STATE OF TEXAS	§	**CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT**
	§	
COUNTY OF CORYELL	§	

This Chapter 380 Economic Development Agreement (this "Agreement") is made by and between the City of Gatesville, a Texas home rule municipality ("City"), and Whataburger Restaurants LLC, a Texas limited liability company ("Company") (City and Company may be collectively referred to as the "Parties" and singularly as a "Party"), acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, Company, as Tenant, has entered into a Lease Agreement with B&C Gatesville investments, LLC, dated October 20, 2025 ("Lease") in relation to the real property and an approximately 3,072 square feet building situated thereon and all related appurtenances (the "Building"), said real property being described as an approximately 1.36 acre parcel situated out of the Shelby Plaza, Block A, Lot 1 in the City of Gatesville, Coryell County, Texas and being more commonly known as 2733 S. State Highway 36, Gatesville Texas (the "Land"). (The Land and the Building are referred to collectively as the "Property"); and

WHEREAS, Company intends to remodel the Building and related appurtenances on the Land, including but not limited to the installation of related furniture, fixtures and equipment, to make it suitable for operation as a Whataburger restaurant and to thereafter operate a Whataburger restaurant in the Building and on the Property, open to and serving the public (the "Project"); and

WHEREAS, Company has advised City that a contributing factor that would induce Company to engage in the Project and thereafter open and operate a Whataburger restaurant on the Property would be an agreement by City to provide economic development grants to Company as set forth herein; and

WHEREAS, City has adopted programs for promoting economic development and this Agreement and the economic development incentives set forth herein are given and provided by City pursuant to and in accordance with those programs; and

WHEREAS, City is authorized by Article 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code to provide economic development grants to promote local economic development and to stimulate business and commercial activity in City; and

WHEREAS, City has determined that making economic development grants to Company in accordance with this Agreement is in accordance with City Economic Development Program and will: (i) further the objectives of City; (ii) benefit City and City's inhabitants; (iii) promote local economic development and stimulate business and commercial activity in City, (iv) generate additional sales tax, (v) create employment opportunities, and (vi) enhance the property tax base and economic vitality of City;

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I
Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Annual Grants" shall mean five (5) consecutive annual economic development grants to be provided by City to Company in accordance with the terms of this Agreement, each in an amount equal to the following percentages of the ad valorem taxes assessed by City against the Property (not including the Land or Tangible Personal Property situated thereon) and collected by City for the applicable Grant Year:

Grant Year	Percentage
Grant Year 1	100%
Grant Year 2	80%
Grant Year 3	60%
Grant Year 4	50%
Grant Year 5	40%

"Bankruptcy or Insolvency" shall mean the dissolution or termination of Company's existence, insolvency, employment of a receiver for any part of Company's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Company and such proceedings are not dismissed within ninety (90) days after the filing thereof.

"Business" shall mean the retail fast food business enterprise (with dine-in and drive-through options) operating under the name "Whataburger" in the Remodeled Building and on the Property, open to and serving the public.

"Building" shall mean the approximately 3,072-square-foot building located on the Land, together with all related appurtenances including but not limited to driveways, approaches, parking areas, lighting, signage, and landscaping.

"Capital Investment" shall mean the capitalized cost incurred and paid by Company to complete the Project on the Property.

"Commencement Date" shall mean the date the certificate of occupancy for the Remodeled Building has been issued by City.

"Commencement of Construction" shall mean that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for Project; (ii) all necessary permits for the construction and/or installation of the Project pursuant to the respective plans therefor having been issued by all applicable governmental authorities; and (iii) construction and/or installation work on the Project has commenced.

"Company" shall mean Whataburger Restaurants, LLC, a Texas limited liability company.

"Company Affiliate" shall mean any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, Company. The term "control" shall mean direct or indirect ownership of more than fifty percent (50%) of the voting stock of a corporation (or equivalent equity interest for other types of entities) or the power to direct or cause the direction of the management and policies of the controlled entity, whether through the ownership of voting securities, by contract or otherwise.

"Company Franchisee" shall mean a bona fide franchisee of the Company, licensed by the Company to operate a Whataburger Restaurant on the Property.

"Completion of Construction" shall mean that: (i) the construction and installation of the remodel of the Building has been substantially completed; (ii) the certificate of occupancy for the Remodeled Building has been issued by the City; and (iii) the Business is open and operating in the Remodeled Building and on the Property.

"Conditions Precedent" shall have the meaning set forth in Section 6.21.

"Consummated" shall have the same meaning assigned by Texas Tax Code, Section 321.203, or its successor.

"Effective Date" shall mean the last date of execution hereof by the Parties.

"Expiration Date" shall mean the sixth (6th) anniversary of the Commencement Date.

"Fee Grants" shall mean an economic development grant to be provided by City to Company in the form of a waiver of fifty (50%) percent of the fees charged by the City for permits and inspections in connection with the Project as the same become due and payable by Company.

