

**FIRST AMENDMENT TO CHAPTER 380 ECONOMIC DEVELOPMENT**  
**Between**  
**Village of Salado, Texas**  
**and**  
**Sanctuary Property Owners (Sanctuary Community)**

STATE OF TEXAS           §  
  §  
COUNTY OF BELL         §

This First Amendment to the Chapter 380 Economic Development Agreement (this "Amendment") is entered into between (i) the VILLAGE OF SALADO, TEXAS, a Type A general law municipality of the State of Texas (the "Village"), and (ii) BILLIE HANKS, JR., an individual, HANKS-CABINESS TRUST, BHHC CHRISTIAN DEVELOPMENT, LLC, a Texas limited liability company, BHHC CHRISTIAN DEVELOPMENT I, LLC, a Texas limited liability company, BHHC CHRISTIAN DEVELOPMENT II, LLC, a Texas limited liability company, BHHC CHRISTIAN DEVELOPMENT III, LLC, a Texas limited liability company, HEIDI HANKS WATERS, an individual, HEATHER HANKS MCGREADY, an individual, OLD WORLD BBD, INC., a Texas corporation, and SANCTUARY SALADO INVESTMENT II, LLC, a Texas limited liability company, and their respective successors and assigns (each individually referred to herein as an "Owner," and collectively referred to herein as the "Owners"). In this Amendment, Village and Owners are sometimes individually referred to as a "Party" and collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, on or about November 25, 2015 the Parties entered into the Chapter 380 Economic Development Agreement (the "Agreement"); and

**WHEREAS**, with the passage of time and the evolution of the marketplace, the Parties to the Agreement desire to modify certain terms and provisions to better align with their respective goals and expectations and to clarify certain terms and provisions to ensure the development proceeds efficiently and without ambiguity.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements of the Parties contained herein, the Parties agree as follows:

A. Section 1.09 of the Agreement is deleted and replaced with the following:

"Expiration Date" shall mean 12:01 a.m. on the earlier of the date the Master Development Agreement and any extension of that Agreement expires (the

“Outside Date”) or the date that the last and final Grants have been paid that result in the full Maximum Payment Amount having been paid. Notwithstanding the foregoing, the Outside Date may be extended for up to five (5) additional years provided the respective Owner is actively pursuing development of the Project by either having construction in progress, development plans submitted and under review by the Village, or any unexpired development or construction permits or approvals.

- B. Section 1.11 of the Agreement is hereby amended to add the Sales Tax Grants to definition of “Grants” so that the term “Grants” as used in the Agreement shall mean and refer to the Property Tax Grants, Rollback Tax Grants, and Sales Tax Grants.
- C. Section 1.17 of the Agreement is deleted and replaced with the following:

“Property Tax Grant” shall mean annual economic development grants to be paid to each respective Owner during the Term, in an amount equal to the annual Property Tax Receipts actually received by Village associated with such development (if any) less the amount of Property Tax Receipts in the Base Tax Year for the property associated with such development, multiplied by fifty percent (50%), to be paid to each respective Owner, as applicable, to offset a portion of the Owners’ cost or future costs of development of the Land, to be provided as set forth herein.

- D. The Agreement is hereby amended by adding a new **Section 1.141 “Maximum Payment Amount”** as follows:

**1.141 “Maximum Payment Amount”** means the total not to exceed amount of Grants which will be paid to Owners by the Village as Sales Tax Grants, Property Tax Grants, or Rollback Grants during the term of this Agreement, which amount shall not exceed SIX MILLION DOLLARS (\$6,000,000.00).

- E. Section 3.01 of the Agreement is deleted and replaced with the following:

**3.01 Annual Property Tax Grants.** Subject to the continued satisfaction of all terms and conditions of this Agreement, Village shall, during the Term of this Agreement, agree to pay a Property Tax Grant annually for the preceding calendar year in accordance with the terms of this Agreement. The Property Tax Grants shall be paid each year in an amount equal to the Property Tax Receipts received by the Village for each parcel during such year (if any) less the Property Tax Receipts associated with such tracts during the Base Tax Year, multiplied by fifty percent (50%).

