

State of Texas §

County of Duval §

**Tax Abatement Agreement between Duval County, Texas,
and Sun Cactus Solar Project, LLC**

This Tax Abatement Agreement (the “**Agreement**”) is made and entered into by and between Duval County, Texas (“**County**”), a political subdivision of the State of Texas acting through its duly elected officers, and Sun Cactus Solar Project, LLC (“**Owner**”), a Delaware limited liability company, (either County or Owner may be referred to as a “**Party**” and together, “**Parties**” herein). This Agreement shall become effective upon final signature by both Parties (which date shall be the “**Effective Date**”), and this Agreement shall remain in effect through the Term, unless earlier terminated pursuant to other provisions of this Agreement.

**I.
Authorization**

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the Duval County Tax Abatement Policies and Guidelines (as defined below).

**II.
Definitions**

As used in this Agreement, the following terms shall have the meaning set forth below:

- A. “Abatement” means the full or partial exemption from the County’s ad valorem taxes on property in the Reinvestment Zone (a defined term) as provided herein.
- B. “Abatement Period” means the ten-year period during which period the Abatement applies beginning on the earlier of (a) January 1 of the first Calendar Year after the COD or (b) January 1 of the Calendar Year within which Owner delivers to County a Notice of Abatement Commencement (as defined below) and ending upon the conclusion of ten (10) full Calendar Years thereafter.
- C. “Affiliate” of an Owner refers to any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with Owner. For purposes of this definition, “control” of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

- D. “Base Year” means the Calendar Year in which the Effective Date of this Agreement occurs.
- E. “Base Year Value” means the assessed value of the improvements located on the Eligible Property as of the Effective Date of this Agreement.
- F. “Calendar Year” means each year beginning on January 1 of that year, and ending on December 31 of that year.
- G. “Certificate” means a letter, provided by Owner to the County that certifies the Project has achieved Commercial Operations, identifies in detail the assets that are the Project Improvements (including those that are still under construction), and further states the overall Nameplate Capacity of Generation or Nameplate Capacity of Storage, as the case may be, of the entire Project.
- H. “Certified Appraised Value,” means the appraised value, for property tax purposes, of Owner’s Eligible Property (including the Project Improvements) within the Reinvestment Zone as certified by the Duval County Appraisal District (“County Appraisal District”) for each tax year.
- I. “Commercial Operations” means that the Project has become commercially operational and placed into service for the purpose of generating and/or storing and dispatching electricity for sale in one or more commercial markets.
- J. “Commercial Operations Date” (“COD”) means the date upon which the Owner’s Project commences Commercial Operations. For avoidance of doubt, completion of construction of any interconnections facilities or substations associated with or to be used by the Project, regardless of whether such interconnection facilities or substations are or become fully operational, shall not be deemed to trigger any payments by Owner associated with “COD” unless and until the Project commences Commercial Operations.
- K. “County Abated Property Tax” means all current or future property taxes levied by or for the County Maintenance and Operations (“M&O”) ad valorem taxes. For purposes of clarity, this does not include the County’s Interest and Sinking (“I&S”), Duval County Emergency Services District No. 2, Duval County Groundwater District, and Farm-to-Market Road ad valorem taxes.
- L. “Default Notice” means a written notice delivered by one Party to the other Party regarding a default of this Agreement. A Default Notice must be delivered in accordance with the requirements of this Agreement.
- M. “Deferral Payment” means an amount of money paid by Owner to County to defer or extend the date of automatic termination of this Agreement as set forth in this Agreement.

- N. “Development Period” means the period between the Effective Date of this Agreement and COD.
- O. “Development Period Payment” means a payment by Owner to County during the Development Period.
- P. “Duval County Tax Abatement Policies and Guidelines” means those policies and guidelines adopted by the Duval County Commissioners’ Court on May 29, 2024, a copy of which are attached to this Agreement (“Attachment B”); sometimes referred to as “Policies and Guidelines.”
- Q. “Eligible Property” means Owner’s property located in the Reinvestment Zone eligible for Abatement under Duval County’s Policies and Guidelines, including new, expanded, or modernized buildings and structures; fixed machinery and equipment; site improvements; office space; other related fixed improvements; other tangible items necessary to the operation and administration of the Project; and all other real and tangible personal property eligible to receive Abatement by Chapter 312 of the Texas Tax Code and Duval County’s Policies and Guidelines. It shall not include tangible personal property located in the Reinvestment Zone at any time before the Effective Date nor inventory or supplies.
- R. “Force Majeure” includes events not reasonably within the control of the Party whose performance is sought to be excused thereby, including, without limitation, the following causes and events: acts of God and the public enemy, strikes, lockouts, labor dispute or other industrial disturbances, inability to obtain material or equipment or labor, wars, blockades, insurrections, riots, civil strife or other violence, epidemics, pandemics, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather or other natural disaster, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body, civil disturbances, explosions, breakage or accident to machinery or lines, freezing of lines, any laws, rules, orders, acts or restraint of government or governmental body or court, or the partial or entire failure of fuel supply or any other event that is beyond the reasonable control of the Party claiming Force Majeure.
- S. “Lender” means any entity or person providing, directly or indirectly, with respect to the Project and/or Project Improvements any (a) senior or subordinated construction, interim or long-term debt financing or refinancing, whether that financing or refinancing takes the form of private debt, public debt, or any other form of debt (including debt financing or refinancing), (b) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (c) tax equity financing, (d) any interest rate protection agreements to hedge any foregoing obligations, and/or (e) any energy hedge provider. There may be more than one Lender. Owner, at its election, may send written notice to the County with the name and notice information for any Lender.