"Force Majeure" shall mean an occurrence of any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes affecting the area in which the Property is located that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, in which case the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after the last day of the month of the occurrence of the event(s) or condition(s) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred.

"Freeport Goods" shall have the same meaning as assigned by Section 11.251 of the Tax Code and Article VIII, Section 1-j of the Texas Constitution. Freeport Goods does not include "Goods in Transit" as defined by Tax Code, Section 11.253.

"Goods in Transit" shall have the same meaning assigned by Tax Code, Section 11.253.

"Grant Year" shall mean a given Tax Year, except the "First Grant Year" shall mean the Tax Year following the calendar year in which the Commencement Date occurs.

"Grants" shall collectively mean the Annual Grants, the Sales Tax Grants and the Fee Grants.

"Impositions" shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary, and extraordinary, foreseen, and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on Company or any property or any business owned by Company within City.

"Land" shall mean the approximately 1.36-acre parcel situated out of the Shelby Plaza, Block A, Lot 1 in the City of Gatesville, Coryell County, Texas and being more commonly known as 2733 S. State Highway 36, Gatesville, Texas.

"Payment Request" shall mean: (i) with respect to the Annual Grants, a written request from Company to City for payment of the applicable Annual Grant, which request shall be accompanied by copies of tax statement and receipts and/or other evidence reasonably satisfactory to City to establish that the ad valorem taxes assessed by City against the Real Property has been timely paid for such Grant Year and copies of invoices, bills, receipts, invoices, and such other evidence of the costs incurred and paid by Company evidencing the Capital Investment completed to date, and (ii) with respect to Sales Tax Grants, a written request from Company to City for payment of a Sales Tax Grant which shall be accompanied by the Sales and Use Tax Certificate for the applicable Reporting Period and copies of invoices, bills, receipts, invoices, and such other evidence of the costs incurred and paid by Company evidencing the Capital Investment completed to date.

"Permitted Closures" means and includes any closures (i) occurring on any nationally of State recognized holiday on which the Business is closed or has limited operations; (ii) periods of scheduled maintenance, repairs, upgrades, or renovations to the Business, the Remodeled Building or the Property, or otherwise provided for under the terms of the Lease, provided that such closures or disruptions are planned and communicated in advance in writing to City (a "Closure Notice"); and (iii) resulting from a Force Majeure event providing the notices required in the definition of "Force Majeure" above are timely delivered.

"Project" shall mean the (1) remodel and custom interior finish-out of the interior space of the Building, including but not limited to partition walls, floors, ceilings, lighting, plumbing, electrical, and HVAC as well as installation of furniture, fixtures and equipment, (2) exterior improvements to enhance the building, including façade, roofing and signage, (3) redesign and installation of landscaping and irrigation systems, and (4) reconfiguration and resurfacing of parking lots, sidewalks, driveways, and approaches, including ADA-compliance access, curb-and-gutter work, and exterior site lighting all as may be necessary to make the Building and the Property suitable for operation of the Business.

"Project Commencement Date" shall mean the date that is ten (10) business days after City approval and execution of this Agreement.

"Property" shall collectively mean the Land and Building and all other improvements thereon.

"Related Agreement" shall mean any agreement (not including this Agreement) by and between City and Company or any Company Affiliate.

"Remodeled Building" shall mean the Building after completion of the Project.

"Reporting Period" shall be assigned the same meaning as "Sales Tax Reporting Period."

"Required Use" shall mean the continuous lease and operation of the Property for the Business (a Whataburger restaurant), subject to Permitted Closures.

"Sales and Use Tax" shall mean the City's one and one-half percent (1.5%) sales and use tax imposed pursuant to Chapter 321 of the Texas Tax Code on the sale of Taxable Items by Company consummated at the Leased Premises during the applicable Sales Tax Reporting Period.

"Sales Tax Certificate" shall mean one or more Sales Tax Area Reports that list the amount of Sales Tax Receipts (including any refunds, credits or adjustments) for the applicable calendar year, or if a Sales Tax Area Report is not available or to the extent a Sales Tax Area Report does not include particular Sales Tax Receipts, a certificate or other statement, containing the information required as set forth herein, in a form provided by the Company reasonably acceptable to the City setting forth Sales Tax Receipts (including any refunds, credits or adjustments) for the applicable year, together with such supporting documentation required herein, and as the City may reasonably request.

