligible site improvements at the Project Site. Grantor will make the Reserve Funds available within forty-five (45) days of City Manager approval and Grantee meeting the Project Requirements detailed under Section 3. Any Reserve Funds allocated by Grantor as Reserve Funds which have not been approved and paid to Grantee prior to termination of this Agreement shall revert to the Grantor.

- D. Disbursement of EDIF Funds is contingent upon Grantee meeting the terms of this Agreement, the City's Chapter 380 Policy, and the Grantor's acceptance of Grantee's documentation and invoices. All payments made under this Agreement represent reimbursements based on actual costs. Grantee reserves the right, in its reasonable discretion, to determine the appropriateness of documentation submitted for disbursement requests.

SECTION 5. GRANTOR'S OBLIGATIONS

- A. Grant Payment. Grantor will make an Economic Development Program Grant available to Grantee in accordance with Section 4 above.
- B. No Liability. Except to the extent otherwise specifically provided for herein, Grantor will not be liable to Grantee or any other entity for any costs incurred by Grantee. Grantor's sole obligation is to make EDIF Funds available to Grantee for disbursement under the terms and conditions of this Agreement.
- C. City Liaison. Grantor shall assign Grantee a single point of contact to assist in the expedited permitting and inspection of the Project Site.

SECTION 6. RETENTION AND ACCESSIBILITY OF RECORDS

- A. Retention. Grantee shall maintain the records and supporting documentation necessary to verify that Grantee is meeting or has met all obligations of this Agreement, financial and otherwise. Grantee shall retain such records, and any supporting documentation, for the period required for record retention under Texas law or by any other applicable laws and regulations. Grantee shall maintain written and/or digital records and supporting documentation (the "Records") relating to and sufficient for Grantor to reasonably determine: (1) the amount of Required Capital Investment at the Project Site; (2) the hire and termination dates of each New Full-Time Job at the Project Site; (3) the creation, maintenance, and retention of all Full-Time Jobs at the Project Site; (4) all fiscal records relating to this Agreement; (5) the wages and healthcare benefits offered to all New Full-Time Jobs at the Project Site; and (6) the fulfillment of all obligations of Grantee under this Agreement. Grantee shall retain such records and any supporting documentation from the Effective Date of this Agreement to the date that falls four (4) years after the expiration of the Term of this Agreement. Grantee acknowledges and agrees that retention of the Records by Grantee and Grantor's right to inspect the Records as set forth below, are required in order to permit Grantor's representatives to determine with certainty Grantee's compliance with all of Grantee's obligations under this Agreement, including, without limitation, job creation and retention requirements, wage/salary requirements, and healthcare benefits.
- B. Access to Records. Upon at least five (5) business days' prior notice to Grantee, Grantee shall allow designated representatives of Grantor access to the Records at the Project Site or such other location in Bexar County where the Records are kept during normal business hours for inspection to determine if the obligations of Grantee and the terms of this Agreement are being met. If the Records are kept in any location outside of Bexar County, Grantee shall provide access to Grantor to inspect the Records within Bexar County. Any information that is prohibited by law to be made public shall be kept confidential by Grantor to the extent permitted by the Public Information Act. Should any good faith dispute or question arise as to the validity of the data inspected, Grantor reserves the right to require Grantee to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of Grantee. The rights to access the Records shall continue through the Term of this Agreement. Failure to provide reasonable access to the Records to

authorized Grantor representatives shall give Grantor the right to suspend or terminate this Agreement as provided for herein, or any portion thereof, for reason of default, and to exercise Grantor's right to recapture all disbursed EDIF Funds. Grantee may require Grantor's representatives to be accompanied by Grantee representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of Business Activities at the Project Site, and (b) comply with Grantee's reasonable security requirements.

- C. Public Information. Grantee acknowledges that Grantor is subject to the Public Information Act, which applies to information of every "governmental body" as set forth in Section 552.003(1)(A) of the Texas Government Code. Public Information means information that is written, produced, collected, assembled, or maintained under a law or ordinance or in connection with the transaction of official business. The Public Information Act requires an officer for public information of a governmental body to promptly produce public information for inspection, duplication, or both upon receipt of a written request for information from the public. Grantee acknowledges and agrees to the release of all information submitted by Grantee to Grantor pursuant to a request for information; provided, however, that the foregoing shall not be construed as a waiver of Grantee's right to independently assert its rights to cause such information to be withheld. To that end, Grantee will endeavor to submit only such limited information as is required per the agreement with the Grantor to allow Grantor to verify Grantee is meeting its requirements and obligations under this Agreement.