- T. “Local Outreach Plan” means the Local Outreach Plan attached to this Agreement (“Attachment D”).
- U. “Nameplate Capacity of Generation” means the total or overall generating capacity of the photovoltaic solar panels included in the Project on the Site (expressed as Megawatts (“MW”) of alternating current (“AC”)).
- V. “Nameplate Capacity of Storage” means the total and overall storage capacity of the energy storage system included in the Project on the Site (expressed as MW (AC)).
- W. “Notice of Abatement Commencement” has the meaning assigned in this Agreement.
- X. “Notice of Commencement of Site Construction” means that written notice that must be provided by Owner to County in advance of beginning Site Construction.
- Y. “Notices” means all notices, demands, or other communications of any type as between the Parties (including a Default Notice), and such Notices shall be given in accordance with terms of this Agreement.
- Z. “Owner,” is defined in the first paragraph of this Agreement.
- AA. “Payment In Lieu of Taxes” or “PILOT” means a payment made by Owner to the County in payment of some of the County Abated Property Tax that would be otherwise owed if not for the Abatement as further described in this Agreement.
- BB. "Project" means the proposed development by the Owner of a solar energy generation facility on the Site.
- CC. “Project Improvements” means Owner’s Eligible Property meeting the definition for improvements provided by Chapter 1 of the Texas Tax Code and includes, but is not limited to, any building, structure, fixture or fence erected on or affixed to the Site.
- DD. “Reinvestment Zone” means the reinvestment zone, as that term is defined in Chapter 312 of the Texas Tax Code, created by Duval County and known as the “Duval County Dove Run, Sun Cactus, Dove Wing and Jumping Cactus Solar Reinvestment Zone #1,” by that Order Adopting and Designating a Reinvestment Zone in the Jurisdiction of Duval County, Texas, adopted and approved by the Duval County Commissioners’ Court on May 29, 2024, a copy of which Order is attached to this Agreement (“Attachment A”).
- EE. “Site” means the portion of the Reinvestment Zone upon which Owner intends to construct the Project as further described on “Attachment C” to this Agreement.

- FF. “Site Construction” means the activity commencing on the Site to develop the Project after Owner has provided its general contractor notice to proceed to construct the Project, which activity could include any of the following work or services provided by or contracted by Owner and initiated at the Site: clearing of brush, grading of location, deposit of materials upon location, fencing, preparations for foundation(s) and/or structures, provisions for electrical service, and related work and services performed at the Site.
- GG. “Term” means the period commencing on the Effective Date of this Agreement and ending on December 31 of the tenth Calendar Year after the commencement of the Abatement Period.

III. Project Improvements in Reinvestment Zone

Owner anticipates constructing the following Project Improvements on the Site, and Owner agrees to the payment of Development Period Payments as set forth herein.

- A. Owner anticipates constructing its Project on the Site to consist of solar energy generation facility equipment in the Reinvestment Zone with a total Nameplate Capacity of Generation of approximately 120 MW (AC). The total Nameplate Capacity of Generation will vary depending on the type of solar energy generation facility equipment used and the size of the facility, however, for the purpose of calculating the PILOT herein, the Nameplate Capacity of Generation shall at a minimum be considered to equal 120 MW (AC). The Certified Appraised Value will depend upon annual appraisals by the Duval County Appraisal District.
- B. The Project Improvements may also include any other property in the Reinvestment Zone owned or leased by Owner meeting the definition of “Eligible Property” and used by Owner to generate energy and perform other functions related to solar energy generation facility. The same real estate may include other projects and improvements separately owned which are not covered by this Agreement.
- C. Owner anticipates that construction of its Project Improvements will require one (1) to two (2) years, and that this construction process and preparation may place additional burdens upon County. Therefore, and as additional consideration for this Agreement, Owner agrees to provide a Notice of Commencement of Site Construction to County no less than thirty (30) days in advance of beginning of Site Construction; (2) make a Development Period Payment of \$120,000.00 on or before the 1st day of the month after Notice of Commencement of Site Construction; and (3) make a second Development Period Payment of \$120,000.00 on or before the one (1) year anniversary date that the County received the first Development Period Payment. The Parties agree there shall be two (2) Development Period Payments unless the Agreement is earlier terminated.

Within thirty (30) days after the Effective Date of this Agreement Owner shall remit payment of \$7,500.00, payable to “Duval County” as an offset to County’s attorney’s fees incurred for

services of outside legal counsel in furtherance of this Agreement. Within thirty (30) days after the Effective Date of this Agreement, County shall send notice to Owner of a detailed, itemized invoice of out-of-pocket costs and expenses incurred by the County relating to this Agreement, not including outside legal counsel attorney's fees and expenses, which County costs and expenses shall be reimbursed by Owner to "Duval County" within thirty (30) days of Owner's receipt of said invoice (such County costs and expenses not to exceed \$500.00).

IV.