"Sales Tax Grants" shall mean five (5) annual economic development grants to be paid by City to Company, each in an amount equal to the percentage set forth below for the applicable Sales Tax Reporting Period, to be paid to Company as set forth herein. The amount of each Sales Tax Grant shall be computed by multiplying the Sales Tax Receipts received by City for a given Sales Tax Reporting Period by the percentage shown below less any administrative fee charged to City by the State of Texas for the collection of the Sales and Use Taxes pursuant to Tax Code Section 321.503, or other applicable law:

Grant Year	Percentage
Grant Year 1	50%
Grant Year 2	40%
Grant Year 3	30%
Grant Year 4	20%
Grant Year 5	10%

"Sales Tax Receipts" shall mean the City of Gatesville's receipts of Sales and Use Tax from the State of Texas from (i) the Company's collection of Sales and Use Tax as a result of sales of Taxable Items for the applicable year at the Property, and (ii) from the Company's payments to vendors or directly to the State of Texas of Sales and Use Tax on purchases of Taxable Items Consummated at the Property. For clarity, Sales Tax Receipts does not include Sales and Use Taxes retained by the State of Texas, rather than paid to the City, as the State of Texas' administrative fee for collection of the Sales and Use Taxes pursuant to Texas Tax Code, Section 321.503.

"Sales Tax Reporting Period" shall mean each twelve (12) consecutive month period during the term of this Agreement provided however the first Sales Tax Reporting Period shall begin with the first calendar month immediately following the Commencement Date.

"State of Texas" shall mean the Office of the Texas Comptroller of Public Accounts, or its successor.

"Substantial Change in Ownership or Control" means (i) a merger or consolidation approved by the Company's stockholders in which fifty percent (50%) or more of the Company's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction; (ii) any stockholderapproved sale, transfer, or other disposition of all or substantially of the Company's assets in complete liquidation or dissolution of the Company; or (iii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or under common control with the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1936) or fifty percent (50%) or more of the Company's outstanding securities.

"Tangible Personal Property" shall have the meaning assigned by Section 1.04 of the Tax Code which shall not include Freeport Goods and Goods in Transit located at the Property.

"Tax Year" shall have the meaning assigned to such term in Section 1.04 of the Texas Tax Code (i.e., the calendar year).

"Taxable Items" shall mean both "taxable items" and "taxable services" as those terms are defined by Chapter 151, Texas Tax Code, as amended.

"Taxable Value" shall mean the appraised value as certified by the Coryell County Appraisal District, or its successor, as of January 1 of the given Tax Year.

Article I
Term

The term of this Agreement (the "Term") shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided herein.

Article III
Conditions to Economic Development Grants

The obligation of City to pay the Grants shall be conditions upon the compliance and satisfaction by Company of the terms and conditions of this Agreement and each of the following conditions:

3.1 Construction Plans. Company shall cause all necessary permits and approvals required by City and any applicable governmental authorities to be issued for the Project. Prior to Commencement of Construction, Company shall, subject to events of Force Majeure, cause the Construction Plans to be submitted to the City for approval..

3.2 Remodel of the Building. Subject to the terms and conditions of this Agreement, Company agrees to cause the Project to be designed and constructed in accordance with the approved construction plans and this Agreement. Company shall, subject to events of Force Majeure, cause Commencement of Construction of the Project to occur on or before one (1) year after the Project Commencement Date, and subject to events of Force Majeure, cause Completion of Construction of the Project to occur on or before one (1) year after Commencement of Construction.

3.3 Casualty and Condemnation. If the Building or the Remodeled Building is damaged partially or destroyed by Casualty, regardless of the extent of the damage or destruction, Company shall, subject to events of Force Majeure and the availability of adequate insurance proceeds, within two hundred seventy (270) days from the date of such Casualty commence to repair, reconstruct or replace the damaged or destroyed portion thereof and pursue the repair, reconstruction, or replacement with reasonable diligence so as to restore the Building or Remodeled Building, as may be applicable, to substantially the condition it was in before the Casualty.

3.4 Capital Investment. The total Capital Investment by the Company in the Project shall be at least Two Million Dollars ($2,000,000.00), including cost of purchase of the Property. The Company shall within thirty (30) days after the date of Completion of Construction of the Project provide City with copies of invoices, bills, receipts, and such other evidence of costs incurred and paid by Company evidencing the Capital Investment for the Project.

3.5 Required Continuous Use. Beginning on the Commencement Date and continuing thereafter until the Expiration Date the Property shall not be used for any purpose other than the Required Use and the Company shall not allow the operation of the Property in conformance with the Required Use to cease for more than thirty (30) days, except in connection with and to the extent of an event of Casualty or Force Majeure or as may be permitted under the Lease.

3.6 Continuous Lease. Company or Company Affiliate shall, beginning on the Commencement Date and continuing until the Expiration Date, continuously hold a leasehold interest in the Property and operate the Business thereon, with all incentive benefits under this Agreement inuring to Company as the operating ground lessee. Company may assign its leasehold interest, in whole and not in part, to a successor entity or a Company Franchisee that will continue to operate the Business for the remaining Term, provided: (i) Company gives City sixty (60) days prior written notice; and (ii) the assignment complies with Section 6.1. Any successor lessee shall be bound by this Agreement from the date of assignment through the Expiration Date. In the event that Company or a Company Affiliate elects to cease operations during the Term of this Agreement, or to transfer its leasehold interest in the Property to an entity that is not a Company Affiliate or Company Franchisee, then this Agreement shall be terminated in accordance with Section 5.1(b) herein.