SECTION 7. MONITORING

- A. Compliance Reports. Grantor reserves the right to confirm Grantee's compliance with the terms and conditions of this Agreement by periodic monitoring, including Project Site visits and review of Incentive Reporting Forms. Grantor will provide Grantee with a written report of the monitor's findings, if any. If the monitoring report notes deficiencies in Grantee's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by Grantee and a reasonable amount of time in which to attain compliance. Failure by Grantee to take action specified in the monitoring report may be cause for suspension or termination of this Agreement.
- B. Incentive Reporting Forms. Grantee covenants and agrees that it shall provide the City's Director of Economic Development Department with a semi-annual certification from an officer of Grantee (a "Incentive Reporting Form") on or before January 31st and July 31st of each year during the Term of this Agreement, attesting to, as of the preceding January 31st and July 31st respectively (each a "Reporting Period"): (i) the amount invested as of such date by Grantee in real property improvements and personal property improvements; (ii) the number of New Full-Time Jobs maintained as of such date by Grantee at the Project Site; (iii) the hire dates of each New Full-Time employee under this Agreement; (iv) worker's compensation and the healthcare benefits offered to all Full-Time employees at the Project Site and their respective eligible dependents; and (v) the total wages paid in connection with the New Full-Time Jobs under this Agreement during the six (6) months preceding such date. Grantee shall also submit this information to the Grantor upon request, as deemed necessary by Grantor, during the Term of this Agreement; provided, that, any such request shall not exceed two (2) within a calendar year (exclusive of the required bi-annual Incentive Reporting Forms). The Incentive Reporting Forms provided shall be on the form set forth in, or substantially similar to the form set forth in, the Incentive Reporting Form, Exhibit B, attached hereto and incorporated herein, as amended.

- C. Access to Project Site. Upon five (5) business days prior written notice to Grantee, or its successors or assigns, by Grantor, Grantee covenants and agrees that for itself and its successors and assigns that it shall allow designated representatives of Grantor access to the Project Site during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. This inspection is independent of Grantor's police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances. Grantor's access to Grantee's books and records will be limited to information necessary to confirm the information provided by Grantee in its most recently submitted Incentive Reporting Form (further defined below). Any disclosed information that is not required by law to be made public shall be kept confidential by Grantor. Should any good faith dispute or question arise as to the validity of the data provided on any Incentive Reporting Form, Grantor reserves the right to require Grantee to obtain at Grantee's cost, an independent firm to verify the information. Grantor representatives may be accompanied by Grantee or its successors or assigns' representatives and such inspections shall be conducted in such a manner as to (i) not unreasonably interfere with the operation of the Business Activities; and (ii) comply with Grantee's or its successor and assigns' reasonable safety and security requirements.

SECTION 8. CONFLICT OF INTEREST

Grantee shall use reasonable business efforts to ensure that no employee, officer, or individual agent of Grantee shall participate in the selection, award or administration of a subcontract supported by funds provided hereunder if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: (1) the employee, officer, or individual agent; (2) any member of his or her immediate family; (3) his or her partner; or, (4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract and the relationship calls for payments to be made to such subcontractor on terms which are greater than those which are customary in the industry for similar services conducted on similar terms. Grantee shall comply with Chapter 171, Texas Local Government Code as well as the Grantor's Code of Ethics.

SECTION 9. NONDISCRIMINATION AND SECTARIAN ACTIVITY

- A. Non-Discrimination. Grantee, its successors and assigns, shall ensure that no person shall, on the ground of race, color, national origin, religion, sex, sexual orientation, gender identity, veteran status, age or disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination or retaliation under, or be denied the benefits of, or otherwise be subjected to discrimination or retaliation under any program, or activity reimbursed or funded in whole or in part with funds made available under this Agreement.
- B. Religious Activity. None of the performances rendered by Grantee under this Agreement shall involve, and no portion of the funds received by Grantee under this Agreement shall be used in support of, any sectarian or religious activity, nor shall any facility used in the performance of this Agreement be used for sectarian instruction or as a place of religious worship.
- C. Inclusion. Grantee shall include the substance of this Section 9 in all agreements associated with the funds made available through this Agreement unless such agreements were entered into before the date of this Agreement.

SECTION 10. LEGAL AUTHORITY

- A. Authority. Each party assures and guarantees to the other that they possess the legal authority to enter into this Agreement, to receive/deliver the funds authorized by this Agreement, and to perform their obligations hereunder.
- B. Signatories. The person or persons signing and executing this Agreement on behalf of each party or representing themselves as signing and executing this Agreement on behalf of a party, do hereby guarantee that he, she or they have been duly authorized to execute this Agreement on behalf of that party and to validly and legally bind that party to all terms, performances and provisions herein set forth.
- C. No Authority. Grantor shall have the right to suspend or terminate this Agreement if there is a dispute as to the legal authority of either Grantee, or the person signing this Agreement, to enter into this Agreement, any amendments hereto or failure to render performance of obligations hereunder.

SECTION 11. LITIGATION AND CLAIMS

- A. Notice of Claims. Grantee shall give Grantor immediate notice in writing of any action, including any proceeding before an administrative agency, filed against Grantee arising out of the performance of this Agreement. Except as otherwise directed by Grantor, Grantee shall furnish immediately to Grantor copies of all pertinent papers received by Grantee with respect to such action or claim. Grantee shall notify the Grantor immediately of any legal action filed against the Grantee or any subcontractor of which Grantee is actually aware, or of any proceeding filed under the federal bankruptcy code. Grantee shall submit a copy of such notice to Grantor within thirty (30) calendar days after receipt or issuance, as applicable.

No funds provided under this Agreement may be used in the payment of any costs incurred from violations of or settlements relating to, or failure to comply with, federal and state regulations.

- B. Texas Torts Claims Act. Grantee acknowledges that Grantor is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 et. seq., and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury, or death.
- C. Venue. **THIS GRANT AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.** Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Grant Agreement shall be heard and determined in the City of San Antonio, Bexar County, Texas.