Term and Portion of Tax Abatement; Taxability of Property

- A. The County and Owner specifically agree and acknowledge that Owner's property in the Reinvestment Zone(s) shall be taxable in the following ways before, during, and after the Term of this Agreement:
1. Property not eligible for Abatement, if any, shall always be fully taxable;
 2. The Certified Appraised Value of property existing in the Reinvestment Zones prior to the Effective Date of this Agreement shall always be fully taxable;
 3. Prior to commencement of the Abatement Period, the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zones shall be fully taxable;
 4. During the Abatement Period, 100% of County Abated Property Taxes on the Certified Appraised Value of the Eligible Property shall be abated for the periods and in the amounts as provided for by (B) below; and
 5. After expiration of the Abatement Period, 100% the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zones shall be fully taxable, including during the remainder of the Term.
- B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for Abatement, under the conditions set forth herein, of County Abated Property Taxes assessed on the Eligible Property in the Reinvestment Zone as follows:
1. During the Abatement Period, the Abatement percentage shall be 100%;
 2. The foregoing percentage of property taxes on the Certified Appraised Value of all Eligible Property described in the Certificate (and placed in the Reinvestment Zone) shall be abated for the entire Abatement Period, and shall be replaced by a series of Payments in Lieu of Taxes (PILOTs), as further defined herein;
 3. The Base Year Value for the proposed Project Improvements is agreed to be zero (\$-0-).

4. Owner shall provide the Certificate to the County and to the County Appraisal District within thirty (30) days after the COD. The Certificate shall describe any of the Project's ancillary facilities not required for Commercial Operations that are still under construction on the date that the Certificate is delivered, and if the Certificate indicates any such facilities exist, Owner will deliver an amended Certificate to the County within thirty (30) days after all Project construction is complete. If such ancillary facilities meet the definition of "Eligible Property," such ancillary facilities, once completed, shall become part of the Project Improvements eligible for the Abatement under this Agreement.
 5. If Owner, at its sole election, desires that the Abatement Period begin prior to January 1st of the of the first Calendar Year after the COD, then Owner may deliver a notice to the County and County Appraisal District stating such desire (such notice being referred to herein as a "Notice of Abatement Commencement"). If delivered by Owner, the Notice of Abatement Commencement shall contain the following statement: "Owner elects for the Abatement Period to begin on January 1, 20__." The year stated in the Notice of Abatement Commencement shall be the first year of the Abatement Period, and the Abatement Period shall extend for 10 years beyond such date. Owner shall only be permitted to deliver a Notice of Abatement Commencement if it anticipates achieving COD during the next Calendar Year. Owner shall still be required to deliver the Certificate to the County and to the County Appraisal District within thirty (30) days after the COD.
 6. Notwithstanding any statement or implication in this Agreement to the contrary, the Parties agree that the Abatement granted in this Agreement shall in no event extend beyond Year 10 of the Abatement.
- C. All or a portion of the Project and Project Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. Notwithstanding any statement or implication in this Agreement to the contrary, this Agreement is not to be construed as evidence that no such exemptions shall apply to the Project and Project Improvements.
- D. Owner agrees that the Project Improvements, once constructed, will remain in place for at least the remainder of the Term; provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Project and Project Improvements prior to that date. IN THE EVENT OF A BREACH OF THIS PARAGRAPH (D), THE SOLE REMEDY OF THE COUNTY, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COUNTY THE FULL AMOUNT OF ACTUAL TAXES ABATED AT ANY TIME UNDER THIS AGREEMENT ON THE PROJECT IMPROVEMENTS, LESS ANY PAYMENTS IN LIEU OF TAXES MADE AT ANY TIME TO THE COUNTY FOR THE PROJECT IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS PARAGRAPH (D), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

- E. During the Abatement Period, County shall request that the County Appraisal District annually determine both (i) the Certified Appraised Value of the Eligible Property owned by Owner in the Reinvestment Zone, and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of the Eligible Property owned by Owner in the Reinvestment Zone. The County Appraisal District shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records. The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the County in the event that the County is entitled to recapture abated taxes under this Agreement as further described in this Agreement.

- F. If the Project COD is achieved, and to the extent Abatements are applied and received by Owner as provided herein, Owner agrees to make an annual Payment in Lieu of Taxes, "PILOT," to the County of \$120,000.00 per year plus \$1,200.00 per MW (AC), or portion thereof, for each MW (AC) of Nameplate Capacity of Generation in excess of 120 MW (AC), for each year of the Abatement Period. Each PILOT described in this Paragraph (F) shall be due on January 31 of the Calendar Year following the Calendar Year for which the Abatement applies. By way of illustration, if Year 1 of the Abatement Period is 2027, then the PILOT owed for 2027 shall be due and payable on January 31, 2028. There shall be a total of ten (10) PILOTs under this Agreement unless the Agreement is earlier terminated. The method for calculation for each PILOT payment for each year of the Abatement Period shall be performed in the same manner for each year; that is, $\$120,000.00 + (\$1200.00 \times (\text{Nameplate Capacity of Generation (expressed as MW (AC))} - 120 \text{ MW (AC)}))$.

The County and Owner agree that the Project will not be constructed on property owned by County, and that decommissioning of the Project and Project Improvements is governed by Texas law and through separate agreements as between Owner, or its Affiliate(s), and Site landowners. Owner warrants and represents that Owner's decommissioning (restoration, soil stabilization, revegetation, and security assuring same (if any)) shall comply with the requirements of the laws of the State of Texas.

V. Covenants

During the term of this Agreement, Owner shall:

- A. Reserved.

- B. Make a good faith effort to require all contractors and vendors of materials to be used in the construction of the Project and Improvements to make municipalities in Duval County, Texas, the situs of sales and use taxes; provided, however, Owner's commitments related to the selection of contractors and vendors is governed solely by the Local Outreach Plan.