3.7 Payment Request. Company shall, as a condition precedent to the payment of each Grant, provide the City with the applicable Payment Request.

3.8 Sales Tax Certificate. As a condition to the payment of each Sales Tax Grant herein City shall have timely received a Sales Tax Certificate for the applicable Sales Tax Reporting Period for which payment of a Sales Tax Grant is requested. City shall have no duty to calculate the Sales Tax Receipts or determine the entitlement of Company to any Sales Tax Grant or pay any Sales Tax Grant during the term of this Agreement until such time as Company has provided City a Sales Tax Certificate for the applicable Sales Tax Reporting Period. Company shall during the term of this Agreement, provide City with a Sales Tax Certificate not later than ninety (90) days after the end of each Sales Tax Reporting Period. The Sales Tax Certificate shall at a minimum contain, include, or be accompanied by the following:

(a) A schedule detailing the amount of the Sales and Use Tax collected and paid to the State of Texas as a result of the sale of Taxable Items by Company Consummated at the Leased Premises for the then ending Sales Tax Reporting Period;

(b) A copy of all sales and use tax returns and reports, sales and use tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by Company for the then ending Sales Tax Reporting Period showing the Sales and Use Tax collected (including sales and use tax paid directly to the State of Texas pursuant to a direct payment certificate) by Company for the sale of Taxable Items by Company Consummated at the Leased Premises;

(c) Information concerning any refund or credit received by Company of the Sales or Use Taxes paid or collected by Company which has previously been reported by Company as Sales and Use Tax paid or collected; and information concerning any Sales and Use Tax adjustments made pursuant to any sales and use tax audits by the State of Texas of either Company and its customers involving amounts reported by Company as subject to this Agreement;

(d) A schedule detailing the total sales of Taxable Items by Company Consummated at the Leased Premises for the then ending Sales Tax Reporting Period.

Article IV
Grants

Subject to the continued satisfaction of all the terms and conditions of this Agreement and the obligation of Company to repay the Grant pursuant to Article V hereof, City agrees to provide Company with the Grants to be paid as set forth herein.

4.1 Annual Grants.

(a) Annual Grant Payment. Subject to the continued satisfaction of all of the terms and conditions of this Agreement by Company, and the obligation of Company to repay the Grants pursuant to Article V hereof, City agrees to provide Company with five (5) consecutive Annual Grants beginning with the calendar year following the date in which the Commencement Date occurs. Company shall submit a Payment Request for the Annual Grant on or before March 1 of each calendar year (or the immediately following business day if March 1 is not a business day) but no later than 30 days thereafter, beginning March 1 of the calendar year following the First Grant Year. Such Annual Grants shall be paid by City to Company within thirty (30) days after City's receipt of the applicable Payment Request, provided City has timely received payment of City ad valorem taxes assessed against the Property in full for the respective Grant Year (i.e., the Tax Year immediately preceding the year in which an Annual Grant is to be made) (with it being understood that the immediately preceding Tax Year is used to determine the amount of the Annual Grant) prior to the delinquency date. If Company fails to timely submit a Payment Request for an

Annual Grant within such 30-day period, such failure shall not constitute a breach or default of this Agreement subject to termination and repayment of the Annual Grants as provided in Article V hereof, but shall operate as a forfeiture of such Annual Grant for such Grant Year. If such a forfeiture occurs for any Grant Year, Company will still be eligible to receive the Annual Grants for the subsequent Grant Years provided Company is otherwise not in breach or default of this Agreement or a Related Agreement.

(b) Real Property Tax Protest. In the event Company or another party timely and properly protests or contests (including any motion to correct the appraisal roll) the Taxable Value and/or the taxation of the Property or portion thereof with the Coryell County Appraisal District (or its successor)("Property Tax Protest"), the obligation of City to provide the Annual Grant for such Grant Year shall be delayed until a final determination has been made of such protest or contest. In the event the Property Tax Protest results in a final determination that changes the amount of ad valorem taxes assessed and due for the Property after any Annual Grant has been paid for such Grant Year, the Annual Grant for such Grant Year shall be adjusted (increased or decreased as the case may be) accordingly on the date of payment of the next Annual Grant or within thirty (30) business days after such determination in the event no further Annual Grant is due under the Agreement.

(c) Refunds and Underpayments of Annual Grants. In the event City reasonably determines that the amount of any Annual Grant paid by City to Company was greater than the correct amount to which Company was entitled, Company shall, within sixty (60) calendar days after receipt of written notification thereof from City specifying the amount by which such Annual Grant exceeded the correct amount to which Company was entitled (together with such records, reports and other information necessary to support such determination), pay such amount to City. If City or Company reasonably determines that the amount by which such Annual Grant was less than the correct amount to which such Company was entitled (together with such records, reports, and other information necessary to support such determination), City shall, within sixty (60) calendar days after such determination, pay the adjustment to Company.