The annual Property Tax Grants shall be paid within sixty (60) days following collection of Property Taxes (if any) by the Village. The total amount of all Grants, inclusive of Property Tax Grants, Rollback Grants, and Sales Tax Grants paid to Owners under this Agreement shall not exceed the Maximum Payment Amount as defined in Section 1.141.

If the Improvements constructed within the Project generate sufficient Sales Tax Grants,

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Property Tax Grants, and Rollback Tax Grants to warrant payment of the Maximum Payment Amount, this Agreement terminates upon payment of the Maximum Payment Amount and Owners are not entitled to any further Grants of any kind.

Each Owner collectively and individually expressly agrees that all Property Tax Grant payments from the Village shall be delivered to and collected by Sanctuary Development Company, LLC ("Developer") and its successors and assigns for distribution and delivery to Owners. Developer may distribute and/or expend the funds of such payment as provided by separate agreement with the Owner(s) as applicable and cannot be rolled over in subsequent years.

In no event will the Property Tax Grant paid in connection with a tax year exceed the amount of ad valorem taxes actually collected by Village on the property by July 1 for such tax year.

- F. The Agreement is hereby amended by adding a new **Section 3.04 Annual Sales Tax Grant**, as follows:

**3.04 Annual Sales Tax Grants.** Subject to the continued satisfaction of all terms and conditions of this Agreement, the Village shall, during the Term of this Agreement, agree to pay a Sales Tax Grant annually in an amount equal to fifty percent (50%) of the sales taxes collected from businesses located within the Project. The Sales Tax Grants shall be paid annually no later than March 15th, to cover the prior calendar year of sales tax collections. The total amount of all Grants inclusive of Sales Tax Grants, Property Tax Grants, and Rollback Tax Grants paid to Owners under this Agreement shall not exceed the Maximum Payment.

If the Improvements constructed within the Project generate sufficient Sales Tax Grants, Property Tax Grants, and Rollback Tax Grants to warrant payment of the Maximum Payment Amount, this Agreement terminates upon payment of the Maximum Payment Amount and Owners are not entitled to any further Grants of any kind.

- G. The Agreement is hereby amended by adding a new subsection (e) to Section 6.10, as follows:

(e) Notwithstanding anything in this Section 6.10 to the contrary, each Owner may assign or pledge the rights to the Sales Tax Grants, Property Tax Grants, and/ or Rollback Grants to a third-party without the consent of Village and upon notice of such assignment or pledge Village will direct all future Sales Tax Grants, Property Tax Grants, or Rollback Grants to such assignee or pledgee as directed by such Owner. This Section 6.10(e) shall govern over all other provisions of this Agreement to the extent of any conflict therewith.

- H. All capitalized terms used but not otherwise defined in this Amendment shall have the meanings assigned to them in the Agreement. In the event of any conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail. The heading or captions of the paragraphs in this Amendment are for convenience only

and do not limit or expand the construction and intent of the contents of the respective paragraph.

- I. This Amendment: (a) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; (b) may be modified only in writing signed by each party hereto; and (c) embodies the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to such subject matter.
- J. The Agreement as amended and modified by this Amendment is ratified and confirmed by the parties and remains in full force and effect

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EXECUTED on this 30<sup>th</sup> day of November, 2022.

**VILLAGE:**

ATTEST:

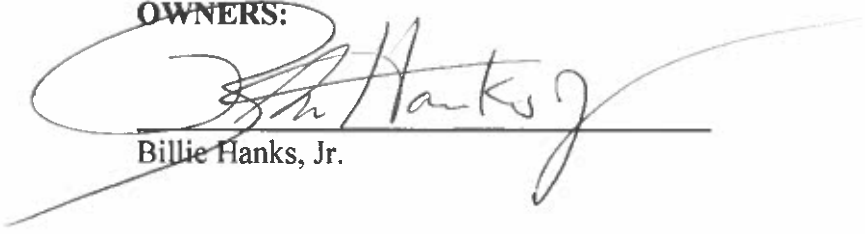
VILLAGE OF SALADO TEXAS,  
a Type A general law municipality of the  
State of Texas

