# TRANSCRIPT OF PROCEEDINGS

RELATING TO

***Medina County, Texas***

***Chapter 381 Agreement (Hunter's Ranch)***

McCALL PARKHURST & HORTON

112 East Pecan Street, Suite 1310, San Antonio, TX 78205 | 210.225.2800

CONTACT

Clay Binford

cbinford@mphlegal.com

McCALL PARKHURST & HORTON

Focused on Public Finance since 1919.

**MEDINA COUNTY, TEXAS**

**CHAPTER 381 AGREEMENT**
**(HUNTER'S RANCH)**

**INDEX OF DOCUMENTS**

## AGREEMENT REGARDING THE TEXAS RESEARCH AND TECHNOLOGY FOUNDATION DEVELOPMENT

This Agreement Regarding the Texas Research and Technology Foundation Development (the "**Agreement**") is between Texas Research and Technology Foundation, a Texas nonprofit corporation (the "**Owner**"), and Medina County, Texas, a political subdivision of the State of Texas (the "**County**", and collectively with the Owner, the "**Parties**", and each a "**Party**"), and is effective upon the execution of this Agreement by the Owner and the County (the "**Effective Date**").

### RECITALS

**WHEREAS**, the Owner is the owner of certain real property located both in the extraterritorial jurisdiction (the "**ETJ**") of the City of San Antonio, Texas (the "**City**") and in the County, commonly known as the Texas Research Park and more specifically described on **Exhibit A**, attached hereto and made a part hereof for all purposes (the "**Property**").

**WHEREAS**, the rules regarding the regulation of subdivision plats for property located both within the ETJ of the City and in the County are set forth in an interlocal agreement executed in 2011 between the City and the County (the "**2011 Platting ILA**"), which 2011 Platting ILA replaced a prior version of the interlocal agreement dated as of April 14, 2004 (the "**2004 Platting ILA**").

**WHEREAS**, the Owner has claimed certain vested rights related to the Owner's ability to develop the Property at a density higher than the density permitted by the County's subdivision rules, specifically that the Owner has the right to develop the Property in accordance with the 2004 Platting ILA, as opposed to the 2011 Platting ILA, which would permit the Owner to develop the Property in accordance with the City's subdivision rules, as opposed to the County's subdivision rules.

**WHEREAS**, the following factors, among others, lead the County to enter into the 2011 Platting ILA and to establish its current subdivision rules which limit higher density development: (1) the County's road construction requirements are not designed for high density subdivisions; (2) higher density developments result in additional wear and tear on the adjacent roadways increasing the County's road maintenance costs; and (3) higher density developments require additional staffing for review and inspection.

**WHEREAS**, the Owner has threatened to sue the County to adjudicate the Owner's vested rights claim (the "**Threatened Litigation**").

**WHEREAS**, in an effort to settle the issues underlying the Threatened Litigation which could result in protracted litigation and litigation costs to the County, the Owner and the County have entered into this Agreement regarding the Property, the Threatened Litigation, and the other matters described herein.

**NOW THEREFORE**, in consideration of the agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby stipulated, the Owner and the County hereby agree as follows:

1. **Ownership of the Property**. The Owner hereby represents and warrants that (except as set forth in the last sentence of this Paragraph), as of the Effective Date, it has not conveyed, assigned, or otherwise transferred all or any portion of any interest in the Property to any other person or entity. The Owner acknowledges and agrees that any future conveyance, assignment, or transfer after the Effective Date hereof shall be subject to the terms of this Agreement, which Agreement may be recorded in the real property records of Medina County, Texas. The Owner has entered into a contract originally dated October 18, 2013, as amended, to convey a portion of the Property to Harry Hausman (the "**Developer**"); by the Developer's acknowledgment of this Agreement, the Developer agrees to all of the terms of this Agreement with respect to the portion of the Property proposed to be conveyed by the Owner to the Developer.

2. **Agreements Regarding Roads and Certain Other Infrastructure on the Property**. In order to address concerns regarding roads and certain other infrastructure that lead the County to enter into the 2011 Platting ILA and to establish its current subdivision rules, the Parties agree to the following requirements regarding any future roads and certain other infrastructure to be constructed on, or in connection with the development of, the Property:

a. All roads to be built (including but not limited to, internal residential and main roadways) shall be constructed in accordance with the City's road standards (as opposed to the County's standards) to reduce maintenance costs. The Owner shall submit all building and construction plans for such roads to both the City and the County; however, only the City shall have review and approval rights.

b. The following shall apply to the Existing Road (as defined below) and to the Improved Road (as defined below) and shall be completed prior to December 31, 2015, at the sole cost and expense of the Owner:

i. **Exhibit C** sets forth a rough depiction of a portion of existing roadway adjacent to the existing Medina Valley Independent School District ("**MVISD**") Potranco Elementary School (the "**Existing Road**"), as well as certain additional roadway contemplated to be constructed adjacent to the Existing Road (the "**Improved Road**").

ii. As depicted on **Exhibit C**, for the portion of Existing Road adjacent to the existing MVISD Potranco Elementary School, the Owner shall construct, or cause to be constructed, the Improved Road with 60 feet of pavement with new pavement built to the City's pavement design standards for base, asphalt thickness and performance, which width will allow for striping of two drive lanes in each direction plus a continuous left turn center lane.

iii. The 60' Improved Road will continue along the MVISD property south of the existing MVISD Potranco Elementary School. This new Improved Road will be constructed to the City's pavement design standards and will include four drive lanes and a center turn lane, with curbs and sidewalks on the western side of the Improved Road. The property where the Improved Road is anticipated to be located (as shown on **Exhibit C**) is currently owned by MVISD, which has indicated it would dedicate the right-of-way for the construction of the Improved Road. The Improved Road will be platted through the County.

iv. For the portion of the Improved Road on the Property, the Improved Road will transition to a standard City secondary arterial. The portion of the Improved Road located on the Property will include two drive lanes in each direction with a center median. Turn lanes and median cuts will be provided into the specific residential pods. Sidewalks will be constructed on both sides of the portion of the Improved Road on the Property adjacent to development pods.

c. The Owner will adhere to the City of San Antonio Platting Requirements and Traffic Improvement Analysis Guidelines and TxDOT Development Requirements. Upon the completion of eight hundred and fifty (850) homes on the Property, the Owner shall cause there to be appropriate turn lanes and traffic signals at Potranco Road and the Improved Road, if approved by TxDOT. Owner will seek appropriate contributions from TxDOT and all other contributors to the traffic at that intersection. County will not be required to make expenditures for such turn lanes or traffic signals and Owner will reimburse County if it is required to do so.

d. The Owner, at the Owner's sole cost and expense, shall cause its contractor to provide to the County one or more extended warranty bonds, each of two (2) years in duration on a form reasonably acceptable to the County (each a "**Bond**"), on all streets and drainage improvements constructed on, or in connection with development of, the Property.

i. A Bond shall be provided for both internal pods and main roadways.

ii. A Bond shall be provided to cover streets and drainage improvements only, but a Bond shall not be required to cover water and sewer improvements.

iii. Each Bond shall be issued to cover twenty percent (20%) of the total construction costs of streets and drainage, an increase over the standard City bonding requirements.

e. Cul-de-sacs will be allowed on the Property in accordance with the City's standards. The Owner acknowledges that the City's Unified Development Code (UDC) limits the connectivity ratio to 1.2, meaning the ratio of links (straight sections of roadway) to nodes (intersections and cul-de-sacs) cannot exceed 1.2.

3. **Regulation of Development**. The County shall use good faith efforts to enter into an amendment to the 2011 Platting ILA with the City in a reasonably expeditious manner, which amendment shall provide for the City to review plats, plans, and provide construction inspection in connection with the development of property that is currently located within both the City's ETJ and the County, including without limitation, the Property. All obligations under this Agreement are contingent on such approval.

4. **Threatened Litigation**. The Owner acknowledges and agrees that the terms of this Agreement address the Owner's issues that were underlying the Threatened Litigation. The Owner has agreed to pay $14,875.05 of the County's legal fees regarding this matter.

5. **Approval of Agreement**. The County has approved the execution and delivery of this Agreement pursuant to Order No. 63014, a copy of which is attached hereto as Exhibit B, and the Owner represents and warrants that it has taken all necessary action to authorize the execution and delivery of this Agreement.

6. **Governmental Immunity**. The County does not waive or relinquish any immunity or defense on behalf of itself, its commissioners, officers, employees, and agents as a result of the execution of this Agreement and the performance of the covenants and actions contained herein.

7. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, representatives, successors, and assigns where permitted by this Agreement, and the terms hereof shall run with the Property.

8. **Counterparts**. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same Agreement.

9. **Effect of Waiver or Consent**. No waiver or consent, express or implied, by any Party to or of any breach or default by any Party in the performance by such Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such party of the same or any other obligations of such Party hereunder. Failure on the part of a Party to complain of any act of any Party or to declare any Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder until the applicable statute of limitation period has run.

10. **Integration**. This Agreement is the complete agreement between the Parties as to the subject matter hereof and cannot be varied except by the written agreement of the County and the Owner. The County and the Owner agree that there are no oral agreements, understandings, representations or warranties which are not expressly set forth herein.