4.2 Sales Tax Grant

(a) Sales Tax Grant. Subject to the continued satisfaction of all the terms and conditions of this Agreement by Company, and the obligation of Company to repay the Sales Tax Grants in accordance with Article V hereof, City agrees to provide Company with five (5) annual Sales Tax Grants. The Sales Tax Grants shall be paid within ninety (90) days after receipt of a Payment Request following the end of the applicable Sales Tax Reporting Period beginning with the first Sales Tax Reporting Period. Each Payment Request may be submitted to City thirty (30) days after the end of the applicable Sales Tax Reporting Period but not later than ninety (90) days after the end of each Sales Tax Reporting Period. Failure to timely submit a Payment Request for a given Sales Tax Reporting Period shall operate as a forfeiture of the Sales Tax Grant for such Sales Tax Reporting Period. If the required Minimum Sale of Taxable Items is not achieved for a given Sales Tax Reporting Period Company shall forfeit its right to the Sales Tax Grant for such Sales Tax Reporting Period, but such failure shall not be considered as an event of default subject to termination of this Agreement and repayment of the Sales Tax Grants as provided in Article V hereof.

(b) Adjustment Notification. Company shall promptly notify City in writing of any adjustments found, determined, or made by Company, the State of Texas, or by an audit that results, or will result, in either a refund or reallocation of Sales Tax Receipts or the payment of Sales and Use Tax or involving amounts reported by Company as subject to this Agreement. Such notification shall also include the amount of any such adjustment in Sales and Use Tax or Sales Tax Receipts. Company shall notify City in writing within thirty (30) days after receipt of notice of the intent of the State of Texas, to audit Company. Such notification shall also include the period of such audit or investigation.

(c) Amended Returns. In the event Company files an amended sales and use tax return, or report with the State of Texas, or if additional Sales and Use Tax is due and owing by Company to the State of Texas, as determined or approved by the State of Texas, affecting Sales Tax Receipts for a previous Sales Tax Reporting Period, then the Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas approved amendment shall be adjusted accordingly (i.e., up or down, depending on the facts), provided City has received Sales Tax Receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, Company shall provide City with a copy of any such amended sales and use tax report or return, and the approval thereof by the State of Texas. Copies of any amended sales and use tax return or report or notification from the State of Texas that additional Sales and Use Tax is due and owing by Company to the State of Texas, as determined by the State of Texas, affecting Sales Tax Receipts for a previous Sales Tax Reporting Period shall be provided to City with the Payment Request for the next Sales Tax Reporting Period.

(d) Refunds and Underpayments of Sales Tax Grants. In the event the State of Texas determines that City erroneously received Sales Tax Receipts, or that the amount of Sales and Use Tax paid to Company exceeds (or is less than) the correct amount of Sales and Use Tax for a previous Sales Tax Reporting Period, for which Company has received a Sales Tax Grant, Company shall, within sixty (60) days after receipt of notification thereof from City specifying the amount by which such Sales Tax Grant exceeded the amount to which Company was entitled pursuant to such State of Texas determination, adjust (up or down, depending on the facts) the amount claimed due for the Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas determination. If Company does not adjust the amount claimed due for the Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas determination City may, at its option, adjust the Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas determination. If the adjustment results in funds to be paid back to City, Company shall repay such amount to City within sixty (60) days after receipt of such State of Texas determination. The provisions of this Section shall survive termination of this Agreement.

(e) Sales Tax Grant Payment Termination; Suspension. The payment of Sales Tax Grants shall terminate on the effective date of determination by the State of Texas or other appropriate agency or court of competent jurisdiction that the Leased Premises are not a place of business resulting in Sales and Use Taxes being due City from the sale of Taxable Items by

Company at the Leased Premises. In the event the State of Texas seeks to invalidate the Leased Premises as a place of business where Sales and Use Tax was properly remitted to the State of Texas (the "Comptroller Challenge") the payment of Sales Tax Grants by City hereunder shall be suspended until such Comptroller Challenge is resolved in whole favorably to City. In such event, Company shall not be required to refund Sales Tax Grants previously received from City provided Company is actively defending against and/or contesting the Comptroller Challenge and Company promptly informs City in writing of such Company actions and with copies of all documents and information related thereto. In the event the Comptroller Challenge is not resolved favorably to City and/or in the event the State of Texas determines that the Leased Premises are not a place of business where the Sales and Use Tax was properly remitted to the State of Texas, and Sales and Use Tax Receipts previously paid or remitted to City relating to the Leased Premises are reversed, reallocated and/or required to be repaid to the State of Texas, then the obligation to pay the Sales Tax Grants shall terminate and Company shall refund all Sales Tax Grants received by Company from City that relate to the Comptroller Challenge, which refund shall be paid to City within sixty (60) days after the date that the Comptroller Challenge has reallocated and/or required City to repay Sales and Use Tax Receipts.