SECTION 12. ATTORNEY'S FEES

In the event either party defaults under any of the provisions of this Agreement, and should the non-defaulting party employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees to pay to the non-defaulting party reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 13. CHANGES AND AMENDMENTS

- A. Amendments. Except as provided below, any alterations, additions, or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by both parties to this Agreement. The Director of the Economic Development Department, or any successor City department, shall have the ability, without further City Council approval, to execute amendments for minor changes to this Agreement and to implement the remedies made available to City hereunder. Any substantial changes to this Agreement shall require City Council approval. Pursuant to the City's Chapter 380 Policy, any Project that requires the amendment of an existing Agreement will be required to pay a fee of \$2,500 to the City of San Antonio.

- B. Chapter 380. It is understood and agreed by the parties hereto that performances under this Agreement shall be rendered in accordance with the laws and rules governing the Economic Development Program as set forth in Texas Local Government Code Chapter 380, and the terms and conditions of this Agreement.

- C. Changes in Law. Any alterations, additions, or deletions to the terms of this Agreement required by changes in state law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

SECTION 14. CURE PERIOD

- A. During the Term of this Agreement, subject to Force Majeure, Grantor may declare a default if Grantee fails to comply with any of the terms of this Agreement. Should Grantor determine Grantee is in default under any of the terms of this Agreement, Grantor will notify Grantee in writing at the address below. Upon receipt of written notification, Grantee shall have sixty (60) days to confirm to Grantor that it has cured the specified default.

- B. In the case of default for causes that cannot with due diligence be cured within such sixty (60) day period, the 60-day cure period may be extended by Grantor for such additional time as may be reasonable under the circumstances provided that Grantee shall:
 - 1. immediately upon receipt of such written notice advise Grantor of Grantee's intention to institute all steps necessary to cure such default and the associated time frame; and

 - 2. institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same. If said default is not cured within sixty (60) calendar days from the date of such notice, or within the additional time period provided for in the immediately preceding subsection, (hereinafter collectively referred to as the "Cure Period"), then Grantor shall have the right to suspend or terminate this Agreement, in accordance with Sections 15 or 16 below. If the Agreement is terminated as a result of default, Grantee shall repay all EDIF Funds disbursed to Grantee within ninety (90) calendar days of receiving written notice of termination in accordance with Section 16 below.

SECTION 15. SUSPENSION

- A. Notice of Suspension. In the event Grantee defaults on any term of this Agreement, Grantor may suspend the payment of EDIF Funds until such time as Grantor determines that the default has been cured in accordance with Section 14 above. Grantor shall provide written Notice of Suspension to Grantee declaring the Agreement suspended in whole or in part and withhold all further EDIF Fund payments to Grantee. Such Notice of Suspension shall include: (1) the reasons for such suspension; (2) the effective date of such suspension; and (3) in the case of partial suspension, the portion of the Agreement to be suspended.

A suspension under this Section 14 may be lifted at the reasonable discretion of the Grantor only upon a showing of compliance with or written waiver by Grantor of the term(s) in question.

The issuance of a suspension or lifting of a suspension does not provide Grantee with any right to receive EDIF Funds that may have been lost during the suspension period. EDIF Funds lost during the suspension period shall be deemed forfeited.

Notwithstanding this right to suspend, Grantor shall have the right to terminate in accordance with Section 16 below, regardless of having exercised this right to suspend.

- B. No Third-Party Liability. Grantor shall not be liable to Grantee, to Grantee's creditors, or any party with whom Grantee contracts for costs incurred during any term of suspension of this Agreement.
- C. Agreed Upon Suspension. In addition to a suspension as a result of default, the Parties may mutually agree to a full or partial suspension of the terms and conditions of this Agreement should the Parties agree circumstances require such suspension and the suspension does not exceed one (1) year.

SECTION 16. TERMINATION, RECAPTURE, AND OTHER REMEDIES

- A. Grantor shall have the right to terminate this Agreement should Grantee commit a default of any term and such default remains uncured past any applicable cure period. Additionally, Grantor may terminate this Agreement if, in its sole discretion, Grantor determines that Grantee cannot cure such default in any reasonable amount of time after the expiration of all applicable cure periods. Such right of termination shall be available to Grantor independent of Grantor's right to suspend and may be exercised by Grantor without having previously suspended the Agreement under Section 15. Grantor shall issue Grantee a written Notice of Termination, in which case the Grantor may: (1) withhold payments to Grantee; and/or (2) recapture any and all EDIF Funds disbursed to Grantee by Grantor. Such notification shall include: (a) the reasons for such termination; (b) the effective date of such termination; and (c) in the case of partial termination, the portion of the Agreement to be terminated. Upon issuance of a Notice of Termination, Grantee shall have ninety (90) calendar days to repay Grantor the amount of disbursed EDIF Funds Grantee has received from the commencement of this Agreement to the date of the Notice of Termination.
- B. Grantor shall have the right to terminate this Agreement and recapture any and all EDIF Funds disbursed to Grantee if Grantee fails to satisfy the (i) capital investment requirements under Section 3(B) and (ii) the job creation requirements under Section 3(C) by December 31, 2028. Such right of termination shall be available to Grantor independent of Grantor's right to suspend and may be exercised by Grantor without having previously placed the Agreement in a cure period or under Section 14 or suspended the Agreement under Section 15.
- C. Additional Termination Options. In addition to a default of a term of this Agreement, this Agreement may be terminated in whole or in part for any of the following:

1. By the Grantor (with the written consent of the Grantee), in which case the two parties shall agree upon the termination conditions, including the repayment of funds, the effective date, and, in the case of partial termination, the portion to be terminated; or
 2. By Grantee upon written notification to the Grantor, setting forth the reasons of such termination, a proposed pay-back plan of any or all EDIF Funds disbursed, the effective date, and, in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the Grantor determines in its sole discretion that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantor may terminate the Agreement and seek repayment of all EDIF Funds.
- D. Limitation on Recapture. Notwithstanding the foregoing, any such recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which Grantee may be entitled at law or under this Agreement. The termination and/or recapture of EDIF Funds provided in this Section 16 are not applicable to situations involving minor changes to the description of the Project Site, or Grantor approved changes in ownership or in management thereof, so long as Grantee, or any successor or assignee allowed under the terms of this Agreement, continues conducting Business Activities or other authorized activities thereon as provided hereinabove and assumes in writing joint and severable liability for all of Grantee's obligations hereunder and, in such event, Grantee shall remain liable for Grantee's obligations hereunder.

SECTION 17. SPECIAL CONDITIONS AND TERMS

Grantee understands and agrees that if Grantee is a "business" and if the Grantor's contribution under this Agreement is a "public subsidy" as that term is defined in Chapter 2264 of Subtitle F, Title 10 of the Government Code (80 (R) HB 1196), then GRANTEE is required to refund money, pursuant to 80(R) HB 1196, Grantee has received from Grantor through this Agreement, in the event of a conviction of knowingly employing an undocumented worker, with repayment required within six months of final conviction. Interest shall accrue at the rate of 0.5% per month until the time of such repayment from the date of final conviction.

SECTION 18. DEBARMENT

By signing this Agreement, Grantee certifies that it will not knowingly pay any funds provided under this Agreement to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs by the Grantor.

SECTION 19. RIGHTS UPON DEFAULT

It is expressly understood and agreed by the Parties hereto that any right or remedy provided for in this Agreement shall not preclude the exercise of any other right or remedy under any other agreements between Grantee and the Grantor or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder available shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

SECTION 20. NOTICE

Except where the terms of this Agreement expressly provide otherwise, any election, notice, or communication required or permitted to be given under this Agreement shall be in writing and deemed to have been duly given if and when delivered to the addresses set forth below the communication is:

- delivered personally (with receipt acknowledged);
- three (3) days after depositing same in the U.S. mail, first class, with proper postage prepaid;
- upon receipt if sending the same by certified mail, return receipt requested;
- upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier; or
- by electronic mail ("email") to the email address listed below. Electronic service is deemed given on the date such email is sent; service after 5:00 p.m. local time of recipient shall be deemed served on the following business day in the case of service by email.

From time to time, either Party may designate another address for all purposes under this Agreement by giving the other Party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

If intended for GRANTOR, to:
(Whether personally delivered or mailed):

City of San Antonio
Attn: Economic Development
P.O. Box 839966
San Antonio, Texas 78283-3966
Email: _____

If intended for GRANTEE, to:

JCB Texas, LLC

Attn: _____
Email: _____

If by personal or overnight delivery:

Copies to:

Economic Development
Attn: Director
18th Floor
100 W. Houston Street
San Antonio, Texas 78205

Attn: _____
Email: _____

SECTION 21. NON-ASSIGNMENT

Other than to a Related Organization, this Agreement is not assignable without the written consent of Grantor and the passage of a City Ordinance approving such assignment. Any other attempt to assign the Agreement shall not relieve Grantee from liability under this Agreement and shall not release Grantee from performing any of the terms, covenants, and conditions herein. Grantee shall be held responsible for the repayment of any or all funds received under this Agreement under the default provisions contained herein. Notwithstanding the foregoing, Grantee may assign the Agreement, upon consent of Grantor, which shall not be unreasonably withheld, conditioned or delayed, in conjunction with a sale or merger of the company so long as the entity that will succeed to Grantee's rights under this Agreement assumes in writing all of Grantee's obligations hereunder. Pursuant to the City's Chapter 380 Policy, any Project that requires an assignment of an existing Agreement will be required to pay a fee of \$2,500 to the City of San Antonio.

SECTION 22. ORAL AND WRITTEN AGREEMENTS

All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

SECTION 23. AUTHORIZED RELIEF FROM PERFORMANCE (*Force Majeure*)

For purposes of this Agreement, "Force Majeure" is defined as (i) an act of God, natural disaster, or pandemic (ii) the outbreak of war, political unrest or a labor strike (in jurisdictions and/or industries related to the supply chain or labor force required for Grantee to conduct its Business Activities), (iii) explosion or other casualty or accident which is not the result of negligence, intentional act or misconduct on the part of Grantee, or (iv) other events which are beyond the reasonable control of the Grantee and which have a direct adverse impact on its Business Activities. In addition to relief expressly granted in this Agreement, City may grant a waiver from performance of the obligations of this Agreement if Grantee is prevented from compliance and performance by an event of Force Majeure. The burden of proof for the need for such relief shall rest upon Grantee. To obtain relief based upon this Section 23, Grantee must file a written request with the City's Economic Development Department for processing and decision by the Economic Development Department.