- C. At time of delivery of the Notice of Commencement of Site Construction, Owner shall provide to the Duval County Emergency Manager (the County Judge) the following information regarding the Site and Project:
1. Engineering drawings illustrating Site topographic information.
 2. Hydrology studies.
 3. Documentation of Owner's plans to construct access to accommodate the provision of emergency services, including fire protection.
 4. Geotechnical Report.
 5. Phase 1 Environmental Site Assessment.
 6. Stormwater Pollution Prevention Plan.
 7. Material Safety Data Sheets ("MSDS") or similar documentation on key Project Improvements that are relevant to the emergency response to the Site.

VI. Representations

The County and Owner make the following respective representations:

- A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Project and Improvements to be placed on the Site; (ii) construction of the proposed Project and Improvements will be performed by Owner, its successors and/or assigns and/or their contractors or subcontractors; (iii) Owner's and its successors' and assigns' use of the Site will be limited to the use described in this Agreement (and ancillary uses) during the Abatement Period; (iv) all representations made in this Agreement are true and correct in all material respects to the best of Owner's knowledge; (v) Owner will make any filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required by law now or in the future; (vi) Owner agrees to comply with all applicable state and federal law relevant to the Project and Project Improvements; and (vii) Owner agrees that in the event of any assignment of this Agreement, said assignment shall include a commitment by the successor and/or assignee to be bound by the terms and conditions of this Agreement.
- B. The County represents that (i) the County has formally elected to be eligible to grant property tax abatements under Chapter 312 of the Tax Code; (ii) the Reinvestment Zone has been designated and this Agreement has been approved in accordance with Chapter 312 of the Texas Tax Code and the Policies and Guidelines as both exist on the Effective Date of this Agreement; (iii) no interest in the Project or Project Improvements is held, leased, or subleased by a member of the Duval County Commissioners' Court, (iv) that the property within the Reinvestment Zone and the Site is located within the legal boundaries of Duval County and outside the boundaries of all municipalities located in Duval County; and (v) the County has made and will continue to make all required filings with the Office of the Comptroller of Public

Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

VII.

Access to and Inspection of Property by County Employees, and Periodic Statement of Compliance

- A. Owner shall allow the designated employees and consultants of the County and County Appraisal District access to the Site after receipt of the Notice of Commencement of Site Construction within the Development Period and during the Abatement Period for the purpose of inspecting the Project Improvements erected to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner fourteen (14) days' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Project and Project Improvements. All such inspections shall be made with one (1) or more representatives of Owner present and in accordance with all applicable safety and security requirements imposed by Owner in its sole discretion including provision of a signed waiver of liability and confidentiality agreement by each individual prior to any Site access.
- B. Owner shall, on or before May 1 of each Calendar Year after COD, certify annually to the County its compliance with this Agreement by providing a written statement of compliance to the County Judge and a copy to the Duval County Appraiser.

VIII.

Default, Remedies, Recapture and Limitation of Liability

The following provisions apply to allow for termination of this Agreement, the rights of a defaulting and a non-defaulting party, recapture in the event of a default by Owner, and the County's limitation of liability. The Parties agree as follows:

- A. If the Notice of Commencement of Site Construction is not sent to County on or before the third (3rd) anniversary date of the Effective Date, then this Agreement is automatically terminated. County is not required to provide any notice of this automatic termination (other than this Agreement which provides such notice).
- B. At Owner's sole election, Owner – after the second (2nd) anniversary of the Effective Date and before the third (3rd) anniversary of the Effective Date – may make a Deferral Payment in the amount of \$100,000.00 which amount paid to Duval County shall extend the automatic termination of this Agreement as set forth in preceding paragraph by one (1) year. In the event such a Deferral Payment is timely made, this Agreement automatically shall be extended by one (1) year. After such Deferral Payment, this Agreement shall be automatically terminated if Notice of Commencement of Site Construction is not sent to the County on or before the fourth (4th) anniversary date of the Effective Date. County is not required to provide any notice of this automatic termination (other than this Agreement which provides such notice).

- C. If Year 1 of the Abatement Period does not occur on or before the 4th anniversary of Notice of Commencement of Site Construction, then County may elect, in its sole discretion, to terminate this Agreement within sixty (60) days' after the 4th anniversary of Notice of Commencement of Site Construction upon thirty (30) days written notice to Owner.
- D. If a Party is in breach or default of this Agreement, then the non-defaulting Party may terminate this Agreement by (1) providing the defaulting Party written notice ("Default Notice") specifying a material breach or default of the Agreement that is not excused by occurrence of an event of Force Majeure; (2) allowing a cure period of no less than sixty (60) days after the delivery of the Default Notice, or if such breach/default cannot be cured within such sixty (60) day period, the defaulting party shall provide notice and written justification to have such additional time, up to ninety (90) additional days, to cure such default as is reasonably necessary as long as such defaulting party has commenced remedial action to cure and continues to diligently and timely pursue the completion of such remedial action before the expiration of the maximum one hundred fifty (150) day cure period. If a Party provides a Default Notice to a defaulting Party and there is no occurrence of Force Majeure, and the defaulting Party fails or refuses to timely cure as permitted herein, then the Party providing the Default Notice may declare the Agreement terminated.
- E. If Owner files a petition in bankruptcy, or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against Owner, or if a receiver is appointed for the benefit of Owner, or if Owner makes or attempts to make assignment of this Agreement to a creditor, then this Agreement is automatically terminated.
- F. Notwithstanding any provisions of this paragraph, if any default arises from a violation of law resulting from a change in law or a change in the interpretation or enforcement of law by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to minimize the effect of such default prepared by the defaulting party and delivered to the other party.
- G. The County shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure. Notwithstanding any other provision of this Agreement to the contrary, in the event a party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement (other than any obligation to make payment of any amount when due and payable hereunder), the obligation of such party, so far as it is affected by such Force Majeure, shall be suspended during the continuance of any condition or event of Force Majeure, but for no longer period, and such condition or event shall so far as possible be remedied with all reasonable dispatch. The party prevented or hindered from performing shall give prompt (but in no event later than twenty (20) business days after the occurrence of such event) notice and reasonably full particulars of such event to the other party and shall take all reasonable actions within its power to remove

the basis for nonperformance (including securing alternative supply sources) and after doing so shall resume performance as soon as possible.

