

## MICROSOFT INTERNAL ROUTING FORM

Microsoft Corporation (cc 1010)

### Important Notes:

- If **DECLINING** to sign, please provide reason for declining.
- This form and associated Contract/Change Order formalizes approval from the Authorized Microsoft SAP PS PR/PO SAFE Approver, based upon MS Corporate Policy, and/or Microsoft Authorized Signor.
- The Supplier Authorized Signor and Microsoft Authorized Signor will e-sign the contractual document (i.e., signature line on the contract).
- **International Transactions:** SAP PS PR/PO SAFE approves Internal Routing form Only; Country Authorized Signatory executes contract.
- **Wet Signature:** Internal approval required before execution of contract.

| Routing Order | Microsoft Internal Approver(s) | Approver Name          | Signature                                                                                                                                             | Date Signed  |
|---------------|--------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1             | CELA                           | Sam Winninghoff (CELA) | <br><small>Sam Winninghoff (CELA) (Jul 10, 2024 17:01 PDT)</small> | Jul 10, 2024 |

**CONTRACT VALUE:** \$0.00

**CURRENCY:** USD

**COMPASS:** NON-PO-0001751

**Processed By:** Tawnya Carlson

**TOTAL CONTRACT VALUE:** \$300,000.00

☐ **US ROUTING: WET SIGNATURE REQUIRED - Routing to Capture Internal Approval**

☐ **INTERNATIONAL ROUTING: WET SIGNATURE REQUIRED - Document will be wet signed by Country Authorized Signatory upon Internal Approval**

**CHAPTER 381  
ECONOMIC DEVELOPMENT  
AGREEMENT BETWEEN  
MEDINA COUNTY, TEXAS  
AND  
MICROSOFT CORPORATION**

This Chapter 381 Economic Development Agreement (this "Agreement") is entered into between Medina County, Texas, a political subdivision of the State of Texas (the "County") and Microsoft Corporation ("Microsoft"), acting by and through its duly authorized officers (collectively referred to as the "Parties").

**Recitals**

WHEREAS Chapter 381 of the Texas Local Government Code authorizes a county to stimulate business and commercial activity by developing and administering a program for state and local economic development; and

WHEREAS Section 381.004(c)(4) of the Texas Local Government Code authorizes a county commissioners court to accept contributions, gifts, or other resources to develop and administer a program for local economic development; and

WHEREAS Microsoft intends to build one or more data centers ("Data Centers") within the boundaries of the County;

WHEREAS development of the Data Centers will stimulate business and commercial activity in the County; and

WHEREAS the Data Centers are not within the corporate limits of a municipality and are not subject to municipal permitting requirements; and

WHEREAS the County does not currently have the personnel, equipment, administrative process or other resources to adequately inspect the Data Centers for compliance with applicable fire regulations; and

WHEREAS the Parties agree that it is in the best interest of both the County and Microsoft to provide for fire inspections for the Data Centers; and

WHEREAS the County has requested funding from Microsoft to implement a fire inspection service program ("Inspection Program") for inspection of the Data Centers and, as resources allow, for County service to other structures within the County; and

WHEREAS the funding requested by the County from Microsoft shall be utilized to help fund the costs of the Inspection Program; and

WHEREAS Microsoft has agreed to make contributions ("Contribution") to fund the creation and initial expenses of the Inspection Program;

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term. This Agreement will become enforceable upon the Effective Date and will terminate on the third anniversary of the Effective Date ("Term").
2. Inspection Program Funding. Microsoft shall deliver to the County a Contribution of ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$100,000) once per year for three (3) years to fund the Inspection Program. Funds for the first year (the "Initial Contribution") shall be payable to the County within sixty (60) days of the Effective Date of this Agreement. Funds for the second year shall be payable to the County within sixty (60) days of the first (1st) anniversary of the Effective Date. Funds for the third year shall be payable to the County within sixty (60) days of the second (2nd) anniversary of the Effective Date.
3. Inspection Program. The County shall employ a fire marshal to assist the County in adopting and enforcing the Fire Code. Following adoption of a Fire Code by the County Commissioners Court, the County shall create an Inspection Program. The Inspection Program shall include the review and, if all applicable inspection criteria and permit requirements are met, issuance of all Fire Code permits required by the County to construct and operate the Data Centers. Upon receipt of the Initial Contribution, the County shall promptly and diligently initiate the Inspection Program, and, if all applicable inspection criteria and permit requirements are met, issue all necessary approvals within the periods provided under applicable County Regulations, County Codes, County Orders, and the Texas Local Government Code. All personnel employed or engaged by the County to conduct the Inspection Program shall at all times be under the sole supervision of the County. Such Inspection Program personnel and any relevant equipment necessary to conduct the Inspection Program shall be funded by the County. The County shall comply with all applicable provisions of the Texas Local Government Code, including those related to purchasing, contracting, and employment, in implementing the Inspection Program. During this agreement's term, the County shall not impose, charge, or assess permitting fees (including Fire Code fees) on Microsoft.
4. Covenants and Warranties. Microsoft makes the following covenants and warranties to the County, and agrees to timely and fully perform the following obligations and duties:

Authorized in Texas. Microsoft is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the Term of this Agreement.

Compliance with Law. Microsoft shall operate and maintain the Property and Data Centers in accordance with the applicable federal, state, and local laws, codes, ordinances, and regulations.

Due Authorization. Microsoft has taken all necessary corporate action to authorize its execution and delivery of this Agreement and its performance of its obligations hereunder.

Availability of Funds. Microsoft has available to it, without restriction, all funds required to be expended by it for the Inspection Program Funding.

No Undocumented Workers. In accordance with Chapter 2264 of the Texas Government Code, Microsoft agrees not to knowingly employ any undocumented workers at the Data Centers during the Term of this Agreement. If Microsoft is convicted of a violation under 8 U.S.C. Section 1324(f), then such violation shall be an event of default and Microsoft shall immediately notify the County in writing and forfeit any monies paid to the County for its Inspection Program.

Full Compliance. Microsoft shall timely and fully comply with all the terms and conditions of this Agreement, subject to Force Majeure (such as natural disasters, governmental actions, war and civil unrest, energy or resource outages, labor disputes, or other unforeseeable events).

5. Inspection Program Funding Accepted for Limited Purposes. The County's acceptance of the Inspection Program Funding does not bind the County to a course of action or promise of performance except as specifically described in this Agreement. No benefits will accrue to Microsoft as a result of the County's acceptance of the Inspection Program Funding except those arising from the County's implementation of the Inspection Program by reviewing, and if all applicable inspection criteria are met, issuance of all applicable permits.
6. Default. In the event that Microsoft does not deliver the Initial Contribution in accordance with this Agreement, the County shall not be obligated to institute the Inspection Program. If Microsoft fails to timely deliver subsequent Contribution installments as described in Paragraph 2 of this Agreement, County may suspend the Inspection Program until it receives the Contribution installment. In the event that the County does not timely perform its obligations under the Inspection Program, the County shall refund any portion of the Contribution received within sixty (60) days of receiving notice from Microsoft as provided under Paragraph 10 of this Agreement.
7. Personal Liability of Public Officials. To the extent permitted by State law, no public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.
8. Amendments. This Agreement constitutes the entire understanding and agreement of the Parties as to the matters set forth in the Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all Parties hereto.

9. Representations and Warranties of County. The County represents and warrants to Microsoft that this Agreement is within its authority pursuant to Chapter 381 of the Texas Local Government Code, that it is in compliance with other applicable laws and regulations and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction.
10. Binding Obligation. This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Each Party warrants and represents that the individual executing this Agreement on behalf of that individual's represented Party has full authority to execute this Agreement and bind the represented Party to the same.
11. Notice. Any notice, payment, or other communication (the "Notice") given under this Agreement must be in writing, and may be given: (a) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the party to be notified with return receipt requested; (b) by personal delivery of the Notice to the party, or an agent of the party; or (c) by confirmed facsimile, provided that a copy of the Notice is also given in one of the manners specified in (a) or (b). Notice deposited in the mail as specified will be effective two (2) days after deposit. Notice given in any other manner will be effective only if and when received by the party to be notified. For the purposes of Notice, the addresses of the parties will, until changed as provided below, be as follows:

**Microsoft:**  
Microsoft Corporation  
Attn: Legal Dept.  
One Microsoft Way  
Redmond, WA 98052

**With a copy to:**  
William T. Kaufman  
The Kaufman Group  
100 West Houston Street, Suite 1000  
San Antonio, TX 78205

**County:**  
Medina County  
Attn: County Judge Keith Lutz  
1300 Avenue M  
Hondo, TX 78861  
Fax (830) 741-6025

**With a copy to:**  
Margaret Swyers  
Assistant Criminal District Attorney  
Medina County Criminal District Attorney's Office

1403 Avenue N  
Hondo, TX 78861  
Fax (830) 741-6033

Any party may designate a different address at any time by giving Notice to the other parties.