SECTION 24. SURVIVAL OF TERMS

Termination or expiration of this Agreement shall not extinguish or prejudice Grantor's right to recoup or otherwise recover EDIF Funds if Grantor finds EDIF Funds were provided to or expended by Beneficiary in violation of any of the terms of this Agreement.

SECTION 25. INCORPORATION OF EXHIBITS

Each of the Exhibits and Attachments listed below is an essential part of the Agreement, which governs the rights and duties of the Parties, and shall be interpreted in the order of priority as appears below:

Exhibit A - Project Site Legal Description

Exhibit B - Incentive Reporting Form

Exhibit C – Pre-Construction/Construction Phase Job and Prevailing Wage Reporting Form

Exhibit D - S/M/W/VBE Construction Spend (Hard and Soft Costs) Form

SECTION 26. LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

SECTION 27. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Agreement is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Agreement to be executed.

SECTION 28. CAPTIONS

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

SECTION 29. ENTIRE AGREEMENT

This Agreement (with all referenced exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of both parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Agreement.

WHEREFORE, the Parties hereto have executed this Agreement and have agreed to the terms and conditions states above as of the Effective Date.

**CITY OF SAN ANTONIO,
a Texas Municipal Corporation**

JCB TEXAS, LLC

Erik Walsh
City Manager

Richard Fox-Marrs

Richard Fox-Marrs
President

Approved as to Form:

Assistant City Attorney

EXHIBIT A: PROPERTY DESCRIPTION¹

Appended at the end of the Agreement

¹ City acknowledges and agrees that the legal description above is expected to change as a result of a replat of the Land, and which may reflect the dedication of easements and rights-of-way in favor of various governmental entities and utility providers. A change in legal description as a result of a re-plat of the property shall not affect JCB's rights hereunder.

EXHIBIT B: INCENTIVE REPORTING FORM

**City of San Antonio
Economic Development Department
Incentive Reporting Form**

Company Name:

Reporting Period:

Name/Phone/Email of Person Preparing Report:

Real Property: Expenditures associated with real property improvements during reporting period (Verification may include AIA forms, receipts, invoices, request for payment from contractor, etc.)	
1. Real Property improvements reported at the Project Site facility as of the previous reporting period	\$
2. Real Property improvements made at the Project Site Facility since the end of the previous reporting period <i>(Attach supporting documents.)</i>	\$
3. Total cumulative Real Property improvements made under the Agreement as of the end of this reporting period	\$
4. Is the company compliant with its Real Property Investment Requirement? Yes / No / Completed / Not Applicable.	
Personal Property: Expenditures associated with personal property improvements during reporting period (Verification may include receipts, invoices, requests for payment, etc.)	
5. Personal Property improvements reported at the Project Site facility as of the previous reporting period	\$
6. Personal Property improvements made at the Project Site facility since the end of the previous reporting period <i>(Attach supporting documents.)</i>	\$
7. Total cumulative Personal Property improvements made as of the end of this reporting period	\$
8. Is the Company compliant with its Personal Property Investment Requirement? Yes / No / Completed / Not Applicable.	
Inventory/Supplies (if applicable): (Verification may include receipts, invoices, requests for payment, etc.)	
9. Inventory and Supplies improvements reported at the Project Site facility as of the previous reporting period	\$
10. Inventory and Supplies improvements made at the Project Site facility since the end of the previous reporting period <i>(Attach supporting documents.)</i>	\$
11. Total cumulative Inventory and Supplies investment made at the Project Site facility as of the end of this reporting period	\$
12. Is the Company compliant with its Inventory Requirement? Yes / No / Completed / Not Applicable	
Jobs: Full-time (2,080 straight-time paid hours) jobs created during reporting period (Verification: payroll registers with total number of employees, dates of hire, hourly wages, etc). Note: jobs reported below must meet eligibility requirements per the Incentive agreement to include job location and wage requirements.	
13. Total number of jobs reported at the facility/project site as of the previous reporting period	
14. Total number of jobs reported at the Project Site facility at the end of this reporting period	
15. Are any of the jobs reported above working remotely? If yes, what is the number of jobs working remotely?	
16. Has your company changed its business model to have jobs that previously reported to the Project Site permanently work remotely?	
17. Is the Company compliant with its Job Creation/Maintenance Requirement this period?	Yes / No

Wages: Please refer to your company's Agreement(s) for specific wage requirements.	
18. What is the minimum hourly wage paid at the Project Site facility <i>(For supporting documents, see above.)</i>	
19. At time of hire, are one hundred percent (100%) of New Full-Time Employees at the Project Site receiving wages of at least \$20.54 per hour or 80% of "Median Wage", whichever is higher? <i>(For supporting documents, see above.) Note: Median wage for San Antonio will be updated yearly at the time of the release of the annual U.S. Census Bureau American Community Survey 5-year estimates.)</i>	Yes / No
Additional Contractual Obligations (As applicable per your Agreement)	
20. Regarding wrap-around support, please attach separate sheet demonstrating compliance with your agreement. (Ongoing reporting to commence after plan approval by EDD, see Agreement)	
21. Regarding employee benefits, please attach separate sheet demonstrating compliance with your agreement.	
22. Workforce efforts: Internships, Apprenticeships, Job Fairs (Please elaborate on separate sheet)	
Certification	
<i>I certify that the information provided in this report and the attached documents is correct to the best of my knowledge, and that the company has complied with all terms and conditions of its agreement with the City of San Antonio.</i>	
Signature of Company Certifying Officer or Designee:	
Date:	
Printed Name:	Title:

For questions regarding this report, please contact Donna Hull, Special Projects Manager, at 210/207-0567 or e-mail: monitoringandops@sanantonio.gov.