- H. The County shall notify Owner and any Lender (but only if the County has been provided with the name and notice information of the Lender) of any default of this Agreement by delivery of a Default Notice in the manner prescribed herein. The Default Notice shall specify the basis for the declaration of default, and the defaulting party shall have the periods of time specified herein to cure any default. If Owner provides notice to the County of the existence of a Lender as may be permitted herein, and includes the Lender's contact information, then the County shall be required to deliver a copy of any Default Notice to the Lender at the same time the County delivers the Default Notice to Owner. Such Lender shall have the right to cure any Owner default on Owner's behalf and shall be entitled to the same cure periods provided for Owner under this Agreement.
- I. If Owner believes that any alleged termination is improper, Owner may file suit in Duval County, Texas challenging the allegation of termination. OWNER'S SOLE REMEDY WILL BE REINSTATEMENT OF THIS AGREEMENT AND SPECIFIC PERFORMANCE BY THE COUNTY.
- J. If Owner, after a material breach or default and after the receipt of Default Notice from County that is not excused by the occurrence of Force Majeure, fails to timely cure; or if Owner files a petition in bankruptcy, or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against Owner, or if a receiver is appointed for the benefit of Owner, or if Owner makes or attempts to make assignment of this Agreement to a creditor, the County shall be entitled to cancel the Agreement and recover the property tax revenue abated under this Agreement through the termination date, including all applicable penalties, interests, and attorneys' fees, less any PILOTs paid by Owner to County under the terms of this Agreement. Owner agrees to pay such amounts within sixty (60) days after the termination of this Agreement.
- K. LIMITATION OF OWNER'S LIABILITY TO COUNTY: THE TERMINATION OF THE AGREEMENT (RESULTING IN OWNER'S FORFEITURE OF ANY RIGHT TO ABATEMENT HERE UNDER BEYOND THE TERMINATION DATE) AND RECAPTURE OF PROPERTY TAXES ABATED (BUT LESS ANY PILOTS PAID BY OWNER PRIOR TO TERMINATION), ALONG WITH ANY REASONABLY INCURRED COURT COSTS, PENALTIES, INTEREST, AND/OR ATTORNEYS' FEES, SHALL BE THE COUNTY'S SOLE REMEDY AS AGAINST OWNER, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OR DEFAULT OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO

ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

- L. Any Default Notice delivered to Owner and any Lender under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH DUVAL COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT (PLUS COURT COSTS, PENALTIES, INTEREST, AND/OR ATTORNEYS' FEES).

- M. Statutory Tax Lien: The amount of tax abated each year under the terms of this Agreement shall continue to be secured by the statutory tax lien pursuant to Section 32.01 of the Texas Tax Code which shall continue in existence from year to year throughout the entire Term of the Agreement or until all taxes, whether assessed or recaptured, are repaid in full.
- N. Delinquent Taxes: In the event that the Owner allows its ad valorem tax obligation relating to any property located within Duval County to become delinquent, and fails to timely and properly follow the legal procedures for their protest and/or contest, then at County's sole discretion this Agreement shall terminate and/or the Abatement of the taxes for the tax year of the delinquency shall be forfeited. The total taxes assessed without Abatement shall be paid within sixty (60) days from the date of such termination or forfeiture.
- O. All recaptured taxes must be paid within sixty (60) days after notice of same to Owner. Penalty and interest shall not begin to accrue upon such sums until the first day of the month following thirty (30) days' notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

IX.

Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute, or regulation of Duval County or the State of Texas.

X.
Assignment of Agreement

This Agreement may be assigned by Owner to another, in such manner as is expressly permitted by the terms, provisions, and conditions of this Agreement.

- A. The rights and responsibilities of Owner hereunder may be assigned in whole or in part, to an Affiliate without County's consent, however, Owner shall provide notice to County of such assignment.
- B. The rights and responsibilities of Owner hereunder may be assigned, in whole or part, to a party other than an Affiliate only after obtaining the County's prior consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Any assignment by Owner under this paragraph without first obtaining the consent of the County shall be a default under this Agreement subject to the notice provisions, cure provisions, remedies, and other terms and conditions of Article VIII above. Owner shall give forty-five (45) days' written notice of any intended assignment to the County pursuant to this paragraph X(B), and the County shall respond with its consent or refusal within thirty-five (35) days after receipt of Owner's notice of assignment. If the County responds to Owner's notice of assignment with a refusal, the Parties agree to work together in good faith to resolve the County's objections to the assignment.
- C. Owner's assignment of the Agreement shall be final only after the execution of a formal document between Owner, the assignee, and the County (with the County's signature limited to providing consent to the assignment). Neither Owner's notice of an intended assignment nor the County's formal consent to an intended assignment shall constitute an assignment of the Agreement. Owner's request for the County's consent to assignment shall not obligate Owner to assign the Agreement.
- D. No assignment under Paragraph X(A) / X(B) shall be allowed if (a) the County has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (b) the assignee is delinquent in the payment of PILOT payments or ad valorem taxes owed to the County or any other taxing jurisdiction in the County, unless consented to in writing by the County or other taxing jurisdiction in the County to which a delinquent PILOT or delinquent ad valorem taxes are owed.
- E. Upon any assignment and assumption under Paragraph X(A) / X(B) of Owner's entire interest in the Agreement, Owner shall have no further rights, duties or obligations under the Agreement. Upon any assignment and assumption under Paragraph X(A) / X(B) of only a portion of Owner's interest in the Agreement (for example, if only a portion of the Project and Improvements is transferred by Owner to a third party), then (i) each of Owner and each assignee of a portion of this Agreement shall be considered an Owner under this Agreement, (ii) the County shall cause the property taxes owed by each Owner (including each assignee) to be separately assessed, and (iii) neither of

