MODIFICATION TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT

This Modification to Amended and Restated Development (the "Agreement") is entered into on December 1, 2026 (the "Execution Date") by and between the City of San Marcos, Texas, a home rule municipal corporation ("City") and Franklin Mountain San Marcos 1, LP, a Texas limited partnership ("Owner") but will not be effective until the Effective Date (as hereinafter defined). The City and Owner are sometimes referred to individually as a "Party," and collectively, as the "Parties."

I. RECITALS

1.1. The City and Owner are Parties to that certain Amended and Restated Development Agreement effective as of January 17, 2023 governing the development, annexation and zoning of land within the City's extraterritorial jurisdiction in Caldwell County (the "Development Agreement").

1.2. The City seeks to enter into a Chapter 380 economic development incentive agreement (the "380 Agreement") with Daimler Truck North America, LLC, or its authorized assigns (the "End User") seeking to develop approximately 611 acres of land in Caldwell County, part of which lies within the boundaries of the area covered by the Development Agreement. The subject tract of land is described in Exhibit A, attached hereto and made a part hereof (the "Removal Tract"). Owner is in negotiations to sell the Removal Tract to the End User.

1.3. Due to the unique nature of the proposed development of the Removal Tract, the City has determined that a separate set of standards and requirements should be established exclusively for development of the Removal Tract.

1.4. The Parties seek to modify the Development Agreement by releasing the Removal Tract so that a new set of regulations specifically for the Removal Tract may be negotiated between the City and the End User without changing any other requirements, terms, conditions, or obligations of the parties under the Development Agreement.

1.5. For these reasons, the Parties enter into this Modification of Amended and Restated Development Agreement to release the Removal Tract from the Development Agreement.

II. AGREEMENT

2.1. The Removal Tract is hereby released from the Development Agreement and the Removal Tract shall no longer be governed or regulated by the Development Agreement.

2.2. Consistent with the release of the Removal Tract, the description of the Property in Exhibit A of the Development Agreement is hereby amended as shown in Attachment 1 and the Conceptual Land Use Plan in Exhibit B of the Development Agreement is hereby amended as shown in Attachment 2, each of which are made a part hereof.

2.3. All other terms and conditions of the Development Agreement shall remain in force and effect, including, but not limited to, the owner's responsibility to complete all off-site public improvements as described in the Development Agreement and the City's commitment of 2,108 LUEs of wastewater service for the Property as described on Exhibit A.

2.4. The effective date of this Agreement (the "Effective Date") shall be the date that the last of the following events to occur: (1) the date the End User purchases the Removal Tract from the Owner and the End User delivers documentation to the City of its ownership of the Removal Tract; (2) the date upon which the City enters into the 380 Agreement with the End User seeking to develop the Removal Tract; (3) the date of the approval of an Interlocal Agreement with Caldwell County establishing standards for development of the Removal Tract; and (4) the date upon which the Removal Tract is released from Caldwell County's Irish development agreement. A copy of this Agreement will be recorded in the Official Public Records of Caldwell County by the City within five (5) business days following the Effective Date. Notwithstanding any provision herein to the contrary, if the Effective Date does not occur by June 1, 2027, this Agreement shall be void and of no force or effect without any further action from the Parties.

EXECUTED to be effective as of the Effective Date stated above.

[SIGNATURES ON NEXT PAGE]

OWNER:
Franklin Mountain San Marcos, 1, LP

By: _____
Ryan Burkhardt, President

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the __ day of _____ 2026, by Ryan Burkhardt, in his capacity as President for Franklin Mountain San Marcos I, LP.

_____
Notary Public, State of Texas

CITY:
City of San Marcos

By: _____
Stephanie Reyes, City Manager

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on the __ day of _____ 2026, by Stephanie Reyes, City Manager of the City of San Marcos, in such capacity on behalf od said entity.

_____
Notary Public, State of Texas

ATTACHMENT 1
[Property Description]

ATTACHMENT 2
[Conceptual Land Use Plan]