Cara McPartland  
Village Secretary

By:   
Name: Michael Coggin  
Title: Mayor

**EXECUTED** on this 30<sup>th</sup> day of November, 2022.

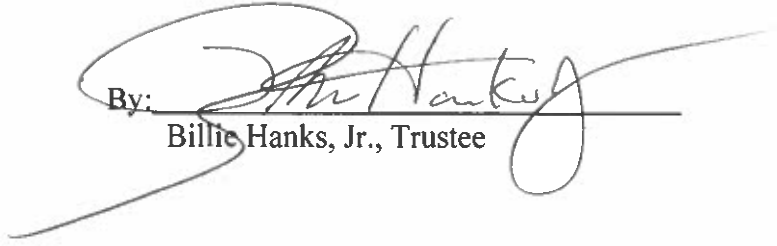
**OWNERS:**

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Billie Hanks, Jr.

HANKS-CABINESS TRUST

By:

A handwritten signature in black ink, appearing to read "Billie Hanks, Jr.", is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

Billie Hanks, Jr., Trustee

BHHC CHRISTIAN DEVELOPMENT, LLC,  
a Texas limited liability company

By: 

Name: Billie Hanks, Jr.

Title: Manager



BHHC CHRISTIAN DEVELOPMENT I, LLC,  
a Texas limited liability company

By:   
Name: Billie Hanks, Jr.  
Title: Manager

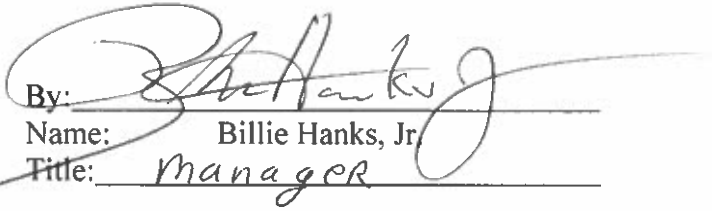
BHHC CHRISTIAN DEVELOPMENT II, LLC,  
a Texas limited liability company

By: 

Name: Billie Hanks, Jr.

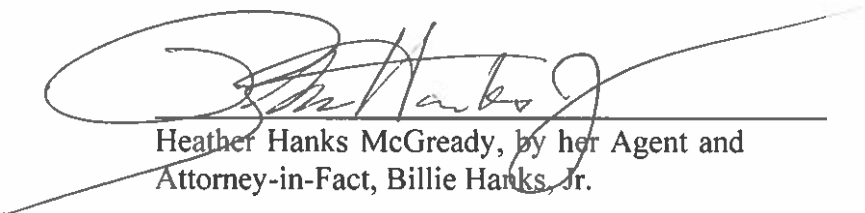
Title: *manager*

BHHC CHRISTIAN DEVELOPMENT III, LLC,  
a Texas limited liability company

By:   
Name: Billie Hanks, Jr.  
Title: *manager*

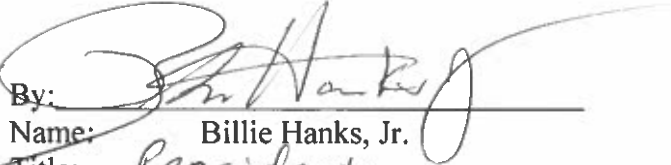
A handwritten signature in black ink, appearing to read "Heidi Hanks Waters". The signature is written in a cursive style with a large initial "H" and a long horizontal flourish extending to the right.

Heidi Hanks Waters, by her Agent and  
Attorney-in-Fact, Billie Hanks, Jr.



Heather Hanks McGready, by her Agent and  
Attorney-in-Fact, Billie Hanks, Jr.

OLD WORLD BBD, INC.,  
a Texas corporation

By:   
Name: Billie Hanks, Jr.  
Title: President

SANCTUARY SALADO INVESTMENT II, LLC,  
a Texas limited liability company

By: Sanctuary Development Company, LLC,  
a Texas limited liability company,  
its Manager

By:   
Billie Hanks, Jr., Manager