(f) Indemnification. **COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY FOR PURPOSE OF THIS SECTION, THE "CITY") HARMLESS FROM AND AGAINST ANY AND ALL REASONABLE LIABILITIES, DIRECT DAMAGES, CLAIMS, LAWSUITS, JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES, AND DEMANDS BY THE STATE OF TEXAS THAT CITY HAS BEEN PAID ERRONEOUSLY, OVER-PAID OR INCORRECTLY ALLOCATED SALES AND USE TAX ATTRIBUTED TO THE SALE OF TAXABLE ITEMS BY COMPANY CONSUMMATED AT THE LEASED PREMISES FOR ANY SALES TAX REPORTING PERIOD DURING THE TERM OF THIS AGREEMENT ("CLAIM"), IT BEING THE INTENTION OF THE PARTIES THAT COMPANY SHALL BE RESPONSIBLE FOR THE REPAYMENT OF SALES TAX GRANTS PAID TO COMPANY HEREIN BY CITY THAT INCLUDES SALES AND USE TAX RECEIPTS THAT THE STATE OF TEXAS HAS DETERMINED WERE ERRONEOUSLY, PAID, COLLECTED, DISTRIBUTED, OR ALLOCATED TO CITY. THE INDEMNIFICATION PROVIDED ABOVE SHALL NOT APPLY TO ANY LIABILITY RESULTING SOLELY FROM THE ACTIONS OR OMISSIONS OF CITY. THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND DO NOT CREATE ANY OBLIGATIONS FROM OR GRANT ANY CONTRACTUAL OR OTHER RIGHTS TO ANY OTHER PERSON OR ENTITY, OTHER THAN OBLIGATIONS, IF ANY, THAT ARISE FROM COMPANY TO CITY TO PERFORM OBLIGATIONS**

CREATED BY THIS SECTION. THE OBLIGATION OF THE COMPANY HEREIN SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

(g) The Sales Tax Grants shall be paid solely from annual appropriations from the general funds of City or from such other funds of City as may be legally set aside for such purpose consistent with Article III, Section 52(a) of the Texas Constitution.

(h) Under no circumstances shall the obligations of City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of the obligations of City under this Agreement shall be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

4.3 Permit & Inspection Fee Grant – Subject to the Company's continued satisfaction of all the terms and conditions of this Agreement, and the Company's obligation to repay the Grants pursuant to Article V hereof, the City agrees to provide an economic development grant in the form of a waiver of fifty (50%) percent of the fees normally charged by the City for permits and inspections for the Project. The Parties agree that in the event of termination of this Agreement requiring repayment under Article V, the fifty (50%) percent value waived for each fee under this section 4.3 shall be included in the calculation of the amount of required repayment to City by Company.

4.4 Current Revenue. The Grants shall be paid solely from annual appropriations from City's general funds or from such other City funds as may be legally set aside for such purpose consistent with Article III, Section 52(a) of the Texas Constitution; provided, however, that the City agrees to make good faith efforts to appropriate funds each year to pay the Grants for the then ensuing fiscal year. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to provide the value of or pay any Grants except as allowed by law. The City shall not be required to pay or provide the value of any Grants if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

4.5 Grant Limitations. Under no circumstances shall the obligations of City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of City's obligations under this Agreement shall be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

Article V
Termination

5.1 Termination. This Agreement terminates on the Expiration Date, and may, prior to the Expiration Date, be terminated upon the occurrence of any one or more of the following:

(a) Written agreement of the Parties terminating this Agreement;

(b) The Company's (i) cessation of operations on a permanent basis, or (ii) assignment of its leasehold interest in the Property to any party other than a Company Affiliate or Company Franchisee, in accordance with Section 3.6 herein.

(c) On the date of termination set forth in a written notice provided by either Party to the other Party in the event the other Party breaches any of the terms or conditions of this Agreement or a Related Agreement, and such breach is not cured within thirty (30) days after written notice thereof; provided however in the event the breach cannot be reasonably cured within such 30-day period, the time period to cure such breach shall be extended for an additional thirty (30) days;

(d) On the date of termination set for in a written notice provided by City to Company if Company suffers an event of Bankruptcy or Insolvency and as a result thereof is unable to fully comply with Company's obligations set forth in this Agreement;

(e) On the date of termination set forth in a written notice by City to Company, if any Impositions owed to City or the State of Texas by Company shall become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such Impositions); or

(f) On the date of termination set forth in a written notice by either Party to the other Party if the Party providing notice becomes aware of any subsequent Federal or State legislation or any final non-appealable decision of a court of competent jurisdiction declaring or rendering this Agreement invalid, illegal, or unenforceable.

5.2 Repayment. In the event the Agreement is terminated by City pursuant to Section 5.1 , (c), (d), (e) or (f), Company shall within thirty (30) days after receipt of notice of termination refund to City an amount equal to one hundred (100%) percent of the cumulative total value of the Grants paid by City to Company under this Agreement, with interest at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by City) as its prime or base commercial lending rate) from the date on which each of the Grants are paid by City until each such Grant is refunded by Company. The repayment obligation of Company set forth in this section shall survive termination.

