

**AMENDMENT TO REIMBURSEMENT AGREEMENT CONCERNING
REINVESTMENT ZONE NO. 4, CITY OF SAN MARCOS, TEXAS
AND THE PASO ROBLES PROJECT**

THIS AMENDMENT TO REIMBURSEMENT AGREEMENT CONCERNING REINVESTMENT ZONE NO. 4, CITY OF SAN MARCOS, TEXAS AND THE PASO ROBLES PROJECT (the "Amendment") by and between the City of San Marcos, Texas, a Texas home rule municipality (the "City") and Carma Paso Robles LLC (the "Developer") is entered into on this [2nd] day of [July], 2024 (the "Effective Date").

RECITALS

WHEREAS, on May 17, 2011, the City Council of the City (the "Council") created the City of San Marcos, Texas, Tax Increment Reinvestment Zone No. 4 ("Zone No. 4") and adopted Ordinance No. 2011-68 which designated Zone No. 4 pursuant to Chapter 311 of the Texas Tax Code; and

WHEREAS, the City and the Developer entered into the Reimbursement Agreement Concerning Reinvestment Zone No. 4, City of San Marcos, Texas and the Paso Robles Project (the "Agreement") by and between the City and the Developer, related to Zone No. 4 pursuant to the authority granted to the City by its powers as a home-rule municipality and Chapter 311 of the Texas Tax Code; and

WHEREAS, the Council adopted Ordinance No. -2024-26 on July 2, 2024, which approved an amended Project Plan and Reinvestment Zone Financing Plan for Zone No. 4 to (i) include additional anticipated projects and cost estimates and (ii) increase the maximum amount of tax increment that may be reimbursed to the Developer, all as set forth and further described in the amended Project and Financing Plan (the "Amended Project and Financing Plan"); and

WHEREAS, in accordance with Section 311 of the Texas Tax Code, the City and the Developer desire to amend the Agreement to increase the amount of the reimbursement to the Developer for costs incurred for the Improvements (as defined in the Agreement); and

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the City and Developer hereby agree as follows:

AGREEMENT

1. The Agreement is amended by amending the fifth paragraph in Section 3(d) of the Agreement to read as follows:

At the sole discretion of the City and based upon such terms and conditions as determined, the City may issue bonds in one or more series in an aggregate principal amount not to exceed \$46,000,000 which bonds will be payable solely from the tax increment funds including the tax increment revenues. Any net proceeds of bonds remaining after payment of costs of issuance and any other reserve funds and/or capitalized interest shall be remitted

to the Developer within 60 days of delivery of the bonds subject to approval by the City of the reimbursement audit.

2. Except as explicitly set forth in this Amendment, no other terms of the Agreement are modified or amended, and except as otherwise modified herein, the terms of the Agreement are in full force and effect.

3. The provisions of this Amendment and the Agreement should be read together and construed as one agreement provided that, in the event of any conflict or inconsistency between the provision of this Amendment and the Agreement, the provisions of this Amendment shall control.

4. The Agreement (including the Amendment) shall remain in force and effect as provided in Section 10 of the Agreement.

5. Unless otherwise exempt, the Developer has delivered to the City, a Certificate of Interested Parties Form 1295 ("Form 1295") and certification of filing generated by the Texas Ethics Commission's (the "TEC") electronic portal, signed by an authorized agent of each respective entity prior to the execution of this Amendment by the Parties. The Parties understand and agree that, with the exception of information identifying the City, and the contract identification number in each Form 1295, with respect to an exemption from the filing requirement of a Form 1295, the Developer is solely responsible for its claim of exemption, and the City, nor its consultants, is responsible for a determination made by the Developer that the Developer is exempt from filing a Form 1295, or for the information contained in any Form 1295 and the City, nor its consultants, has verified such information.

6. The Developer represents and warrants, for purposes of Chapter 2271 of the Texas Government Code that at the time of execution and delivery of this Amendment, neither the Developer nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, boycotts Israel or will boycott Israel. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycotts Israel" and "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 Israeli- 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.

7. The Developer represents that, neither the Developer, nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, are companies identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:
<https://comptroller.texas.gov/purchasing/docs/sudanlist.pdf>; <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/ftolist.pdf>. The foregoing

representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, 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.

IN WITNESS WHEREOF, the parties hereto may execute this Amendment in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

[EXECUTION PAGE FOLLOWS]

SIGNED as of this _____ day of _____, 2024

CARMA PASO ROBLES LLC,
a Texas Limited Liability Company
By: Brookfield Residential (Texas) LLC.,
its sole member

By: _____

Name: _____

Title: _____

CITY OF SAN MARCOS, TEXAS

By: _____
Mayor

ATTEST:

City Clerk