Rev. 12222023

EXHIBIT C: PRE-CONSTRUCTION/CONSTRUCTION PHASE REPORTING FORM

**City of San Antonio
Economic Development Department
Pre-Construction/Construction Phase Prevailing Wage Reporting Form**

Company Name: _____

Reporting Period: _____

Contact Information: _____

Pre-Construction/Construction Phase Jobs and Wages:	
1. Total number of contractor and subcontractor jobs reported at the facility last reporting period.	
2. Number of employees on the Project hired directly and hired through a third party.	
3. Percentage of total contractor and subcontractor jobs paid prevailing wage.	
Additional items:	
Table of Wages and benefits of workers on the Project by classification (occupation and wage brackets and indicate percentage at or above prevailing wage) for both existing and new jobs)	
Percentage at prevailing wage	
Percentage at or 10% above prevailing wage	
11% -25% above prevailing wage	
26% -50% above prevailing wage	
Above 50% prevailing wage	
Certification:	
<i>I certify that the information provided in this report and the attached documents is correct to the best of my knowledge, and that the company has complied with all terms and conditions of its agreement with the City of San Antonio.</i>	

Signature: _____ Date: _____

Printed Name: _____ Title: _____

EXHIBIT "A"
Legal Description

A 227.772 acre, or 9,921,728 square feet more or less, tract of land being all of that called 227.283 acre tract described in deed recorded in Volume 9985, Page 1522 of the Official Public Records of Bexar County, Texas, conveyed to Trustee of The Curtis Harry Mahla Revocable Trust, out of the Fernando Rodriguez, Survey No. 16, Abstract No. 15, County Block 4005, in the City of San Antonio, Bexar County, Texas. Said 227.772 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING: A found concrete monument marked "SWB" at a northeast corner of said 227.283 acre tract and the northwest corner of a 2.066 acre tract described in Volume 7055, Page 163 of the Deed Records of Bexar County, Texas, on the south right-of-way line of Walsh Road, a variable width public right-of-way, from which a found ½" iron rod at the northeast corner of said 2.066 acre tract and the northwest corner of a remainder portion of a 172.645 acre tract described in Document No. 20220062298 of the said Official Public Records, bears S 79°31'35" E, a distance of 300.30 feet;

THENCE: S 10°28'25" W, departing the south right-of-way line of Walsh Road, along and with the common line of said 227.283 acre tract and said 2.066 acre tract, a distance of 300.00 feet to a set ½" iron rod with a cap marked "Pape-Dawson" at the southwest corner of said 2.066 acre tract, a reentrant corner of said 227.283 acre tract;

THENCE: S 79°31'35" E, continuing along and with the said common line, a distance of 300.30 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" at the southeast corner of said 2.066 acre tract and a northeast corner of said 227.283 acre tract, on the west line of said remainder portion of 172.645 acre tract, from which a found ½" iron rod at the northeast corner of said 2.066 acre, bears N 10°28'25" E, a distance of 300.00 feet;

THENCE: S 20°17'23" W, along and with the common line of said 227.283 acre tract and said remainder portion of 172.645 acre tract, a distance of 3065.34 feet to a found ½" iron rod at an angle point of said 227.283 acre tract and at the northwest corner of a Two acre tract described in Volume 9964, Page 451 of the said Official Public Records;

THENCE: S 10°39'27" W, along and with the common line of said 227.283 acre tract and said Two acre tract, a distance of 295.05 feet to a found ½" iron rod at the southwest corner of said Two acre tract and a reentrant corner of said 227.283 acre tract;

THENCE: S 79°33'21" E, continuing along and with the said common line, a distance of 295.40 feet to a found ½" iron rod at the southeast corner of said Two acre tract, an angle point of said 227.283 acre tract and an angle point of said remainder portion of 172.645 acre tract;

THENCE: S 66°02'23" E, along and with the common line of said remainder portion of 172.645 acre tract and said 227.283 acre tract, a distance 125.67 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: S 62°18'33" E, continuing along and with the common line of said remainder portion of 172.645 acre tract and said 227.283 acre tract, at a distance of 395.07 feet passing a found ½" iron rod with a yellow cap marked "Pape-Dawson", and continuing for a total distance of a distance of 457.80 feet to a point in the center line of Leon Creek;

THENCE: Along and with the center line of said Leon Creek and the south line of said 227.283 acre tract, the following bearings and distances

S 69°45'04" W, a distance of 119.51 feet to a point;

S 77°40'05" W, a distance of 145.58 feet to a point;