11. **Notices**. Any notice or communication required or permitted hereunder shall be deemed to be delivered three (3) days after such notice is deposited in the United States mail, postage fully prepaid, registered or certified mail return receipt requested, and addressed to the

intended recipient at the address shown herein, and if not so shown, then at the last known address according to the records of the Party delivering the notice. Any address for notice may be changed by written notice delivered as provided herein. All notices hereunder shall be in writing and served as follows:

**If to the Owner:**

Texas Research and Technology Foundation
14815 Omicron Drive, Suite 100
San Antonio, Texas 78245
Attention: York Duncan

**If to the County:**

Medina County, Texas
1502 Avenue K, Room 201
Hondo, Texas 78861
Attention: County Judge

**If to the Developer:**

Harry Hausman
15720 Bandera Road, Suite 103
Helotes, Texas 78023

12. **Legal Construction**. If any provision in this Agreement is for any reason unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, such unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of this Agreement. Whenever the context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Article and section headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

13. **Recitals**. Any recitals in this Agreement are represented by the Parties hereto to be accurate, constitute a part of the Parties' substantive agreement, and are fully incorporated herein as matters of contract and not mere recitals.

14. **Choice of Law**. This Agreement will be construed under the laws of the State of Texas without regard to choice-of-law rules of any jurisdiction. Venue shall be in Medina County, Texas with respect to any lawsuit arising out of or construing the terms and provisions of this Agreement. No provision of this Agreement shall constitute a consent by suit by any Party.

**[The Remainder of This Page Intentionally Left Blank.]**

**SIGNATURE PAGE TO**
**AGREEMENT REGARDING THE TEXAS RESEARCH AND TECHNOLOGY FOUNDATION DEVELOPMENT**

**Executed By Each Party On The Date Shown As Follows And Effective On The Later Of Such Dates:**

**Texas Research and Technology Foundation,**
a Texas nonprofit corporation

By: York Duncan
York Duncan
President

Date: 8/5/2014

THE STATE OF TEXAS §
§
COUNTY OF Bexar §

This instrument was acknowledged before me on the 5th day of August, 2014, by York Duncan, the President of the Texas Research and Technology Foundation, a Texas nonprofit corporation, on behalf of said nonprofit corporation.

(SEAL)

AIDA ANN ALBIAR
Notary Public
State of Texas
My Comm. Exp. 06-23-2015

Aida Ann Albiar
Notary Public in and for
The State of Texas

My Commission Expires: 06/23/2015

**SIGNATURE PAGE TO**
**AGREEMENT REGARDING THE TEXAS RESEARCH AND TECHNOLOGY FOUNDATION DEVELOPMENT**

**Medina County, Texas,**
a political subdivision of the State of Texas

By: James E. Barden
James E. Barden
County Judge

Date: July 31, 2014

THE STATE OF TEXAS §
§
COUNTY OF Medina §

This instrument was acknowledged before me on the 31st day of July, 2014, by James E. Barden, the County Judge of Medina County, Texas, a political subdivision of the State of Texas, on behalf of said County.

(SEAL)

JENNIFER A. ADLONG
My Commission Expires
April 12, 2015

Jennifer A. Adlong
Notary Public in and for
The State of Texas

My Commission Expires: 04-12-15

**DEVELOPER ACKNOWLEDGEMENT TO AGREEMENT REGARDING THE TEXAS RESEARCH AND TECHNOLOGY FOUNDATION DEVELOPMENT**

**Acknowledged and Agreed:**

**Harry Hausman,**
the Developer, as defined in Paragraph 1

By: [signature]
Name: Harry Hausman
Title: Managing Partner
Date: July 30, 2014

THE STATE OF TEXAS §
§
COUNTY OF Bexar §

This instrument was acknowledged before me on the 30th day of July, 2014, by Harry Hausman.

(SEAL)

Mary M. Hoyt
Notary Public in and for
The State of Texas

Mary M Hoyt
My Commission Expires
11/21/2015

My Commission Expires: 11/21/2015

**EXHIBIT A**

**THE PROPERTY**

**[ TO BE ATTACHED ]**

**Barrera Land Surveying**
1319 March, Suite 102
San Antonio, Texas 78214
(210) 444-9023 - Office
TBPLS No. 101830-00

STATE OF TEXAS

COUNTY OF BEXAR & MEDINA COUNTIES

LEGAL DESCRIPTION
For 423.43 Acre Tract

Field notes describing a 423.43 acre tract of land being out and part of the 555.00 acres of the Texas Research and Technology Foundation Tract of land, out of the Elizabeth Davis Survey No. 6, Abstract No. 1447 as recorded in Official Public Records Volume 202, Page 450, Medina County, Texas. Said 423.43 acre tract, being more particularly described as follows:

**COMMENCING:** At a set 1/2" steel rod with a yellow cap marked "RPLS 5286" along the south right-of-way line of Lambda Dr., being a corner of the 555.00 acres of the Texas Research and Technology Foundation Tract of land, out of the Elizabeth Davis Survey No. 6, Abstract No. 1447 as recorded in Official Public Records Volume 202, Page 450, Medina County, Texas;

**THENCE:** S 30°05'30" W, a distance of 1359.95 feet to a set 1/2" iron rod with a yellow cap mark "RPLS 5286", for a corner of this herein described tract and the **POINT OF BEGINNING;**

**BEGINNING:** At a set 1/2" steel rod with a yellow cap marked "RPLS 5286", being the east corner of herein described tract;

**THENCE:** S 30°05'30" W, a distance of 2538.42 feet to a set 1/2" iron rod with a yellow cap mark "RPLS 5286", also being the Bexar County and Medina County line, for a corner of this herein described tract;

**THENCE:** N 89°57'52" W, for a distance of 2288.80 feet to point to a found 1/2" iron rod, for a corner of this herein described tract;

**THENCE:** N 00°20'13" W, for a distance of 3670.67 feet to a found 1/2"iron rod , for a corner of this herein described tract;

**THENCE:** N 00°25'42" W, for a distance of 1387.74 feet to a found 1/2" iron rod , for the northwest corner of this herein described tract;

**THENCE:** N 00°21'20" W, for a distance of 2174.57 feet to a found set 1/2" iron rod, for a corner of this herein described tract;

**THENCE:** S 89°57'04" E, for a distance of 2288.80 feet to a set 1/2" iron rod with a yellow cap marked "RPLS 5286", also being the Medina County and Bexar County line, for a corner of this herein described tract;

**THENCE:** S 00°21'36" E, for a distance of 4287.83 feet to a set 1/2" iron rod with a yellow cap marked "RPLS 5286", for a corner of this herein described tract;

**THENCE:** S 59°54'30" E, for a distance of 1492.37 feet to the **POINT OF BEGINNING.**

Containing 423.43 acres (18,444,492 sq.ft.) of land, Survey prepared this date.

Date: 12-10-2013
Rev.: 12-11-2013

David Barrera, R.P.L.S. No. 5286

STATE OF TEXAS
REGISTERED
DAVID BARRERA
5286
PROFESSIONAL
LAND SURVEYOR

**EXHIBIT B**

**COUNTY ORDER APPROVING AGREEMENT**

**[ TO BE ATTACHED ]**

# MEDINA COUNTY, TEXAS

## Commissioners Court

James E. Barden
County Judge

Richard Saathoff
Commissioner Precinct No. 1

Larry Sittre
Commissioner Precinct No. 2

David Lynch
Commissioner Precinct No. 3

Jerry Beck
Commissioner Precinct No. 4

1893 Jail Building
1502 Avenue K
Room 201
Hondo, Texas 78861
(830) 741-6020
(830) 741-6025 Fax

**IN THE COMMISSIONERS COURT**
**MEDINA COUNTY, TEXAS**
**ORDER NO. 63014**

**APPROVING AGREEMENT REGARDING THE**
**TEXAS RESEARCH AND TECHNOLOGY FOUNDATION DEVELOPMENT**

IT IS HEREBY ORDERED that the Agreement between Medina County, Texas and Texas Research and Technology Foundation regarding a proposed development on property currently owned by said Foundation be and is hereby approved; and the County Judge is authorized to execute same for the County, by the Commissioners Court of Medina County in open general session on this 30th day of June, 2014, by unanimous vote of the Court.