the Owner parties (including each assignee) shall have any further rights, duties, or obligations under the Agreement as to the portion of the Project Improvements owned by another Owner party (including that assignee).

- F. In addition to its rights under Paragraph X(A) / X(B), Owner may, without obtaining the County's consent, mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project Improvements to a Lender for the purpose of financing the operations of the Project or constructing the Project Improvements or acquiring additional equipment following any initial phase of construction. Owner's encumbering its interest in this Agreement may include an assignment of Owner's rights and obligations under this Agreement for purposes of granting a security interest in this Agreement. In the event Owner takes any of the actions permitted by this subparagraph, it may provide written notice of such action to the County with such notice to include the name and notice information of the Lender. If Owner provides the name and notice information of a Lender to the County, then the County shall be required to provide a copy to such Lender of all Notices delivered to Owner at the same time that the Notice is delivered to Owner. If Owner does not provide the name and notice information of a Lender to the County, then such Lender shall not have the notice rights or other rights of a Lender under this Agreement. The County agrees to reasonably cooperate with Owner and Lenders in the execution of any financing consents, estoppels or amendments requested by the Lenders as a condition of their financing.

XI. Notices

All notices (including each Default Notice) shall be given in accordance with this Section. All notices shall be in writing and delivered, by commercial delivery service to the office of the person to whom the notice is directed (provided that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; or by recognized overnight delivery service as evidenced by a bill of lading, or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; and facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Each and every Default Notice shall be given by at least two (2) methods of delivery and in a manner consistent with specific provisions for Default Notices herein. All notices (including each and every Default Notice) shall be mailed or delivered to the following addresses:

To the Owner: Sun Cactus Solar Project, LLC
 422 Admiral Blvd
 Kansas City, MO 64106
 Attn: Scott Zeimetz
 Phone: 612-770-5189
 Email: szeimetz@savionenergy.com

To the County: County Judge Arnoldo Cantù
 Duval County Courthouse
 400 E. Gravis
 San Diego, Texas 78384
 Phone: 361 279-6200
 Email: Arnoldo.cantu@co.duval.tx.us

Any party may designate a different person to whom notice shall be provided by giving the other Party at least ten (10) days' written notice in the manner prescribed above.

XII. Severability

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XIII.
Applicable Law and Venue

This Agreement shall be construed under the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue for any legal action related to this Agreement shall be exclusively in the state courts of Duval County, Texas.

XIV.
Amendment

Except as otherwise provided, the Parties may modify this Agreement hereto only upon mutual written consent and may include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XV.
Policies and Guidelines

This Agreement is entered into by the Parties consistent with the Duval County Tax Abatement Policies and Guidelines. To the extent this Agreement modifies any requirement or procedure set forth in the in the Policies and Guidelines or is inconsistent or in conflict with any provision of the Policies and Guidelines, the Policies and Guidelines are deemed amended for purposes of this Agreement only and this Agreement shall control.

XVI.
Entire Agreement

This Agreement contains the entire and integrated Agreement between the County and Owner, and supersedes all other negotiations and agreements, whether written or oral, between the Parties. This Agreement has not been executed in reliance upon any representation or promise, except those contained herein.

XVII.
Relationship of the Parties

This Agreement will not be construed as establishing a partnership, joint venture, joint enterprise, or express or implied agency between the Parties. Owner enters into this Agreement as, and shall continue to be, an independent party. Under no circumstances shall Owner, or any of Owner's employees, look to Duval County as his/her employer, or as a partner, agent or principal. Neither Owner nor any of Owner's employees shall be entitled to any benefits accorded to Duval

County's employees, including without limitation worker's compensation, disability insurance, or vacation or sick pay.

XVIII.
Local Outreach Plan

Owner shall comply with the provisions of the Local Outreach Plan as set forth in Attachment D, incorporated herein by reference as if set forth in full for all intents and purposes.

XIX.
Community Engagement

As further consideration for the Abatement granted by the County under this Agreement, Owner agrees to make a one-time payment (the "Community Engagement Payment") of \$100,000.00 to Duval County for the County's purchase of any community need as may be determined in the sole judgment of the Duval County Commissioners' Court. The Community Engagement Payment required by this paragraph shall be due and payable to Duval County no later than thirty (30) days after Owner provides Notice of Commencement of Site Construction.

XX.
Terminology and Definitions

All personal pronouns used herein, whether used in the masculine, feminine, or neutral, shall include all genders; the singular shall include the plural, and the plural shall include the singular. Unless the context otherwise requires, the word "including" shall mean "including but not limited to."

XXI.
Rule of Construction

The parties hereto acknowledge that each party and its legal counsel have reviewed and revised drafts of this Agreement, and the Parties hereby agree that the language in all parts of this Agreement shall be in all cases construed according to its fair meaning and shall not be strictly construed for or against any Party.

