

AMENDMENT TO CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This First Amendment to Chapter 380 Economic Development Incentive Agreement (the “First Amendment”) is entered into effective _____ (the “Effective Date”) between (i) the City of San Marcos, Texas (the “City”), a Texas municipal corporation, and (ii) Urban Mining Company, a Delaware Corporation which is duly registered to do business in the State of Texas (“Company”) and Urban Mining Development, LLC, a Delaware limited liability company (“UMC Development”). Company and UMC Development may also be collectively referred to herein as the “Developers.” The City and Developers may also be referred to collectively as the “Parties.”

1. This First Amendment amends that certain Chapter 380 Economic Development Incentive Agreement between the Parties dated April 18, 2017 (the “380 Agreement”) as set forth below.

a. Section 3.01 is amended to read as follows:

Section 3.01. Operation of Business. Company shall begin operation of the Business on the Project Site after January 1, 2017, but before December 21, 2019, and shall continuously operate, maintain and manage the Business for the duration of the Term. The Company further agrees to commence the initial construction necessary for the commencement of the operation of the Business on the Project Site prior to September 30, 2018, and thereafter diligently pursue completion of such construction.

b. Article III, Company’s Obligations, is amended by adding a new Section 3.04 to read as follows:

Section 3.04. Dedication of Land. Company shall dedicate approximately 2.4 acres of land, more or less, to the City, as shown in Exhibit F, for the construction and operation of an electric service substation to serve Urban Mining Company on the Project Site, and future development on the ETJ Land. The dedication of land under this section shall be in accordance with the specific terms related to the dedication of land for the substation under that certain Contribution in Aid of Construction Agreement between the Parties of even date herewith.

c. Section 10.06 Offset and Overpayments, is amended to read as follows:

Section 10.06 Offset and Overpayments. The City may deduct from any Grant Payments, as an offset, any verified overpayments to Company, delinquent and unpaid fees, sums of money or other fees, charges or taxes assessed and owed to or for the benefit of the City by Company; provided that before offsetting any amounts the City must provide Company with (a) advance notice of such offset; (b) 60 days to take action to remedy the situation giving rise to the offset; and (c) reasonable opportunity, at its own expense, to contest such offset. Notwithstanding the foregoing, without providing advance notice, an opportunity to remedy or a right to contest the deduction under subsections (a), (b) and (c), the City may automatically deduct from any Grant Payments and all amounts due to the City under that certain Contribution in Aid of Construction Agreement (the “CIAC”) under which the City is providing financial incentives to Developers for the extension of electric service to the Land. It is understood and agreed by Developers that such amounts under the CIAC subject to automatic

deduction include the amount of \$285,000.00 due under Section 5.01 of the CIAC and the Incentive Repayment in the amount of \$641,422.31 due under Section 5.03 of the CIAC. Any funds deducted from a Grant Payment related to the CIAC shall be applied toward reimbursement of funds expended by the City's Electric Utility Department.

d. Exhibit F, Conceptual Master Plan, is replaced by the amended Exhibit F attached to this First Amendment and incorporated herein for all purposes.

2. All other terms and conditions of the 380 Agreement shall remain in full force and effect.

3. This First Amendment may be executed in multiple counterparts, each of which shall be considered an original, but all of which constitute one instrument, and facsimile or electronic (in PDF) copies of this Agreement and facsimile or electronic (in PDF) signatures to this Agreement shall be authorized and deemed effective.

EXECUTED to be effective as of the Effective Date.

[SIGNATURES ON FOLLOWING PAGES]

CITY OF SAN MARCOS, TEXAS:

By: _____
Bert Lumbreras, City Manager

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

This instrument was acknowledged before me on this the day of _____, 2018,
by Bert Lumbreras, City Manager of the City of San Marcos, Texas in such capacity, on behalf of
the said municipal corporation.

Notary Public, State of Texas

URBAN MINING COMPANY:

By: _____
Scott Dunn, CEO

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the day of _____, 2018,
by Scott Dunn, CEO of Urban Mining Company, a Delaware corporation, in such capacity, on
behalf of the said corporation.

Notary Public, State of Texas

URBAN MINING DEVELOPMENT, LLC:

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this the _____ day of _____, 2018, by _____, _____ of Urban Mining Development, LLC, a Delaware limited liability company, in such capacity, on behalf of the said entity.

Notary Public, State of _____

URBAN MINING	
CLOVIS BARKER SAN MARCOS, TEXAS	
DATE: 8-11-17	ISSUED FOR: 130-EF
DRAWN BY: <div style="font-size: small;">SCALE:</div>	CHECKED BY: MCP
PROJECT NUMBER: 8032	
CONCEPTUAL MASTER PLAN	
A0.1	
PREPARED BY: JAMES HAYES, INC. PROJECT NO.: 8032 SHEET NO.: A0.1 OF 10 DATE: 8-11-17 DRAWN BY: JHAYES CHECKED BY: MCP SCALE: AS SHOWN PROJECT LOCATION: SAN MARCOS, TEXAS CLIENT: CLOVIS BARKER CONTRACT NO.: 130-EF	