James E. Barden
County Judge
Medina County, Texas

COMMISSIONERS COURT MEDINA COUNTY, TEXAS

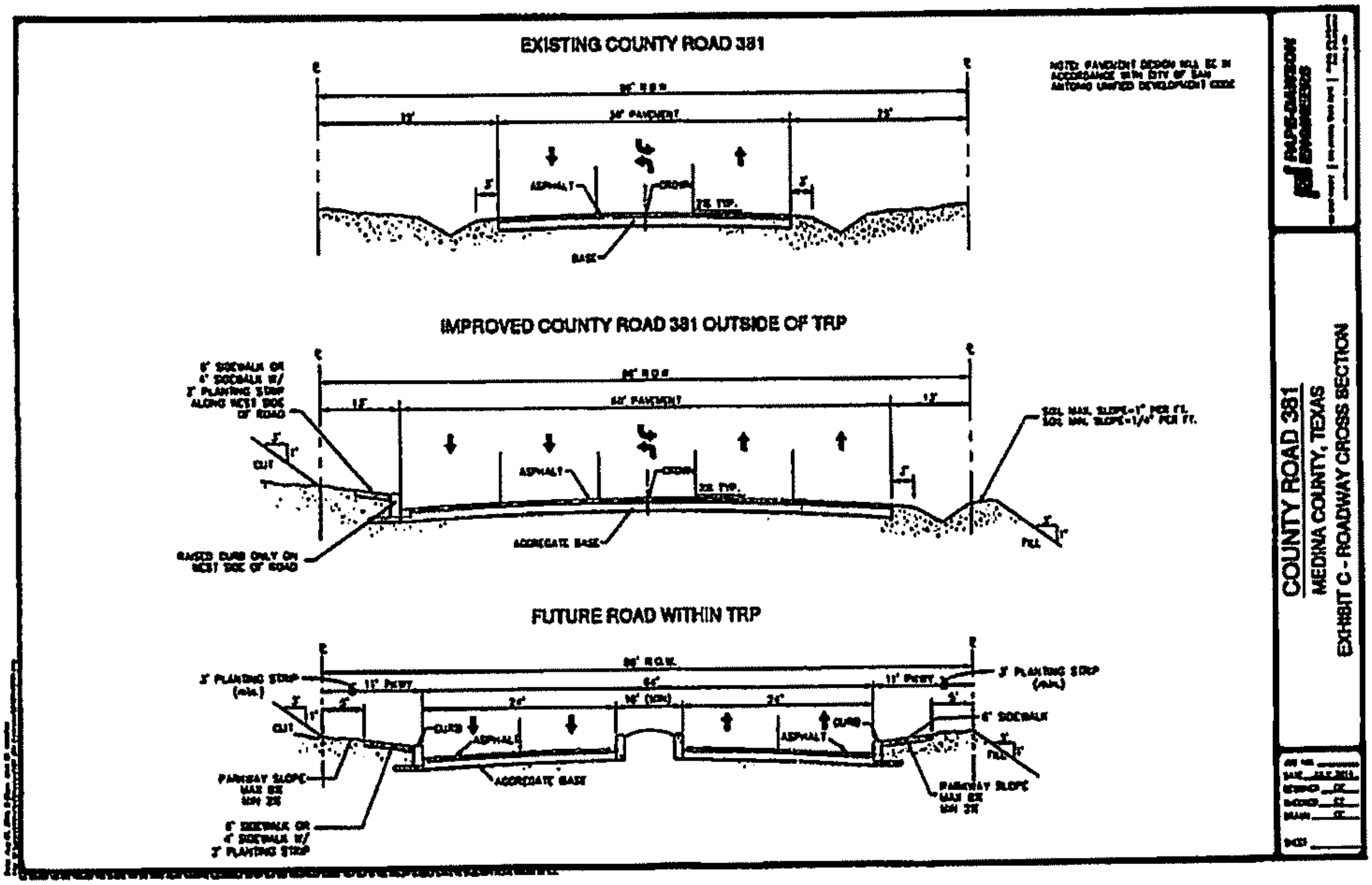
ATTEST:

Lisa Wernette
County Clerk
Medina County, Texas

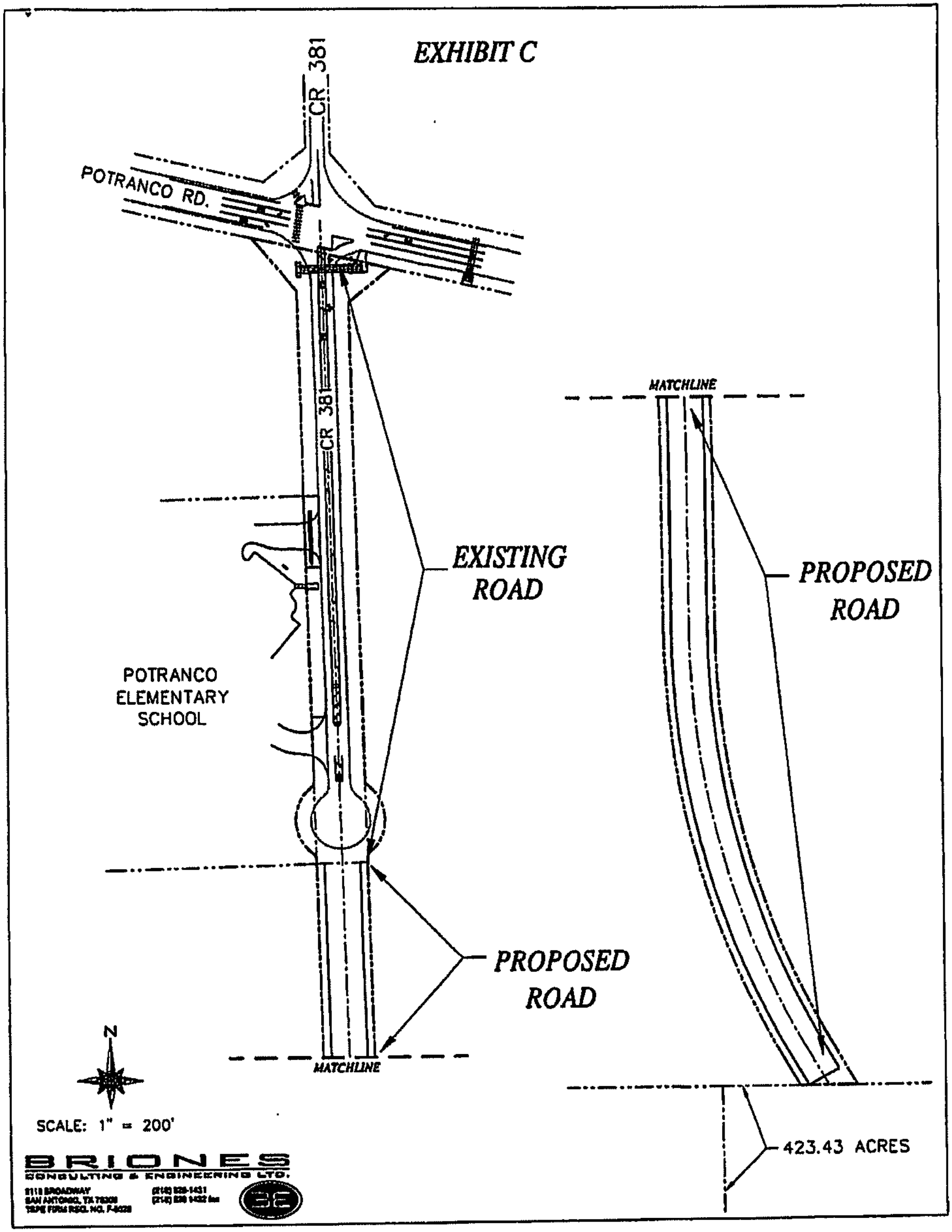
## EXHIBIT C

## DEPICTION OF THE EXISTING ROAD AND THE IMPROVED ROAD

[ TO BE ATTACHED ]


EXISTING COUNTY ROAD 381
IMPROVED COUNTY ROAD 381 OUTSIDE OF TRP
FUTURE ROAD WITHIN TRP
COUNTY ROAD 381
MEDINA COUNTY, TEXAS
EXHIBIT C - ROADWAY CROSS SECTION

# EXHIBIT C



CR 381
POTRANCO RD.
CR 381
EXISTING ROAD
POTRANCO ELEMENTARY SCHOOL
PROPOSED ROAD
MATCHLINE
MATCHLINE
PROPOSED ROAD
423.43 ACRES
N
SCALE: 1" = 200'
BRIONES
CONSULTING & ENGINEERING LTD.

## CERTIFICATE OF COUNTY CLERK

THE STATE OF TEXAS §
§
COUNTY OF MEDINA §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The Commissioners Court (the *Court*) of Medina County, Texas (the *County*), convened on the 21st day of November, 2019 in regular session in the regular meeting place of the Court in the County Courthouse (the *Meeting*), which Meeting was at all times open to the public, the duly constituted officers and members of the Court being as follows:

| | |
|---|---|
| Chris Schuchart | County Judge |
| Tim Neuman | Commissioner, Place 1 |
| Larry Sittre | Commissioner, Place 2 |
| David Lynch | Commissioner, Place 3 |
| Jerry Beck | Commissioner, Place 4 |

and all of such persons were present at the Meeting, except the following: __________, thus constituting a quorum. Among other business considered at the Meeting, the attached order (the *Order*) entitled:

AN ORDER OF MEDINA COUNTY, TEXAS ESTABLISHING AN ECONOMIC DEVELOPMENT PROGRAM; AUTHORIZING THE COUNTY TO ENTER INTO A DEVELOPMENT AGREEMENT WITH RED BIRD LEGACY RANCH, LP PURSUANT TO SAID PROGRAM; AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH

was introduced for the due consideration of the Court. After presentation and discussion of the Order, a motion was made by Commissioner Sittre that the Order be passed and adopted. The motion was seconded by Commissioner Lynch and carried by the following vote:

5 voted "For" 0 voted "Against" 0 "Abstained"

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

2. The attached Order is a true and correct copy of the original on file in the official records of the County; the duly qualified and acting members of the Court 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 Order 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 Order, 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 Commissioners Court, this 21st day of November, 2019.

