

## **MUTUAL TERMINATION OF AMENDED AND RESTATED COTTON CENTER DEVELOPMENT AGREEMENT AND CONSENT AGREEMENT**

This Mutual Termination of Amended and Restated Cotton Center Development Agreement and Consent Agreement (this “Agreement”) is entered by and between the City of San Marcos, Texas (“City”); Walton Texas LP, a Texas limited partnership (“Walton Texas”); Walton TX Martindale LP, an Alberta limited partnership (“Walton TX Martindale”); Walton TX Martindale LP 2, an Alberta limited partnership (“Walton TX Martindale 2”). Collectively, Walton Texas, Walton TX Martindale and Walton TX Martindale 2 are referred to herein as “Walton.” The City and Walton collectively are referred to herein as “Parties.”

### **I. RECITALS**

**1.1.** The City and Walton entered into that certain Amended and Restated Cotton Center Development Agreement between the City and Walton Texas, effective as of June 7, 2024 and recorded as Document No. 24033937 in the Official Public Records of Hays County, Texas, as amended (the “Development Agreement”) and that certain Consent Agreement, effective December 11, 2014 and recorded as Document No. 2014-006144 in the Official Public Records of Caldwell County, Texas, as amended (the “Consent Agreement”). The Development Agreement and Consent Agreement each relate to approximately 1,786 acres of land in Caldwell County east of the City (the “Property”).

**1.2.** Walton has since requested to terminate the Development Agreement and Consent Agreement and also filed a Petition with the Public Utility Commission of Texas (the “PUC”) to Amend the City’s Sewer Certificate of Convenience and Necessity (“CCN”) No. 20116 in Caldwell County by Streamlined Expedited Release (“Petition”) pursuant to Texas Water Code (“TWC”) §13.2541 and 16 TAC §24.245(h) to release the Property from the sewer service area covered by the CCN.

**1.3.** To resolve all matters related to termination of the Development Agreement and the Consent Agreement and release of the Property from the City’s sewer CCN, the Parties entered into that certain Settlement Agreement approved by the San Marcos on September 16, 2025 pursuant to which the Parties have agreed to terminate the Development Agreement and the Consent Agreement.

**1.4.** For these reasons, the Parties wish to enter into this Agreement for purposes of terminating the Development Agreement and Consent Agreement.

### **II. AGREEMENT**

**2.1.** In consideration of the foregoing and other mutual benefits and obligations of the Parties, the Parties agree to, and by this Agreement, mutually terminate the Development Agreement and Consent Agreement and such agreements shall, as of the Effective Date stated below, be null and void and of no further force or effect.

**2.2.** The termination of the Development Agreement and Consent Agreement will be effective as of the date of the last signature to this Agreement (the “Effective Date”).

**2.3.** Within 15 days after the Effective Date, the City shall record an instrument in the Official Public Records of Caldwell County Texas, evidencing the termination of the Development Agreement and the Consent Agreement, in a form mutually approved by the authorized representatives of the Parties, releasing the Property from the terms and conditions therein.

**2.4.** Remedies for breach of this Agreement shall be deemed a violation of the Settlement Agreement and is subject to the Remedies and General Provisions in Articles V and VI therein.

EXECUTED by the Parties to be effective as of the Effective Date.

[SIGNATURES ON FOLLOWING PAGES]