12. Assignment. Microsoft may not assign this Agreement without the prior written consent of the County. The County will not unreasonably withhold its consent of the assignment in the case of merger, corporate restructuring, or acquisition of Microsoft. However, the County may withhold such consent if in the County's sole discretion, it has concerns regarding, including without limitation, the lack of financial viability of the assignee, the business reputation of the assignee, the assignee's engaging in a type of business that would reflect poorly on the County, or the assignee's lack of compliance with applicable federal, state, or local laws and ordinances.
13. Interpretation. Each of the parties has been represented by counsel of its choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly, reasonably, and neither more strongly for, nor against, any party based on draftsmanship.
14. Relationship of the Parties. This Agreement will not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the parties. Neither the County, nor its past, present, or future officers, elected officials, employees, or agents, assume any responsibility or liability to any third party in connection with the development of the Data Centers or the design, construction, or operation of any portion of the Data Centers.
15. Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Medina County, Texas. The exclusive venue shall lie in a court of competent jurisdiction in Medina County, Texas.
16. Severability. In the event any provision in this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
17. Paragraph Headings. The paragraph headings in this Agreement are for convenience only and will not enlarge or limit the scope or meaning of the paragraphs.

18. No Third-Party Beneficiaries. This Agreement is not intended to confer any rights, privileges, or causes of action upon any third party.
19. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. A facsimile signature will be deemed an original signature for all purposes.
20. Indemnity. Microsoft agrees to indemnify, defend, and hold harmless the County and its elected officials, officers, employees, and agents from and against any claims, losses, damages, causes of action, suits and liabilities arising out of negligence of Microsoft in connection with this Agreement.
21. No Waiver of Immunity. No provision of this Agreement shall affect or waive any sovereign or governmental immunity available to the County and/or its elected officials, officers, employees and agents under federal or Texas law nor waive any defenses or remedies at law available to the County and/or its elected officials, officers, employees, and agents under federal or Texas law.

(Signatures Commence on Following Page)

IN WITNESS WHEREOF, this Agreement shall become effective as of the date of the last properly authorized signature ("Effective Date").

County:



  
Medina County Judge Keith Lutz

Owner:

Sid Janga  
Sid Janga (Jul 15, 2024 07:54 CDT)

Jul 15, 2024

Microsoft Corporation  
Attn: Sid Janga  
AMERS Regional Lead, Land Development  
One Microsoft Way  
Redmond, WA 98052

# P.20207 San Antonio Land Dev AZ02 Wurzbach Medina County Cha

Final Audit Report

2024-07-15

|                 |                                                                          |
|-----------------|--------------------------------------------------------------------------|
| Created:        | 2024-07-09                                                               |
| By:             | Microsoft CO+I Land and Energy Contracting (COILandEnergy@microsoft.com) |
| Status:         | Signed                                                                   |
| Transaction ID: | CBJCHBCAABAA9syD-mefVkS2Vk0CayhDrwBgECYgQyC                              |

## "P.20207 San Antonio Land Dev AZ02 Wurzbach Medina County Cha" History

-  Document created by Microsoft CO+I Land and Energy Contracting (COILandEnergy@microsoft.com)  
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-  Document emailed to Sam Winninghoff (CELA) (swinninghoff@microsoft.com) for approval  
2024-07-09 - 8:54:36 PM GMT
-  Email sent to Microsoft CO+I Land and Energy Contracting (COILandEnergy@microsoft.com) bounced and could not be delivered  
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-  Document approved by Sam Winninghoff (CELA) (swinninghoff@microsoft.com)  
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-  Document emailed to Sid Janga (sidjanga@microsoft.com) for signature  
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-  Document e-signed by Sid Janga (sidjanga@microsoft.com)  
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