County Clerk and Ex-Officio Clerk of the
Commissioners Court of Medina County, Texas

(SEAL OF COMMISSIONERS COURT)

COMMISSIONERS COURT MEDINA COUNTY, TEXAS

**ORDER NO. 2019-11-21-1**

**AN ORDER OF MEDINA COUNTY, TEXAS ESTABLISHING AN ECONOMIC DEVELOPMENT PROGRAM; AUTHORIZING THE COUNTY TO ENTER INTO A DEVELOPMENT AGREEMENT WITH RED BIRD LEGACY RANCH, LP PURSUANT TO SAID PROGRAM; AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, the Commissioners Court (the *Court*) of Medina County, Texas (the *County*) 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 381 of the Texas Local Government Code, as amended (*Chapter 381*), which authorizes counties to establish certain economic development programs; and

**WHEREAS**, pursuant to Chapter 381, the County 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 County has determined that the Economic Development Program will promote economic development within the County; and

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

**WHEREAS**, Red Bird Legacy Ranch, LP (the *Developer*) owns approximately 1,019.6 acres of real property located at the northwest intersection of the proposed State Highway 211 northbound expansion and Potranco Road (the *Redbird Property*), which the Developer intends to develop or cause to be developed as a master-planned, mixed-use community to be known as "Redbird Ranch"; and

**WHEREAS**, approximately 722.98 acres of the Redbird Property is located within the boundaries of the County (such portion of the Redbird Property, the *County Redbird Property*); and

**WHEREAS**, the Developer intends to develop the County Redbird Property for commercial, single- and multi-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 County, to comply with certain terms and conditions regarding the Project's development, as more fully described in the Chapter 381 Agreement between the County 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 County has determined that the County Redbird Property's development pursuant to the Agreement will benefit the County by, among other things, expanding the County's property and sales tax, property tax creating additional housing and commercial opportunities for County residents, and providing the County with a manner for acquiring and providing additional and necessary public transportation infrastructure; and

**WHEREAS**, the County 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 ORDERED BY THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS:**

**SECTION 1:** The Court establishes the Economic Development Program under the provisions of Chapter 381 in the form attached hereto as Exhibit A.

**SECTION 2:** The Court approves the Agreement in the form attached hereto as Exhibit B, and the Court authorizes the County Judge to execute and enter into the Agreement on behalf of and as the act and deed of the County for all purposes.

**SECTION 3:** The County hereby creates and establishes, and authorizes the County Auditor, the County Treasurer, or such other County official or employee as may be designated by the County Judge (each, a *County Financial Official*), on behalf and as the act and deed of the County, to take such action as may be necessary to effectuate such creation and establishment with an authorized depository bank of the County, the Grant Proceeds Collection Account identified in the Agreement.

The foregoing Grant Proceeds Collection Account shall be maintained at a depository bank of the County for so long as required for the County's compliance with its obligations relative to such Account under the Agreement. Each County Financial Official is hereby authorized and directed to periodically deposit, in the amounts and at the times, to the applicable Grant Proceeds Collection Account established above from the specified County revenues, all as described in Agreement. To satisfy the County's obligations under the Agreement when and as due, the County Financial Official is hereby authorized and directed to make withdrawals from the Grant Proceeds Collection Account to pay Grants. Any requisite withdrawal from this Account 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 Agreement, withdrawals from the Grant Proceeds Collection Acount herein created may be made directly to the Developer or transferred to another account from which such payment shall be made.

**SECTION 4:** The Agreement describes the County's making Grants to the Developer contingent upon the Developer's performing its obligations thereunder. The County hereby finds and determines that its making Grants as described in the 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 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 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 Order for all purposes and are adopted as a part of the judgment and findings of the Court.

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

**SECTION 8:** This Order 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 Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Court hereby declares that this Order would have been enacted without such invalid provision.

**SECTION 10:** It is officially found, determined, and declared that the meeting at which this Order 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 Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

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

* * * *

PASSED AND ADOPTED on the 21st day of November, 2019.

MEDINA COUNTY, TEXAS

_______________________________
County Judge

ATTEST:

_______________________________
County Clerk and Ex-Officio
Clerk of the Commissioners Court

(SEAL OF COMMISSIONERS COURT)

## EXHIBIT A

MEDINA COUNTY, TEXAS
ECONOMIC DEVELOPMENT PROGRAM
UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 381

See Tab No. 3

## MEDINA COUNTY, TEXAS
## ECONOMIC DEVELOPMENT PROGRAM
## UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 381

The Commissioners Court (the *Court*) of Medina County, Texas (the *County*) is committed to the promotion of quality development in all parts of the County 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 County 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 County. It is the policy of the County 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 County is under obligation to provide any incentive to any applicant. All parties submitting applications pursuant hereto and compliant herewith shall be considered by the County on a case-by-case basis. This Economic Development Program is established for making loans and grants of public money and providing County personnel and services to promote local economic development and to stimulate business and commercial activity in the County under and pursuant to Chapter 381 of the Texas Local Government Code, as amended (*Chapter 381*).

### SECTION I
### ECONOMIC INCENTIVES

The economic incentives listed below are illustrative only. The County 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) Waiver or rebate of permit, license, impact and other fees.

(e) Loans.

(f) Grants.

### SECTION II
### APPLICATION PROCEDURE

(a) Who May Apply. Any present or potential owner or lessee of taxable property in the County (each, an *Applicant*) may submit an application (an *Application*), whether in writing or verbal (so long as, if verbal, the pertinent application provisions are memorialized in a hereinafter-defined Agreement), 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 County 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, and 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) delivery of necessary or enhanced public infrastructure;

(4) other tangible items necessary to the operation and administration of the property or project; and

(5) all other real and tangible personal property permitted by Chapter 381.

(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 Court.

(d) Grant and Abatement Limits. Taxes on real property may be abated or be used as the source of grants 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 or the source of payment of grants shall only be available for ad valorem taxes levied by the County 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 Court'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 County 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 County enter into an Agreement.

(g) Consideration of Application. An Applicant shall submit a completed Application to the Office of the County Judge, who shall present the application to the Court for its consideration. The Court, in its sole discretion, shall decide whether to approve or deny an Application.

(h) Application Approval; Agreement Execution. If the Court 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 County and its residents, the Court shall instruct County staff and consultants to commence negotiation of an Agreement for presentation to and consideration by the Court at a future meeting (which shall occur as expeditiously as practicable).

At the regular meeting of the Court may, by resolution or order, authorize the County's entering into an Agreement and direct the County to execute the presented and approved Agreement as the act and deed, on behalf of, and for the benefit of the County.

(i) Denial of Application. If the Court 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 Court's intent to deny or decline a presented Application.

(j) Confidentiality. To the extent applicable by law, information that is provided to the County in connection with an Application or request for economic incentives under Chapter 381 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 County 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 Court 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 County.

(b) Criteria. In determining whether to bestow economic incentives and enter into an Agreement, the Court shall consider the following factors (among any others the Court 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 County, if any, to provide facilities or services directly resulting from the new improvements;

(7) the types and values of public improvements and infrastructure, if any, to be made by the Applicant;

(8) an estimate of the amount of ad valorem property taxes and sales and use taxes to be paid to the County 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 County; and

(11) the impact upon the County's infrastructure (including the use of County services).

## SECTION IV
## FORMAT FOR AGREEMENT

(a) Required Provisions. If the Court 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 County 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 County indebtedness; and

(8) provisions allowing the County to cancel or modify the Agreement if the recipient fails to comply with the Agreement.

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

(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 Court 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 County ad valorem property taxes levied for purposes other than payment of debt service on County indebtedness, and up to one hundred percent (100%) of County sales 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)

(d) Grants. The County is authorized to approve, as part of an Agreement, Grants to the extent and in the manner determined by the Court (as authorized by its approval of an Agreement that includes a grant component) to be in the best interests of the residents of the County and that is otherwise compliant with the provisions of this Economic Development Program.

## SECTION V
## GENERAL PROVISIONS

(a) This Economic Development Program in no way requires the County to enter into any specific Agreement. The County maintains the discretion to reject any Application as it deems appropriate.

(b) The County intends to administer this Program through its personnel and consultants, 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 381.

(c) To the extent permitted by Chapter 381, the County 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 Court.

* * * *

**CERTIFICATE OF COUNTY CLERK**

THE STATE OF TEXAS §
§
COUNTY OF MEDINA §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The Commissioners Court (the *Court*) of Medina County, Texas (the *County*), convened on the 3rd day of June, 2021 in regular session in the regular meeting place of the Court in the County Courthouse (the *Meeting*), which Meeting was at all times open to the public, the duly constituted officers and members of the Court being as follows:

| | |
|---|---|
| Chris Schuchart | County Judge |
| Tim Neuman | Commissioner, Precinct 1 |
| Larry Sittre | Commissioner, Precinct 2 |
| David Lynch | Commissioner, Precinct 3 |
| Jerry Beck | Commissioner, Precinct 4 |

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

**AN ORDER OF THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS AUTHORIZING THE COUNTY TO ENTER INTO AN AGREEMENT WITH VINTAGE OAKS, LLC REGARDING IMPROVEMENT OF A PORTION OF COUNTY ROAD 381 PURSUANT TO A PREVIOUSLY-CREATED ECONOMIC DEVELOPMENT PROGRAM; AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH**

was introduced for the due consideration of the Court. After presentation and discussion of the Order, a motion was made by Commissioner Lynch that the Order be passed and adopted. The motion was seconded by Commissioner Beck and carried by the following vote:

5 voted "For" 0 voted "Against" 0 "Abstained"

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

2. The attached Order is a true and correct copy of the original on file in the official records of the County; the duly qualified and acting members of the Court 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 Order 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 Order, 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 Commissioners Court, this 3rd day of June, 2021.

