FIRST AMENDMENT TO
CHAPTER 381 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
[Caterpillar Inc.-Project Hydra]

This First Amendment to the Chapter 381 Economic Development Incentive Agreement [Caterpillar Inc.-Project Hydra] (this "Amendment"), is entered into by and between Comal County, Texas (hereinafter called "County"), a political subdivision of the State of Texas and Caterpillar Inc., a Delaware Corporation authorized to do business in Texas (hereinafter called "Company"), parties to the Chapter 381 Economic Development Incentive Agreement [Caterpillar Inc.-Project Hydra] ("Agreement") dated May 12, 2022. By execution of this Amendment, the parties agree that the Agreement shall be amended effective December 21, 2023.

County and Company now desire to amend the terms of the Agreement as more particularly set forth below:

AMENDMENTS

ARTICLE IV ECONOMIC DEVELOPMENT INCENTIVE TERMS AND CONDITIONS, 1. Incentive., second paragraph shall be deleted in its entirety and replaced with the following:

> "County shall provide a grant based on taxes paid to Comal County and in accordance with Performance Table A in the form of an annual rebate capped at the personal property taxes payable to Comal County as to the Max Rebate Base Value (Example: 60 days after receiving certification of Year 1 performance the County shall grant 70% of personal property taxes paid to Comal County on up to $21,750,000 worth of New Tangible Personal Property)."

ARTICLE IV ECONOMIC DEVELOPMENT INCENTIVE TERMS AND CONDITIONS, 1. Incentive., **Performance Table A** shall be deleted in its entirety and replaced with the following:

Performance Period Ending December 31	Full-Time Employees Created and Retained/ Minimum Payroll	Max Rebate Base Value	Certification Date	Rebate percentage of taxes paid on Incremental Tangible Personal Property Investment
Year 0 – 2023	Manufacturing equipment is located on-site by December 31, 2023			

Year 1 – 2024	145/ $6,775,000	$21,750,000	15-Feb-25	70%
Year 2 - 2025	145/ $6,775,000	$19,750,000	15-Feb-26	70%
Year 3 - 2026	169 / $8,426,420	$17,750,000	15-Feb-27	70%
Year 4 - 2027	169 / $8,426,420	$16,000,000	15-Feb-28	55%
Year 5 - 2028	169 / $8,426,420	$14,000,000	15-Feb-29	55%
Year 6 - 2029	169 / $8,426,420	$12,000,000	15-Feb-30	55%
Year 7 - 2030	169 / $8,426,420	$10,000,000	15-Feb-31	30%
Year 8 - 2031	169 / $8,426,420	$8,000,000	15-Feb-32	30%
Year 9 – 2032	169 / $8,426,420	$6,500,000	15-Feb-33	0%
Year 10 - 2033	169 / $8,426,420	$5,000,000	15-Feb-34	0%

ARTICLE V, COVENANTS AND DUTIES, 2. County's Covenants and Duties paragraph shall be deleted in its entirety and replaced with the following:

> "2. County's Covenants and Duties. The County is obligated to pay Company a Grant in the form of a rebate on New Tangible Personal Property taxes paid to Comal County as outlined in Article IV and Performance Table A as to the Max Rebate Base Value. The Grant shall be paid within sixty (60) days after receipt of a copy of the Annual Report reflecting that the applicable performance period objectives have been met as set forth in this Agreement."

All other terms and conditions of the Agreement remain in full force and effect. If there is a conflict between this Amendment and the Agreement, the terms of this Amendment will prevail.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Chapter 381 Economic Development Incentive Agreement [Caterpillar Inc.-Project Hydra] by their duly authorized representative(s).

Executed on this 21ST day of DECEMBER 2023.

COMAL COUNTY, TEXAS

By: _____
Name: Sherman Krause
Title: Comal County Judge

ATTEST:

By: Bobbie Koepp

Name: Bobbie Koepp
Title: County Clerk

COMMISSIONERS' COURT COMAL COUNTY, TEXAS

Executed on this 26 day of January, 2023.

COMPANY

Caterpillar Inc.

By: _____
Name: Steve Ferguson
Title: SVP Caterpillar Inc.