5.3 Right of Offset. City may, at its option, offset any amounts due and payable under this Agreement or a Related Agreement against any debt (including taxes) lawfully due to City from Company regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement or otherwise, and regardless of whether the debt due City has been reduced to judgment by a court.

Article VI
Miscellaneous

6.1 Binding Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the respective Parties. This Agreement may not be assigned by Company without the prior written consent of City; provided however Company may assign this Agreement in whole and not in part connection with the sale of the Property in whole (and not in part) to a Company Affiliate or Company Franchisee which will continue to operate the Business on the Property, provided: (i) the Company provides sixty (60) days prior written notice thereof: and (ii) such assignee expressly assumes the obligations and liabilities of Company in writing in a form reasonably approved by the City.

6.2 Limitation on Liability. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture between the Parties. It is understood and agreed between the Parties that the Parties, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibilities or liabilities to third parties in connection with these actions.

6.3 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the Parties are properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties.

6.4 Representations of Company. Company hereby represents and warrants to City that as of the Effective Date:

(a) Company is duly organized and existing and in good standing as a corporation under the laws of the State of Texas and is in good standing in the State of Texas. Company is registered with the Texas Secretary of State and authorized to transact business in the State of Texas.

(b) Company has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation applicable to Company, and (ii) do not constitute a default under, or result in the creation of any lien, charge, encumbrance or security interest upon any assets of Company under, any agreement or instrument to which Company is a party or by which Company or its assets may be bound or affected.

(c) This Agreement has been duly authorized, executed and delivered by Company and constitutes a legal, valid and binding obligation of Company, enforceable in accordance with its terms.

(d) The execution, delivery and performance of this Agreement by Company do not require the consent or approval of any person that has not been obtained.

(e) Company will acquire all necessary rights, licenses, permits and authority to carry on its business in the State of Texas and to maintain all such necessary rights, licenses, permits, and authority for the duration of this Agreement.

(f) To Company's knowledge, no litigation or governmental proceeding is pending, threatened against, or affecting Company that is reasonably anticipated to result in any material adverse change in Company's business, properties, or operation and that no consent, approval, authorization, registration, or declaration with any governmental authority is required in connection with the execution of or transactions in this Agreement.

(g) There are no bankruptcy proceedings currently pending or contemplated by Company, and Company has not been informed of any potential involuntary bankruptcy proceedings.

(h) Company will timely pay all taxes due and owing by it to all taxing authorities having jurisdiction, including all employment, income, franchise, and all other taxes due and owing by it to all local, state, and federal entities.

(i) Company will notify City in writing within thirty (30) days after any changes in ownership, board chairman, president, CEO, area manager, or any other key personnel occurring during the Term and/or any Substantial Change in Ownership or Control of Company's current legal form of business during the term.

(j) Company will comply fully with all applicable state and federal law, including not discriminating against any person on the basis of race, color, national origin, sex, or disability.

6.5 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below (or such other address as is designated by the applicable Party from time to time), the day after received if sent by a nationally recognized overnight delivery service, or on the day received as sent by courier or otherwise hand delivered and regardless of whether mailed, couriered or hand delivered a concurrent copy of any notice sent to Company shall be sent via email transmission.

If intended for City, to:	With a copy to:
City of Gatesville, Texas Attn: Bradford Hunt, City Manager 803 E. Main Street Gatesville, Texas 76528	Victoria Thomas City Attorney Nichols | Jackson LLP 500 N. Akard St., Ste. 1800 Dallas, Texas 75201

If intended for Company, to:	With a copy to:

Whataburger Restaurants, LLC Attn: Tax Department 300 Concord Plaza Drive San Antonio, Texas 78216	Whataburger Restaurants LLC Attn: Real Estate Property Management Department 300 Concord Plaza Drive San Antonio, Texas 78216

6.6 Entire Agreement. This Agreement, together with the other agreements listed in the definition of Conditions Precedent, is the entire agreement between the Parties with respect to the subject matter of this Agreement. There is no other collateral oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto or as that are otherwise expressly identified and described in this Agreement as being an agreement to be entered concurrently with or subsequent to this Effective Date of this Agreement.

6.7 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to the application of any conflict of laws doctrines. Venue for any action concerning this Agreement shall be in the State District Court of Coryell County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said Courts.

6.8 Compliance with Applicable Law. Company shall comply with all applicable state, federal and local laws, including all applicable City ordinances, regulations, and Codes in the development of the Land, the construction of the Project and the operation of the Project.

6.9 Amendment. This Agreement may be amended solely by the mutual written signed agreement of the Parties.

6.10 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties that in lieu of each provision that is held to be illegal, invalid, or unenforceable, a provision will be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision held to be illegal, invalid or unenforceable.