County Clerk and Ex-Officio Clerk of the
Commissioners Court of Medina County, Texas

COMMISSIONERS COURT
MEDINA COUNTY, TEXAS

(SEAL OF COMMISSIONERS COURT)

**ORDER NO. 2021-06-03-1**

**AN ORDER OF THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS AUTHORIZING THE COUNTY TO ENTER INTO AN AGREEMENT WITH VINTAGE OAKS, LLC REGARDING IMPROVEMENT OF A PORTION OF COUNTY ROAD 381 PURSUANT TO A PREVIOUSLY-CREATED ECONOMIC DEVELOPMENT PROGRAM; AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, the Commissioners Court (the *Court*) of Medina County, Texas (the *County*) 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 381 of the Texas Local Government Code, as amended (*Chapter 381*), which authorizes counties to establish certain economic development programs; and

**WHEREAS**, pursuant to Chapter 381, the County, by Order No. 2019-11-21-1, has heretofore enhanced its economic development efforts by establishing an economic development program (the *Economic Development Program*) and, in conjunction therewith, adopted policies and procedures therefor (a copy of which is attached hereto as Exhibit A and incorporated herein for all purposes); and

**WHEREAS**, the County hereby ratifies, confirms, and reaffirms its prior determination that the Economic Development Program promotes economic development within the County and its maintenance and preservation to be in the public's best interest; and

**WHEREAS**, Vintage Oaks, LLC (the *Developer*) owns approximately 360.098 acres of real property on or near County Road 381 (*CR 381*) south of Potranco Road located within the County and the extraterritorial jurisdiction of the City of San Antonio, Texas (the *Property*), which the Developer intends to develop or cause to be developed as a master-planned, single-family residential community to be known as "Hunters Ranch," including associated infrastructure and other public improvements (the *Project*); and

**WHEREAS**, the Project includes a portion of CR 381 on the Property that is subject to certain expansion, improvement, and construction standards to ameliorate the effects of higher density development on the Project (the *Improved Road*), as provided by an "Agreement Regarding the Texas Research and Technology Foundation Development" between the County and Texas Research and Technology Foundation, a Texas nonprofit corporation (the *Settlement Agreement*, a copy of which is attached hereto as Exhibit B and incorporated herein for all purposes); and

**WHEREAS**, the Developer has agreed, in exchange and as consideration for certain incentives from the County, to enhance, expand, and improve the Improved Road with features not contemplated by the Settlement Agreement, as more fully described in the Chapter 381 Agreement between the County and the Developer attached to and incorporated herein for all purposes as Exhibit C (the *Agreement*); and

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

**WHEREAS**, the County has determined that enhancement, expansion, and improvement of the Improved Road in accordance with the terms of this Agreement and as a necessary part of the Project will benefit the County by, among other things, expanding and improving the County's roadway system, increasing the County's property tax base and sales and use tax base, and creating enhanced housing and commercial opportunities for County residents; and

**WHEREAS**, the County 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 ORDERED BY THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS:**

SECTION 1: Under and pursuant to the Economic Development Program, and as permitted by the provisions of Chapter 381, the Court hereby approves the Agreement in the form attached hereto as Exhibit C. The Court authorizes the County Commissioner of Precinct No. 2 to execute and enter into the Agreement on behalf of and as the act and deed of the County for all purposes.

SECTION 2: The County hereby creates and establishes, and authorizes the County Auditor, the County Treasurer, or such other County official or employee as may be designated by the County Commissioner of Precinct No. 2 (each, a *County Financial Official*), on behalf of and as the act and deed of the County, to take such action as may be necessary to effectuate such creation and establishment with an authorized depository bank of the County, the Grant Proceeds Collection Account identified in the Agreement.

The foregoing Grants Proceeds Collection Account shall be maintained at a depository bank of the County for so long as required for the County's compliance with its obligations relative to such Account under the Agreement. Each County Financial Official is hereby authorized and directed to periodically deposit, in the amounts and at the times, to the applicable Grant Proceeds Collection Account established above from the specified County revenues, all as described in the Agreement. To satisfy the County's obligations under the Agreement when and as due, the County Financial Official is hereby authorized and directed to make withdrawals from the Grant Proceeds Collection Account to pay Grants. Any requisite withdrawal from this Account 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 Agreement, withdrawals from the Grant Proceeds Collection Account herein created may be made directly to the Developer or transferred to another account directed by the Developer. The County makes no representations or warranties as to the sufficiency or availability of amounts from time to time on deposit in the Grant Proceeds Collection Account to fund the Grants and because this County payment obligation is so limited as to source and amount as heretofore described, the Court hereby finds and determines that the County's obligation to pay Grants to the Developer does not result in the creation of a County debt as prohibited by the State constitution.

SECTION 3: The Agreement describes the County's making Grants to the Developer contingent upon the Developer's performing its obligations thereunder. The County hereby finds and determines that its making Grants as described in the 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 Agreement, in favor of the Developer pursuant to and under the Economic Development Program.

SECTION 4: Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Agreement.

SECTION 5: The recitals contained in the preamble hereof are hereby found to be true; and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Court.

SECTION 6: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order, are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters resolved herein.

SECTION 7: This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 8: If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Court hereby declares that this Order would have been enacted without such invalid provision.

SECTION 9: It is officially found, determined, and declared that the meeting at which this Order 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 Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 10: This Order shall be in force and effect from and after its final passage, and it is so resolved.

* * * * *

PASSED AND APPROVED on the 3rd day of June, 2021.

MEDINA COUNTY, TEXAS

County Judge

ATTEST:

County Clerk and Ex-Officio
Clerk of the Commissioners Court

(SEAL OF COMMISSIONERS COURT)

COMMISSIONERS COURT
MEDINA COUNTY, TEXAS

## EXHIBIT A

## MEDINA COUNTY, TEXAS
## ECONOMIC DEVELOPMENT PROGRAM
## UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 381

See Tab No. 3

**EXHIBIT B**

**AGREEMENT REGARDING**
**THE TEXAS RESEARCH AND TECHNOLOGY FOUNDATION DEVELOPMENT**

See Tab No. 1

# EXHIBIT C

## CHAPTER 381 AGREEMENT
## BETWEEN
## MEDINA COUNTY, TEXAS AND VINTAGE OAKS, LLC

See Tab No. 5

**CHAPTER 381 AGREEMENT**
**BETWEEN**
**MEDINA COUNTY, TEXAS AND VINTAGE OAKS, LLC**

This agreement (this *Agreement*) regarding the expansion and improvement of a certain portion of County Road 381 (*CR 381*), as more fully described herein is entered into by and between Medina County, Texas, a political subdivision of the State of Texas (the *County*), and VINTAGE OAKS, LLC (the *Developer* and collectively with the County, the *Parties* and each the *Party*), and is effective upon the execution of this Agreement by the County and the Developer (the *Effective Date*).

## I. RECITALS

**WHEREAS**, the Commissioners Court (the *Court*) of the County 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**, the Developer owns approximately 360.098 acres of land (the *Property*) on or near County Road 381 (*CR 381*) located in the County and the extraterritorial jurisdiction of the City of San Antonio, Texas (the *City*), which the Developer intends to develop or cause to be developed as a master-planned, single-family residential community to be known as "Hunters Ranch" (the *Project*); and

**WHEREAS**, the Project area includes a portion of CR 381 that is subject to certain expansion, improvement, and construction standards to ameliorate the effects of higher density development in the Project (the *Road*), pursuant to an "Agreement Regarding the Texas Research and Technology Foundation Development" between the County and Texas Research and Technology Foundation, a Texas nonprofit corporation (the *Settlement Agreement*, a copy of which is attached hereto as Exhibit A and incorporated herein for all purposes); and

**WHEREAS**, the Developer has agreed, in exchange and as consideration for certain incentives from the County, to enhance, expand, and improve the Road with features not contemplated by the Settlement Agreement (the *Improved Road*), as more fully described in this Agreement (and as reflected in Exhibit B attached hereto and incorporated herein for all purposes); and

**WHEREAS**, the County has determined that enhancement, expansion, and improvement of the Improved Road in accordance with the terms of this Agreement and as a necessary part of the Project will benefit the County by, among other things, expanding and improving the County's roadway system, increasing the County's property tax base and sales and use tax base, and creating enhanced housing and commercial opportunities for County residents; and

**WHEREAS**, this Agreement is an agreement emanating from and entered into in furtherance of the Economic Development Program established by the Court on November 21, 2019 pursuant to Order No. 2019-11-21; and

**WHEREAS**, the County and the Developer agree that the provisions of this Agreement substantially advance legitimate County interests by expanding and improving the County's roadway system, increasing the County's property tax base and sales and use tax base, and creating enhanced housing and commercial opportunities for County residents; and

**WHEREAS**, the Parties desire to memorialize their intent regarding the Developer's agreement to pay directly or reimburse the County for fees and expenses for negotiation of the terms and provisions of this Agreement; 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:

## II. DEFINITIONS

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

**2.02 Definition of Certain Terms**. As used in this Agreement, and in addition to those terms defined in the recitals above, the following terms shall have the meanings set out below:

"*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 the Improved Road and that is the subject of a Developer's Reimbursement Request submitted by Developer to the County in accordance with Section 5.05 hereof.

"*Authorizing Order*" means County Order No. 2021-05-06-01 adopted by the Court on May 6, 2021, which Order authorizes the County's entering into this Agreement and authorizes other matters necessary or incidental to the foregoing, all in accordance with Chapter 381 of the Texas Local Government Code, as amended.