S 46°34'29" W, a distance of 154.24 feet to a point;

S 37°22'07" W, a distance of 256.12 feet to a point;

S 26°23'08" W, a distance of 149.64 feet to a point;

S 43°02'40" W, a distance of 309.29 feet to a point;

EXHIBIT "A"
Legal Description

S 38°34'09" W, a distance of 165.73 feet to a point;
S 52°50'53" W, a distance of 376.41 feet to a point;
S 70°17'57" W, a distance of 262.50 feet to a point;
S 64°52'53" W, a distance of 107.90 feet to a point;
S 31°19'29" W, a distance of 99.41 feet to a point;
S 52°00'51" W, a distance of 57.31 feet to a point;
S 07°33'44" W, a distance of 56.86 feet to a point;
S 15°53'15" E, a distance of 44.95 feet to a point;
S 51°08'38" E, a distance of 94.57 feet to a point;
S 08°43'53" E, a distance of 75.56 feet to a point;
S 42°51'07" E, a distance of 48.48 feet to a point;
S 04°43'20" E, a distance of 100.81 feet to a point;
S 22°01'17" W, a distance of 69.47 feet to a point;
S 31°00'20" W, a distance of 115.45 feet to a point;
S 38°24'19" W, a distance of 206.17 feet to a point;
S 85°21'28" W, a distance of 155.31 feet to a point;
N 53°37'41" W, a distance of 65.54 feet to a point;
N 41°31'21" W, a distance of 264.10 feet to a point;
N 51°07'45" W, a distance of 171.98 feet to a point;
N 46°01'56" W, a distance of 379.86 feet to a point;
N 47°26'12" W, a distance of 306.39 feet to a point;
N 54°12'33" W, a distance of 143.68 feet to a point;
N 53°44'26" W, a distance of 147.73 feet to a point;
N 26°26'54" W, a distance of 240.59 feet to a point;
N 43°43'13" W, a distance of 106.05 feet to a point;
N 08°35'25" W, a distance of 138.79 feet to a point;
N 03°12'34" E, a distance of 283.52 feet to a point;
N 12°40'56" W, a distance of 94.97 feet to a point;

EXHIBIT "A"
Legal Description

N 34°38'01" W, a distance of 78.44 feet to a point;

N 38°14'55" W, a distance of 116.09 feet to a point;

N 37°32'48" W, a distance of 123.24 feet to a point;

N 19°21'22" W, a distance of 122.51 feet to a point;

N 10°09'00" W, a distance of 103.34 feet to a point on the east right-of-way line of Palo Alto Road, Highway 16, a 230-foot wide public right-of-way;

THENCE: Along and with the east right-of-way line of said Palo Alto Road, the following bearings and distances:

N 49°48'05" E, a distance of 1662.46 feet to a point from which a found TxDOT monument (Type I), bears S 55°05'50" W, a distance of 0.59 feet;

Northeasterly, along a tangent curve to the left, said curve with a radius of 2979.93 feet, a central angle of 41°14'00", a chord bearing and distance of N 29°11'05" E, 2098.55 feet, for an arch length of 2144.53 feet to a point from which a found TxDOT monument (Type I), bears S 24°43'53" W, a distance of 0.44 feet;

THENCE: N 08°34'05" E, a distance of 824.80 feet to a point at the south end of the cutback line at the southeast corner of the intersection of said Palo Alto Road and Zarzamora Road, a 100-foot wide public right-of-way, from which a found TxDOT monument (Type I), bears N 15°10'04" E, a distance of 0.56 feet;

THENCE: N 54°18'35" E, along and with said cutback line, a distance of 87.22 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" at the north end of said cutback line;

THENCE: S 79°55'29" E, along and with the south right-of-way line of said Zarzamora Road and the north line of said 227.283 acre tract, a distance of 358.16 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Southeasterly, continuing along and with the south right-of-way line of said Zarzamora Road and the north line of said 227.283 acre tract, along a non-tangent curve to the left, said curve having a radius of 1195.93 feet, a central angle of 14°40'42", a chord bearing and distance of S 87°15'50" E, 305.54 feet, for an arc length of 306.38 feet to found ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: S 79°44'48" E, continuing along and with the south right-of-way line of said Zarzamora Road, the south right-of-way line of said Walsh Road and the north line of said 227.283 acre tract, a distance of 361.78 feet to the POINT OF BEGINNING and containing 227.772 acres in the City of San Antonio, Bexar County, Texas. Said tract being described in conjunction with a survey made on the ground and a survey map prepared under job number 12804-00 by Pape-Dawson Engineers, Inc.