6.11 Recitals. The recitals to this Agreement are incorporated herein.

6.12 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument. This Agreement may be executed in facsimile or electronically transmitted portable document format (".PDF") or by electronic means, and such signatures shall have the same force of law as one executed and witnessed by the parties in person.

6.13 Exhibits. Any exhibits to this Agreement are incorporated herein by reference for the purposes wherever reference is made to the same.

6.14 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.15 Employment of Undocumented Workers. During the term of this Agreement Company agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the amount of the Grants and any other funds received by Company from City as of the date of such violation within one hundred twenty (120) days after the date Company is notified by City of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid. Company is not liable for a violation of this section in relation to any workers employed by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts.

6.16 Prohibition of Boycott of Israel. Company verifies that it does not boycott Israel and agrees that during the term of this Agreement it will not boycott Israel as that term is defined in Texas Government Code section 808.001, as amended.

6.17 Prohibition of Boycott of Energy Companies. Company verifies that it does not Boycott energy companies and agrees that during the term of this Agreement it will not boycott energy companies as these terms are defined in Texas Government Code Section 809.001, as amended. This section does not apply if Company is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Company has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement

6.18 Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations. Company verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) will not discriminate during the term of the Agreement against a firearm entity or firearm trade association. This section only applies if: (i) Company has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement; and does not apply: (i) if Company is a sole proprietor, a non-profit entity, or a governmental entity; (ii) to a contract with a sole-source provider; or (iii) to a contract for which none of the bids from a company were able to provide the required certification.

6.19 Prohibition of Engagement in Business with Iran, Sudan, or Foreign Terrorist Organization. Company verifies that is not listed on the website of the Comptroller of the State of Texas concerning the listing of companies that are identified under Section 806.051, 807.051 or 2253.153, as amended and that should Company enter into a contract that is on said listing of contract that is on said listing of companies on the website of the Comptroller of the State of Texas which do business with Iran, Sudan, or any Foreign Terrorist Organization, it will immediately notify the City of Gatesville.

6.20 Prohibition of Ownership by Country Designated as a Threat to Critical Infrastructure. Company verifies that it will not grant direct or remote access to, or control of, critical infrastructure of this State to and that it, or a majority of stocks or other ownership interest of the Company is not held or controlled by individuals who are citizens of, or by companies who are owned or controlled by the governments of, China, Iran, North Korea, Russia or any other country designated by the Governor of the State of Texas as a threat to critical infrastructure.

6.21 Conditions Precedent. This Agreement is expressly subject to, and the obligations of the Parties are expressly conditioned upon the satisfaction of the following conditions precedent (i) the approval of the Agreement by the City Council of the City of Gatesville, Texas (by majority vote) and (ii) Company closing the purchase of the Land within six months of said City Council approval of the Agreement.

[Signature Page to Follow]

EXECUTED this 1 day of July 2026.

CITY OF GATESVILLE, TEXAS

By: ______________________________
Bradford Hunt, City Manager

ATTEST:

____
Holly Owens, City Secretary, TRMC

APPROVED AS TO FORM:

____
Victoria Thomas City Attorney

EXECUTED this ___ day of ________________ 2026.

WHATABURGER RESTAURANTS LLC

By: ______________________________
Name: ______________________________
Title: ______________________________

EXECUTED this 1 day of July 2026.

CITY OF GATESVILLE, TEXAS

By: ______________________________
Bradford Hunt, City Manager

ATTEST:

____
Holly Owens, City Secretary, TRMC

SEAL OF THE CITY OF GATESVILLE, TEXAS 1870

APPROVED AS TO FORM:

____
Victoria Thomas City Attorney

EXECUTED this ___ day of ________________ 2026.

WHATABURGER RESTAURANTS LLC

By: ______________________________
Name: ______________________________
Title: ______________________________

EXECUTED this 1 day of July 2026.

CITY OF GATESVILLE, TEXAS

By:

Bradford Hunt, City Manager

ATTEST:

Holly Owens, City Secretary, TRMC

APPROVED AS TO FORM:

Victoria Thomas City Attorney

SEAL OF THE CITY OF GATESVILLE, TEXAS 1870

EXECUTED this 21st day of July 2026.

WHATABURGER RESTAURANTS LLC

By:

Name: Mark Rowe

Title: Corporate Controller

EXECUTED this 1 day of July 2026.

CITY OF GATESVILLE, TEXAS

By: ______________________________
Bradford Hunt, City Manager

SEAL OF THE CITY OF GATESVILLE, TEXAS 1870

ATTEST:

____
Holly Owens, City Secretary, TRMC

APPROVED AS TO FORM:

____
Victoria Thomas City Attorney

EXECUTED this 21st day of July 2026.

WHATABURGER RESTAURANTS LLC

By: ______________________________
Name: Mark Rowe
Title: Corporate Controller

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