"*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 the 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) the 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.

"*Chapter 381*" means Chapter 381, as amended, Texas Local Government Code.

"*County Ad Valorem Taxes*" means seventy percent (70%) of the County revenues derived from those annual ad valorem taxes thereby levied upon the County Hunters Ranch Property Incremental Value for all purposes, other than payment of debt service (also known as the interest and sinking fund tax), during the Term and collected by the County through the Reimbursement Period.

"*County Hunter's Ranch Property Base Value*" means the appraised value of the Property as of January 1, 2021.

"*County Hunters Ranch Property Incremental Value*" means the appraised value of the Property as of January 1 of each year, beginning in 2022 and continuing for the duration of the Term, that is in excess of the County Hunters Ranch Property Base Value.

"*CR 381 Improvement Costs*" means the actual costs incurred for designing, developing, and constructing the Improved Road, as required by Article IV hereof.

"*Developer's Reimbursement Request*" means a Grant Installment payment request made by the Developer for CR 381 Improvement Costs incurred, which request shall be in the form attached hereto as Exhibit C 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 County, as authorized by and in compliance with Article III, Section 52-a of the Texas Constitution and Section 381.004, as amended, Texas Local Government Code, as established by the Court's Order No. 2019-11-21-1 of November 21, 2019 and pursuant to which the Grants are made.

"*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 and (ii) the regularly scheduled Grant Installment Payment Date upon which the aggregate amount of all Grant Installments paid to the Developer under this Agreement totals the Maximum Disbursement Amount.

"*Force Majeure Event*" means war, act of terrorism, civil commotion, pandemic (excluding the ongoing COVID-19 pandemic), quarantine, fire, severe flood, hurricane, tornado, explosion, court order, or change in requirements of applicable law in existence as of the date hereof or other similar events or circumstances that are outside of the Developer's control, but only to the extent that such events or circumstances delay final completion of the Improved Road or otherwise make the Developer's construction of the Improved Road impracticable or impossible after taking reasonable steps to mitigate the effects thereof.

"*Grant Installment*" has the meaning ascribed thereto in Section 5.04 hereof.

"*Grant Installment Payment Date*" means (i) June 1st of each year, commencing on June 1, 2022, and (ii) the last day of the Reimbursement Period.

"*Grant Proceeds Collection Account*" means the "Medina County, Texas Hunters Ranch Development Grant Proceeds Collection Account" established, created, and required to be maintained by the County pursuant to the Authorizing Order.

"*Grants*" means grants made by the County pursuant to Article V of this Agreement.

"*Maximum Disbursement Amount*" means ONE MILLION TWO HUNDRED THIRTY-FIVE THOUSAND AND NO/100 DOLLARS ($1,235,000.00), being the maximum dollar amount of Grants that the Developer is eligible to receive hereunder.

"*Reimbursement Period*" means the period of time during which the County collects County Ad Valorem Taxes that are subject to the County's obligation to make, and the source of the County's payment of, Grants, which period of time includes the Term and the remainder of the calendar year of the year in which occurs the Termination Date.

"*State*" means the State of Texas.

"*Term*" means the period of time stated in Section 3.02 hereof.

"*Termination Date*" means the date that is the first to occur of (i) ten (10) years after the Effective Date and (ii) the duties and obligations arising hereunder of each of the Parties hereto have been fully satisfied, the same having been acknowledged, in writing, by each Party, acting in favor of the other Party.

## III. AUTHORITY AND TERM

**3.01** **Authority**. The County enters into this Agreement pursuant to the authority granted thereto under the Constitution and general laws of the State, including Article III, Section 52-a of the Texas Constitution, Chapter 381, the Authorizing Order, and the Economic Development Program. The Developer enters into this Agreement pursuant to its general corporate or individual powers.

**3.02** **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 the in Clause (i), then this Agreement shall terminate notwithstanding the County's not having paid to the Developer the Maximum Disbursement Amount (or that such payment in full is not expected to be made through conclusion of the Reimbursement Period). Notwithstanding anything to the contrary, this Agreement may be extended by mutual agreement of the Parties.

**3.03 Termination of the Settlement Agreement as to the Improved Road**. The Parties hereby agree to terminate that portion of the Settlement Agreement applicable to the Improved Road (Section 2.b.iv thereof) and acknowledge that this Agreement, to the extent applicable, supersedes and replaces the terms and provisions of the Settlement Agreement as to the Improved Road.

## IV. IMPROVED ROAD DEVELOPMENT AND DEDICATION

**4.01 Commencement; Completion**. The Developer has commenced construction of the Improved Road. Subject to a Force Majeure Event, the Developer shall continuously perform necessary work on the Improved Road as is necessary to assure its completion by May 1, 2022.

**4.02 Governing Regulations and Construction Standards**. Except to the extent modified by the terms hereof (in which case, the terms of this Agreement shall control), the Developer shall adhere to all local law and regulation of any entity (whether political subdivision or agency) having jurisdiction of construction of the Improved Road (including inspection by the City pursuant to the Interlocal Agreement, as well as inspection by the County's engineer). The Improved Road shall be constructed in accordance with the plans and specifications attached hereto as Exhibit B. Plan review and construction oversight, administration, and coordination shall be managed through the County's engineer, with whom the Developer shall timely share all necessary information when and as reasonably requested by the County engineer.

**4.03 Payment of Costs**. Timely payment of all CR 381 Improvement Costs, regardless of their recovery by the Developer in the form of Grants, shall represent the sole and exclusive responsibility of the Developer.

**4.04 Payment of County Expenses**. On or before the Effective Date, the Developer will provide the sum of FIFTY THOUSAND DOLLARS AND NO/100 ($50,000) to the County to be held in escrow by the County for Expenses of the County for negotiating, entering into, and administrating this Agreement (including engineering fees incurred thereby under Section 4.02).

**4.05 Dedication of Improved Road**. Upon its completion, the Improved Road shall be dedicated and conveyed to, and accepted by, the County. As a condition to the County's final acceptance of the Improved Road, the Developer shall deliver the following to the County:

(a) an inspection report from the City of San Antonio, Texas concerning the completed Improved Road, in form satisfactory to the County (in its reasonable judgment);

(b) 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 County;

(c) easements or rights-of-way (and evidence of recordation thereof in the deed records of the County) that are related to or required for use of the Improved Road; and

(d) 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, and all other documentation related to the Improved Road.

## V. ECONOMIC DEVELOPMENT INCENTIVES

**5.01 Generally**. The County has determined that the Project will result in County population increase, increased County property tax revenue, increased County sales and use tax revenue, which together are intended to provide a catalyst to the economy of the County in numerous ways. In addition, the accomplishment of the Improved Road as provided by this Agreement will assist the County in the management of traffic congestion mitigation in and around the area of the County surrounding the Project and will mitigate the effects of increased density on the County's road system. In exchange for delivery of these benefits and increased economic development, the County agrees to provide the Developer with the economic development incentives as outlined below.

**5.02 Grants**. In exchange for the Developer's satisfaction of its duties and obligations hereunder, the County shall grant, convey, and deliver to the 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 Maximum Disbursement Amount, in the form of the Grants. The Grants are made, granted, conveyed, and delivered to the Developer pursuant to and in furtherance of the Economic Development Program.

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

As stated above, Grants shall only be paid to the Developer subject to the availability of County Ad Valorem Taxes to fund the Grants from amounts at such time on deposit in the Grant Proceeds Collection Account.

**5.03 Grant Proceeds Collection Account**. In the Authorizing Order, the County has established the Grant Proceeds Collection Account. As required by the Authorizing Order, the County shall, beginning in the 2022 tax year, deposit to the Grant Proceeds Collection Account, as received, the County Ad Valorem Taxes and shall continue to deposit to the Grant Proceeds Collection Account in each subsequent year through and including the year in which occurs the Termination Date all County Ad Valorem Taxes until such time that the aggregate amount of all deposits of County Ad Valorem Taxes to the Grant Proceeds Collection Account equals the Maximum Disbursement Amount.

Amounts on deposit in the Grant Proceeds Collection Account shall be disbursed in accordance with the provisions of Section 5.04 hereof. Any amounts on deposit in the Grants Proceeds Collection Account at the time of expiration of the Reimbursement Period or at the time that the sum of all Grant Installments equals the Maximum Disbursement Amount shall be transferred to the County for further deposit to its general fund, as further provided in Section 5.06 hereof.

**5.04** **<u>Payment of Grants; Grant Installment Payment Dates</u>**. 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 be equal to the lessor of (i) the amount of eligible CR 381 Improvement Costs included in a Developer's Reimbursement Request received by the County from the Developer in accordance with Section 5.05 hereof prior to the subject Grant Installment Payment Date, plus any eligible CR 381 Improvement 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; provided, however, that the aggregate amount of all Grant Installments shall not exceed the Maximum Disbursement Amount. The County 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 the Developer, by check, to the address identified in Section 7.04 hereof.

A schedule that includes projections of County Ad Valorem Taxes, growth in County Hunters Ranch Property Incremental Value, and ad valorem taxes on County Hunters Ranch Property Incremental Value retained by the County for the duration of this Agreement is attached hereto as Exhibit D.