Note: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule A as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

EXHIBIT "A"
Legal Description

A 173.654 acre, or 7,564,378 square feet more or less, tract of land being all of the remaining portion of that called 172.645 acre tract conveyed to SA 2, Ltd. by deed recorded in Document No. 20220062298 of the Official Public Records of Bexar County, Texas, and all of that called 2-Acre tract conveyed to SA 2, Ltd. by deed recorded in Document No. 20230154533 of the Official Public Records of Bexar County, Texas, out of the Fernando Rodriguez, Survey No. 16, Abstract 15, County Block 4005, in the City of San Antonio, Bexar County, Texas. Said 173.654 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING: At a found ½" iron rod at the northeast corner of said called 172.645 acre tract, at the intersection of the south right-of-way line of Walsh Road, a variable width public right-of-way, with the west right-of-way line of Applewhite Road, a variable width public right-of-way;

THENCE: Along and with the east line of said called 172.645 acre tract, the west right-of-way line of said Applewhite Road, the following bearings and distances:

S 08°48'34" W, a distance of 377.24 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 05°43'53" W, a distance of 438.48 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 04°41'55" W, a distance of 55.66 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 00°00'01" W, a distance of 501.90 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 00°13'55" E, a distance of 43.00 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 02°39'06" W, a distance of 393.94 feet to a found ½" iron rod;

S 05°17'28" W, a distance of 55.05 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 14°50'32" W, a distance of 142.15 feet to a found ½" iron rod;

S 15°54'02" W, a distance of 400.72 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 18°08'15" W, a distance of 86.73 feet to a found ½" iron rod;

S 29°05'28" W, a distance of 89.42 feet to a set ½" iron rod with a yellow cap stamped "Pape-Dawson";

S 17°04'28" W, a distance of 155.81 feet to a found ½" iron rod;

S 19°27'31" W, a distance of 160.65 feet to a found ½" iron rod;

S 15°40'13" W, a distance of 260.25 feet to a found ½" iron rod;

S 22°38'19" W, a distance of 134.22 feet to a found ½" iron rod;

S 11°54'45" W, a distance of 224.13 feet to a point in the center line of Leon Creek;

THENCE: Along and with the meanders of the center line of Leon Creek, the following bearings and distances:

N 66°09'51" W, a distance of 7.66 feet to a point;

N 79°29'11" W, a distance of 33.39 feet to a point;

S 82°12'48" W, a distance of 44.96 feet to a point;

N 69°47'16" W, a distance of 47.47 feet to a point;

EXHIBIT "A"
Legal Description

S 85°43'10" W, a distance of 87.67 feet to a point;
N 86°10'02" W, a distance of 84.13 feet to a point;
S 74°46'32" W, a distance of 86.15 feet to a point;
S 32°21'55" W, a distance of 31.63 feet to a point;
S 66°37'50" W, a distance of 90.68 feet to a point;
S 69°17'34" W, a distance of 79.77 feet to a point;
N 88°57'10" W, a distance of 48.72 feet to a point;
N 55°55'20" W, a distance of 32.42 feet to a point;
N 77°53'24" W, a distance of 73.04 feet to a point;
N 55°51'54" W, a distance of 97.28 feet to a point;
N 65°27'11" W, a distance of 73.77 feet to a point;
S 84°56'28" W, a distance of 152.05 feet to a point;
S 81°26'50" W, a distance of 236.11 feet to a point;
S 85°00'09" W, a distance of 201.89 feet to a point;

THENCE: Departing the center line of said Leon Creek, along and with a south line of said called 172.645 acre tract, a north line of a called 227.283 acre tract conveyed to Curtis Harry Mahla, Trustee of the Curtis Harry Mahla Revocable Trust by deed recorded in Volume 9985, Page 1522 of the Official Public Records of Bexar County, Texas, the following bearings and distances:

N 62°18'33" W, at a distance of 62.73 feet passing a found ½" iron rod with a yellow cap stamped "Pape-Dawson" and continuing for a total distance of 457.80 feet to a found ½" iron rod with a yellow cap stamped "Pape-Dawson";

N 66°02'23" W, a distance of 125.67 feet to a found ½" iron rod at the southeast corner of said called 2-acre tract;

THENCE: N 79°33'21" W, along and with the south line of said called 2-acre tract, a north line of said called 227.283 acre tract, a distance of 295.40 feet to a found ½" iron rod at the southwest corner of said called 2-acre tract, an interior corner of said called 227.283 acre tract;

THENCE: N 10°39'27" E, along and with the west line of said called 2-acre tract, an east line of said called 227.283 acre tract, a distance of 295.05 feet to a found ½" iron rod at the northeast corner of said called 2-acre tract;

THENCE: N 20°17'23" E, along and with the east line of said called 227.283 acre tract, the west line of said called 172.645 acre tract, a distance of 3065.34 feet to a found ½" iron rod with a yellow cap stamped "Pape-Dawson" at the southeast corner of a called 2.066 acre tract conveyed to Southwestern Bell Telephone Company by deed recorded in Volume 7055, Page 163 of the Deed Records of Bexar County, Texas, a northeast corner of said called 227.283 acre tract;

THENCE: N 10°28'25" E, along and with the east line of said called 2.066 acre tract, the west line of said called 172.645 acre tract, a distance of 300.00 feet to a found ½" iron rod at the northeast corner of said called 2.066 acre tract, the northwest corner of said called 172.645 acre tract, on the south right-of-way line of said Walsh Road;

THENCE: S 79°55'03" E, along and with the north line of said called 172.645 acre tract, the south right-of-way line of said Walsh Road, a distance of 1717.49 feet to the POINT OF BEGINNING and containing 173.654 acres in the City of San

EXHIBIT "A"
Legal Description

Antonio, Bexar County, Texas. Said tract being described in conjunction with a survey made on the ground and a survey map prepared under job number 13148-01 by Pape-Dawson Engineers.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.