**5.05** **<u>Developer Reports; Requests for Grant Installment Payment</u>**. When the Developer has incurred CR 381 Improvement Costs that are eligible for reimbursement pursuant to the terms of this Agreement, and unless such CR 381 Improvement Costs are the subject of a previously-submitted Developer's Reimbursement Request, the Developer shall, not later than May 15$^{th}$ preceding the next Grant Installment Payment Date, deliver to the County a Developer's Reimbursement Request, which request shall be substantially in the form attached here as Exhibit C and include:

(a) the amount of CR 381 Improvement Costs;

(b) a statement of no default hereunder; and

(c) documentation evidencing the name and address of the entity or entities that performed the work or service for which CR 381 Improvement Costs were incurred, a description of the contract pursuant to which the payment is made, the amount of such payment, the original contract amount, the total payments made to date on such contract, adequate proof of payment (for example, cancelled checks and invoices for said payments, if available, or a properly executed Affidavit of Payment).

The County is not obligated to fund any Developer's Reimbursement Request until such time as all documentation required by this Section shall been submitted to the County and determined, in the County's reasonable judgment, to be accurate and complete. The County shall have ten (10) calendar days after receipt of Developer's Reimbursement Request to object to any matter contained therein, after which the Developer may remedy such objection(s) and resubmit the Reimbursement Request. Upon determination of satisfactory completion of the requirements under this Section, the County shall fund the Developer's Reimbursement Request.

**5.06 Continued Delivery of Developer's Reimbursement Requests; County's Continuing Obligation to Pay**. The Developer shall continue to submit Developer's Reimbursement Requests until such time as the total amount of all CR 381 Improvement Costs included in all Developer's Reimbursement Requests equal or exceed the Maximum Disbursement Amount (which the Parties expect to occur at the time of the Developer's initial Developer's Reimbursement Request). Subject to the amounts at such time held in the Grant Proceeds Collection Account, the County 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 County shall have no obligation to reimburse Developer for CR 381 Improvement Costs. As of the Final Grant Installment Payment Date, the County shall have no continuing obligation to fund Grants from the Grant Proceeds Collection Account, and amounts at such time on deposit in the Grant Proceeds Collection Account shall be available for use by the County and shall immediately be transferred to the County's general fund for utilization for any lawful purpose.

## VI. ASSIGNMENT OF COMMITMENTS AND OBLIGATIONS

Because the County's entering into this Agreement with the Developer is conditioned on the Developer's demonstrated skill, expertise, and financial resources with respect to the development of projects similar to the Project, and with respect to the Project specifically, the duties and obligations of the Developer concerning construction of the Improved Road are not assignable. The Developer's right to received Grant Installments is assignable, so long as such assignment does not result in the pledge of the continued right of the Developer or its assignee to receive Grant Installments as security for debt issued by any governmental or quasi-governmental entity or a corporation acting on behalf thereof.

## VII. DEFAULT AND NOTICE

**7.01 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.

**7.02 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 6.01 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 CR 381 Improvement Costs already incurred as of such time of termination and the County 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.

**7.03 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, the Developer and the County 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 County's participation in the defense of such a lawsuit is expressly conditioned on budgetary appropriations for such action by the Court and shall be covered by Article X 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 Grant Installment Payments, unless otherwise required by a court of competent jurisdiction.

**7.04 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 the County or the Developer, as the case may be, at the address stated below.

Any notice mailed to the County shall be addressed:

Medina County
Attn.: Commissioner, Precinct 2
8366 FM 471 S
Castroville, Texas 78009
Phone: (830) 931-4000
Fax: (830) 931-4015
Email: Lydia.aguinaga@medinacountytexas.org

With a copy to:

Clayton Binford
McCall, Parkhurst & Horton L.L.P.
112 E. Pecan, Suite 1310
San Antonio, Texas 78205
Phone: (201) 225-2819

Fax: (210) 225-2984
Email: cbinford@mphlegal.com

Any notice mailed to the Developer shall be addressed:

Vintage Oaks, LLC
13438 Bandera Road #104
Helotes, Texas 78203
Phone: (210) 695-5490
Fax: (210) 499-5950
Email: harrylhausman@gmail.com

With a copy to:

Devin "Buck" Benson
Barton Benson Jones PLLC
745 E. Mulberry Ave., Suite 550
San Antonio, Texas 78212

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

## VIII. REPRESENTATIONS, WARRANTIES, AND COVENANTS

**8.01** **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 Improved Road. 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.

**8.02** **County Representations, Warranties, and Covenants**.

(a) As stated in Article V hereof, the County 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, the CR 381 Improvement Costs, in the form of Grants, as and when required by (but subject to the limitations of) this Agreement and in an amount up and equal to the Maximum Disbursement Amount.

(b) The County shall place no lien on, pledge, or otherwise encumber the County Ad Valorem 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.

(c) The County has, pursuant to the Authorizing Order, taken all requisite and necessary actions to enter into this Agreement, and this Agreement represents a valid and binding agreement of the County, 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.

(d) To the extent (but only to the extent) its obligations are not uncertain or in dispute, the County 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.

**8.03 <u>Developer Representations, Warranties, and Covenants</u>.**

(a) 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 similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(b) The Developer has the power and authority to enter into this Agreement, and has taken all actions 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.

(c) The 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 work with respect to the Improved Road and, in this regard, the Developer shall.

(d) The Developer shall

i. provide, or cause to be provided, all materials, labor, and services for completing the Improved Road, which materials, labor, and services shall be of adequate quality when graded against industry standards and the construction requirements identified in this Agreement;

ii. bid, procure, supervise, manage, perform, and from time to time provide information relating to such work regarding compliance with all duties, obligations, regulations, code and legal requirements arising under this Agreement and any governing regulation with jurisdiction over the Improved Road; and

iii. apply its financial resources against payment of the CR 381 Improvement Costs when and as due, without reliance on the availability of any Grants or Grant Installments; and

iv. obtain or cause to be obtained, all necessary permits and approvals from the County, the City of San Antonio, Texas, and/or all other governmental entities having jurisdiction or regulatory authority over the Improved Road and, with respect thereto, pay or cause to be paid all applicable permit or similar fees.

(e) With respect to Grants, the Developer:

i. will not include any costs that are not CR 381 Improvement Costs in any Developer Reimbursement Request;

ii. will diligently follow all procedures set forth in this Agreement with respect to its request for payment of Grant Installments; and

iii. understands the duties, limitations, and responsibilities imposed upon the County under the applicable State law having application to matters that are the subject of this Agreement, including its making of the Grants.

(f) The Developer acknowledges and agrees that, pursuant to Texas law, the Developer is required to make information regarding its contractual relationships regarding construction or acquisition of the Improved Road generally available as public records. In this regard, the Developer acknowledges and agrees that any information provided by the Developer to the County with respect to the Improved Road, this Agreement, and any work performed by the Developer, a contractor, or a subcontractor for the Improved Road (including pricing and payment information) may be subject to public disclosure by the County pursuant to applicable law.

(g) The 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, and improvement of the Improved Road.

(h) All personnel supplied or used by the 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 County for any purpose whatsoever. The Developer shall be solely responsible for the compensation of all such personnel.

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

(j) As and to the extent applicable, the Developer shall comply with all regulations concerning employment of labor required by law (including, but not limited to, Chapter 2258, as amended, Texas Government Code, requiring the Developer to pay prevailing wages to workers, which shall be determined using the wage scales from time to time published online at https://wdolhome.sam.gov/). The reference to this source of prevailing wages is not a warranty, guaranty or other representation by the County 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.

(k) The Developer has delivered, unless exempted under applicable 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 County and the Developer. The Developer and the County understand that none of the County or the County's representatives or consultants have the ability to verify the information included in Form 1295, and none of the County or the County's representatives or consultants have an obligation, nor have undertaken any responsibility, for advising the Developer with respect to the proper completion of Form 1295 other than, with respect to the County, providing the identification numbers required for the completion of Form 1295.

(l) The Developer hereby verifies that it and its parent companies, 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 and services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, as amended, Texas Government Code, and to the extent such section does not contravene applicable 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 Israel-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

(m) The Developer represents that neither it nor any of its parent companies, 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, as amended, Texas Government Code, and posted on the following website page:

https://comptroller.texas.gov/purchasing/publications/divestment.php

The foregoing representation is made solely to comply with Section 2252.152, as amended, Texas Government Code and to the extent such Section does not contravene applicable federal law and excludes the Developer and each of its parent companies, 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. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

## IX. INDEMNIFICATION

**9.01** THE DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE COUNTY, THE COURT, 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 THE DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF THE DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT, CONTRACTOR, OR SUBCONTRACTOR OF THE DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS, AND REPRESENTATIVES, WHILE IN THE EXERCISE OR 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. IF A COURT OF COMPETENT JURISDICTION FINDS THE DEVELOPER AND AN INDEMNIFIED PARTY JOINTLY LIABLE DUE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNIFIED PARTY, THEN 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. 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. THE DEVELOPER SHALL IMMEDIATELY ADVISE THE COURT, IN WRITING, OF ANY CLAIM OR DEMAND AGAINST THE DEVELOPER OR AN INDEMNIFIED PARTY, TO THE EXTENT AND WHEN KNOWN TO THE DEVELOPER, RELATED TO OR ARISING OUT OF THE DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT.

**9.02** In addition to the indemnification provided in Section 9.01 above, the Developer shall also require each of its contractors and subcontractors working on the Project to indemnify each Indemnified Party from and against any and all claims, losses, damages, causes of action, 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.

## X. MISCELLANEOUS PROVISIONS

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

**10.02 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.

**10.03 Recordation**. A copy of this Agreement will be recorded in the Official Public Records of the County by the Developer.

**10.04 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.

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

**10.06 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.

**10.07 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.

**10.08 No Personal Liability**. None of the members of the Court, nor any officer, agent, or employee of the County, 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.

**10.09 Severability**. In the event any clause or provision of this Agreement is adjudged to be invalid or unenforceable, that clause or provision shall be severable and shall not invalidate the remainder of the agreement, if the essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

**10.10 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 apart of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

*        *        *

IN WITNESS HEREOF, the parties hereto have caused this instrument to be duly executed this 3rd day of June, 2021.

MEDINA COUNTY, TEXAS

By:______________________________
Commissioner, Precinct No. 2

DEVELOPER

______________________________
VINTAGE OAKS, LLC

IN WITNESS HEREOF, the parties hereto have caused this instrument to be duly executed this 3rd day of June, 2021.

MEDINA COUNTY, TEXAS

By:________________________
Commissioner, Precinct No. 2

DEVELOPER

________________________
VINTAGE OAKS, LLC

**EXHIBIT A**

**SETTLEMENT AGREEMENT**

See Tab No. 1

**EXHIBIT A**

**SETTLEMENT AGREEMENT**

See Tab No. 1

**EXHIBIT B**

**MAP OF IMPROVED ROAD**

See Tab No. 6

**EXHIBIT C**

**DEVELOPER'S REIMBURSEMENT REQUEST**

# DEVELOPER'S REIMBURSEMENT REQUEST

THE STATE OF TEXAS §
§
COUNTY OF MEDINA §

I, the undersigned, being an authorized representative of Vintage Oaks, LLC (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 June 3, 2021, by and among the Developer and Medina County, Texas, do hereby request reimbursement for the hereinafter-described CR 381 Improvements 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:

1. 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.

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

3. The CR 381 Road Improvements 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 CR 381 Road Improvements Costs heretofore referenced that are attached hereto and included herewith.

4. 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 necessary documents.

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

SIGNED this the _______ day of _______________, 20___.

VINTAGE OAKS, LLC

By:____________________________

Printed Name:____________________

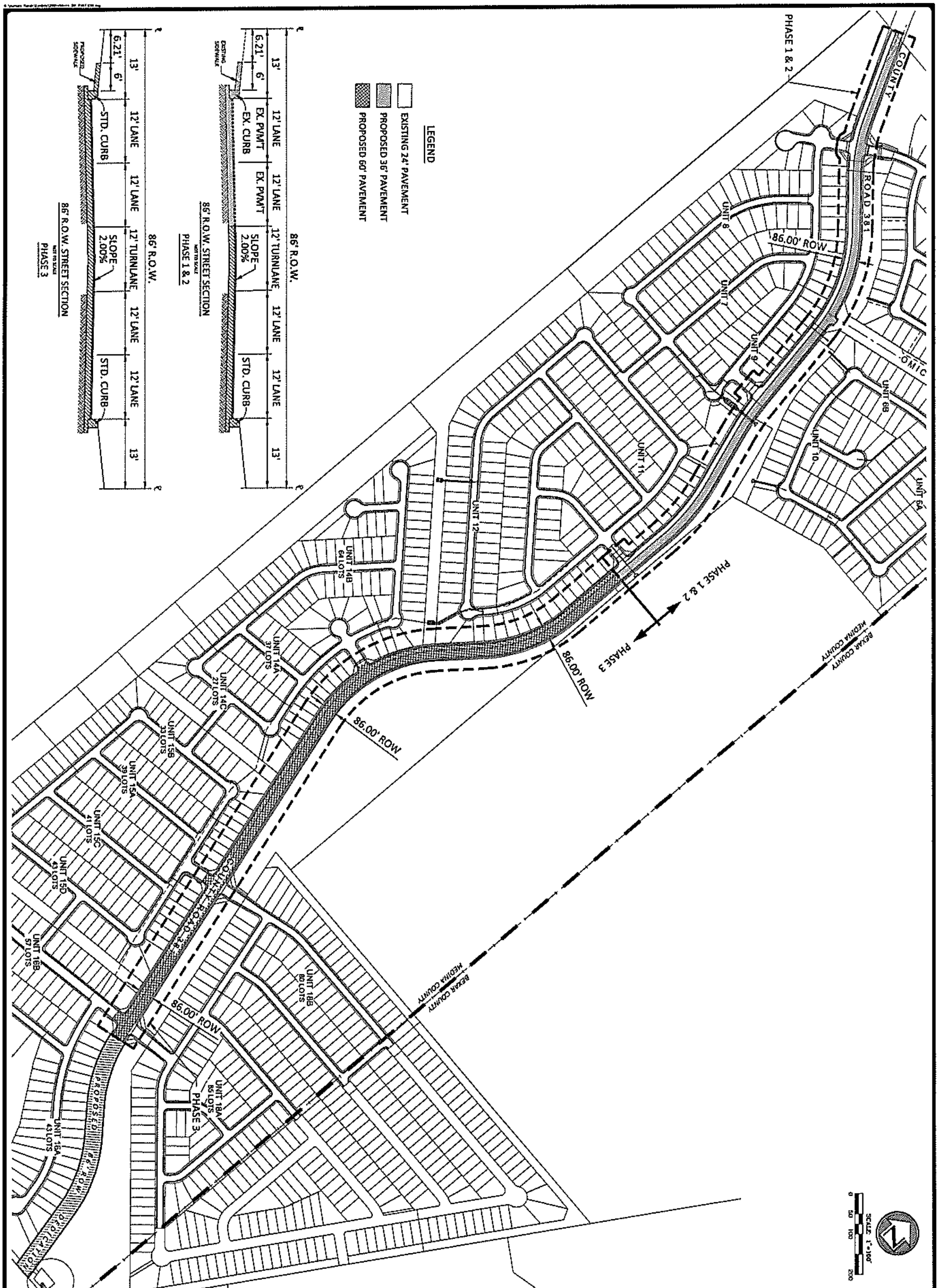
Title:____________________________

# EXHIBIT D

# PROJECTION FOR COUNTY AD VALOREM TAXES

Hunters Ranch
Projected Income
850 Additional Homes

| Year | Number New Homes | Avg. Value New Homes | New Net Taxable Value | New Annual Projected Tax Revenue | Cumulative Projected Tax Revenue | Due Medina County | Due Developer | Developer Cumulative |
|---|---|---|---|---|---|---|---|---|
| 2022 | 72 | $ 240,000 | $17,280,000 | $ 78,831 | $ 78,831 | $ 23,649 | $ 55,182 | $ 55,182 |
| 2023 | 108 | $ 243,600 | $26,308,800 | $ 120,021 | $ 198,852 | $ 59,656 | $ 139,196 | $ 194,378 |
| 2024 | 108 | $ 247,254 | $26,703,432 | $ 121,821 | $ 320,673 | $ 96,202 | $ 224,471 | $ 418,850 |
| 2025 | 108 | $ 250,963 | $27,103,983 | $ 123,648 | $ 444,322 | $ 133,256 | $ 311,025 | $ 729,875 |
| 2026 | 108 | $ 254,727 | $27,510,543 | $ 125,503 | $ 569,825 | $ 170,947 | $ 398,877 | $ 1,128,752 |
| 2027 | 108 | $ 258,548 | $27,923,201 | $ 127,386 | $ 697,210 | $ 671,570 | $ 25,640 | $ 1,154,392 |
| 2028 | 108 | | | | | | | |
| 2029 | 108 | | | | | | | |
| 2030 | 22 | | | | | | | |
| | 850 | | | | | $ 1,155,321 | $ 1,154,392 | |




| REVISIONS | | | |
|---|---|---|---|
| NO. | DATE | DESCRIPTION | BY |

- Engineers
- Surveyors
- Planners

**MTR**

Moy Tarin Ramirez Engineers, LLC

FIRM TBPE NO. F-5297

12770 CIMARRON PATH, SUITE 100 TEL: (210) 698-5051
SAN ANTONIO, TEXAS 78249 FAX: (210) 698-5085

HUNTERS RANCH SUBDIVISION

COUNTY ROAD 381 EXHIBIT

SHEET

EX1

# CERTIFICATE OF INTERESTED PARTIES

FORM **1295**



Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY**
**CERTIFICATION OF FILING**

**Certificate Number:**
2021-762481

**Date Filed:**
06/07/2021

**Date Acknowledged:**
06/07/2021

1 **Name of business entity filing form, and the city, state and country of the business entity's place of business.**

Vintage Oaks, LLC
San Antonio, TX United States

2 **Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

Medina County, Texas

3 **Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

Hunters Ranch CR 381 Agmt
Construction of CR 381

| 4 Name of Interested Party | City, State, Country (place of business) | Nature of interest (check applicable) | |
|---|---|---|---|
| | | Controlling | Intermediary |
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5 **Check only if there is NO Interested Party.** ☒

6 **UNSWORN DECLARATION**

My name is ______________________________, and my date of birth is ____________.

My address is ______________________, ______________, ______, __________, ________.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in ____________________County, State of ____________, on the _____day of __________, 20_____.
(month) (year)

______________________________
Signature of authorized agent of contracting business entity
(Declarant)