XXII.
Immunity

Duval County does not waive or relinquish any immunity or defense on behalf of themselves, their trustees, commissioners, offices, employees and agents as a result of the execution of this Agreement, and/or performance of the functions and obligations described herein.

XXIII.
No Rights Created

Any other provision of this Agreement to the contrary notwithstanding, this Agreement shall not create any rights or benefits on behalf of any other person not a party to this Agreement, and this Agreement shall be effective only as between the Parties hereto, their successors and permitted assigns.

XXIV.
Headings

The headings used herein are for convenience of reference only and shall not constitute a part hereof or affect the construction or interpretation hereof.

XXV
Waiver

The failure on the part of any Party to exercise or to delay in exercising, and no course of dealing with respect to any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies provided herein are cumulative and not exclusive of any remedies provided by law or in equity, except as expressly set forth herein.

XXVI.
No Third-Party Beneficiaries

This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

XXVII.
Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together, shall constitute but one and the same instrument, and this Agreement shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

XXVIII.
Authorization

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

XXIX.
Binding Effect

This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and permitted assigns.

XXX.
Execution and Delivery

A copy of this Agreement that is signed and transmitted by facsimile transmission, electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper documents bearing the original signature.

XXXI.
Incorporation of Recitals and Exhibits

Each exhibit attached hereto is hereby incorporated herein by reference for all intents and purposes.

XXXII.
No Obligation to Construct

Notwithstanding anything to the contrary in this Agreement, Owner shall have no obligation to construct the Project. Nothing herein shall cause to commit Owner to construct the Project and/or install the Improvements at the Site within any specific timeframe or otherwise, which decision to construct (including the timing thereof) shall be in Owner’s sole and absolute discretion.

XXXIII.
Anti-Corruption

For the purposes of this Section only, “Anti-Corruption Laws” shall mean, only to the extent applicable to United States and state and local governmental entities and political subdivisions thereof, (a) the United States Foreign Corrupt Practices Act of 1977; and (b) all applicable national, regional, provincial, state, municipal or local laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to, any government official or any other person. Each party represents, warrants, and covenants that in connection with this Agreement and the business resulting therefrom: (i) it is aware of and will comply with Anti-Corruption Laws; (ii) whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage

would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws; (iii) it has maintained and will maintain adequate written policies and procedures to comply with Anti-Corruption Laws or, alternatively, has made itself aware of and shall adhere to the Shell General Business Principles and the Shell Code of Conduct (www.shell.com/about-us/our-values); (iv) it has maintained and will maintain adequate internal controls, including but not limited to using reasonable efforts to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain, such as the purpose of each transaction, with whom it was entered into, for whom it was undertaken, or what was exchanged; (v) it will, to its knowledge, retain such books and records for the period required by applicable law or a party's own retention policies, whichever is longer; (vi) in the event a party becomes aware it has breached an obligation in this paragraph, it will promptly notify the other party, subject to the preservation of legal privilege; (vii) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this paragraph; and (viii) only a party (and not its affiliates or a third party) shall make payments to the other party, except with that other party's prior written consent. Subject to the preservation of legal privilege, for a period of seven (7) years following the termination date and on reasonable notice, each party shall have a right, at its expense, and the other party shall take reasonable steps to enable this right, to audit the other party's relevant books and records with respect to compliance with this paragraph. Nothing in this Agreement shall require a party to perform any part of this Agreement or take any actions if, by doing so, the party would not comply with the Anti-Corruption Laws. The obligations in this Section shall survive the termination as described above.

[remainder of this page intentionally blank]

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by Duval County as authorized by the Duval County Commissioners Court, and as executed by the Owner's representative on the respective dates shown below.

DUVAL COUNTY, TEXAS

By: _____
_____, County Judge

Date: _____

Attest:

County Clerk

OWNER:
Sun Cactus Solar Project, LLC

By: _____

Title: _____

Date: _____

Print Name: _____

Print Title: _____

By: _____

Title: _____

Date: _____

Print Name: _____

Print Title: _____

Attachment A

Attached is the Order Designating the Duval County Dove Run, Sun Cactus, Dove Wing Jumping Cactus Reinvestment Zone No.1.



FILED FOR RECORD
AT 2O'CLOCK 7 M

MAY 29 2024

ARASELI B. LICHTENBERGER
CLERK COUNTY COURT, DUVAL COUNTY, TEXAS
BY [Signature] DEPUTY

COMMISSIONERS COURT ORDER

WHEREAS, the Commissioners Court of Duval County, Texas desires to attract long-term investment and the establishment of new jobs in the area to enhance the economic base of area taxing entities; and

WHEREAS, it is in the best interest of the County of the County to designate the **Dove Run/Sun Cactus, Dove Wing/ Jumping Cactus** Reinvestment Zone #1 in Duval County, TX pursuant to Texas Tax Code § 312.401 ("The Property Redevelopment and Tax Abatement Act" and "Act")

NOW, THEREFORE, BE IT ORDERED, BY THE COMMISSIONERS COURT OF DUVAL COUNTY, that

1. That the Commissioners Court hereby designates the property near Ramirez, Texas bounded by CR 250 to the north , CR 251 to the east , FM3249 to the South and CR 260 to the west located in Duval County, Texas and further described in the legal description attached hereto as Exhibit "A", and made apart hereof for all purposes, as a Reinvestment Zone known as the Dove Run/Sun Cactus Reinvestment, Dove Wing/ Jumping Cactus Zone #1 (the "Zone").
2. That the Commissioners Court finds that the Zone area meets the qualifications of the Act.
3. That the Commissioners Court has heretofore adopted Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones in Duval County, Texas.
4. That the Commissioners Court provided seven (7) days notice to the public and taxing entities of a public hearing.
5. That the Commissioners Court held a public hearing to consider this Order on the 29th day of May ,2024.
6. The Commissioners Court finds that such improvements are feasible and will benefit the Zone and County.
7. The Commissioners Court finds that creation of the Zone is likely to contribute to construction jobs and at least one full time job in the area and/or would contribute to attract major investments that would be a benefit to the property and that would contribute to the economic development of the County.
8. That this Order shall take effect upon passage and shall expire five years after the date of the designation and may be renewed for periods not to exceed five years.

DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF DUVAL COUNTY, TEXAS, ON THIS
THE 29th DAY OF May 2024.

177

Arnold Kenten
Duval County Judge

[Signature]
Commissioner Pct. 1


[Signature]
Commissioner Pct. 2

[Signature]
Commissioners Pct. 4

[Signature]
Commissioner Pct. 3

ATTEST:

[Signature]
DUVAL COUNTY CLERK



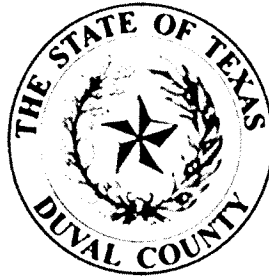
FILED FOR RECORD
AT 2 O'CLOCK PM

MAY 29 2024

ARASELI B. LICHTENBERGER
CLERK OF COUNTY COURT, DUVAL COUNTY, TEXAS
BY [Signature] DEPUTY

Attachment B

Duval County's Tax Abatement Policies and Guidelines.



FILED FOR RECORD
AT O'CLOCK M

MAY 29 2024

ARASELI B. LICHTENBERGER
CLERK COUNTY COURT, DUVAL COUNTY, TEXAS
BY *Manny Mann* DEPUTY

**ORDER ADOPTING UPDATED GUIDELINES AND CRITERIA FOR
TEMPORARY PROPERTY TAX ABATEMENT**

WHEREAS, the **Property Redevelopment and Tax Abatement Act (the "Act")**, Chapter 312 of the Texas Tax Code authorizes counties, cities and other taxing units to provide temporary property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and

WHEREAS, the Act further requires that in order to become eligible to participate in tax abatement, a county or other taxing unit must adopt a resolution stating its election to do so and adopt guidelines and criteria for property tax abatement agreements; and

WHEREAS, Duval County elected to become eligible to participate in tax abatement through a resolution adopted May 29th, 2024.

WHEREAS, the Commissioners Court of Duval County (herein the "County") previously adopted Guidelines and Criteria for Property Tax Abatement, and the two-year period has elapsed since such action and such Guidelines and Criteria have expired; and

WHEREAS, the adoption of Guidelines and Criteria does not:

- (1) limit the discretion of the commissioners' court to decide whether to enter into a specific tax abatement agreement;
- (2) create any property, contract, or other legal right in any person to have the commissioners court consider or grant a specific application or request for tax abatement;

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF DUVAL COUNTY, TEXAS THAT:

1. The County hereby adopts the updated Guidelines and Criteria attached hereto as Exhibit A in accordance with the requirements of the Act. Exhibit A shall supersede all previous Guidelines and Criteria.

DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF DUVAL
COUNTY, TEXAS ON THE 29TH DAY OF MAY 2024

Amelia Carter
Duval County Judge

[Signature]
Commissioner Pct. 1

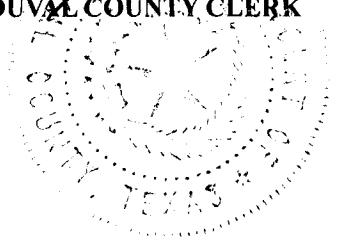
[Signature]
Commissioner Pct. 2

[Signature]
Commissioners Pct. 4

[Signature]
Commissioner Pct. 3

ATTEST:

[Signature]
DUVAL COUNTY CLERK



FILED FOR RECORD
AT O'CLOCK M

MAY 29 2024

ARASELI B. LICHTENBERGER
CLERK COUNTY COURT, DUVAL COUNTY, TEXAS
BY [Signature] DEPUTY

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Duval County

Tax Abatement Guidelines and Criteria

Adopted on May 29, 2024

The purpose of this document is to establish guidelines, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

- A. Must be reasonably expected to have an increase in positive net economic benefit to Duval County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and /or capital improvement. The creation of new jobs will also factor into the decision to grant an abatement; and will be reviewed on a case-by-case basis as consideration should be weighed between the investment and the jobs created or any other relevant factor.
- B. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Duval County to another.

In addition to the criteria set forth above, the Duval County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increases in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the Applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of Duval County to grant tax abatements on terms and conditions beneficial to the economic interests of the residents of Duval County and to other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Duval County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of May 29th, 2024 and shall at all times be kept current with regard to the needs of Duval County and reflective of the official views of the County Commissioners Court and shall be reviewed every two years.

The adoption of these guidelines and criteria by the Duval County Commissioners Court does not:

- A. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
- B. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement;
- C. Create or deny any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement;

Section 1 Definitions

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Duval County for economic development purposes.
- B. "Affected jurisdiction" means Duval County and any municipality, school district, or any special district, the majority of which is located in Duval County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by Duval County.
- C. "Agreement" means a contractual agreement for tax abatement between a Property Owner and/or Lessee and Duval County.
- D. "Base year value" means the assessed value on the eligible property as of January 1 preceding the execution of the agreement, plus any agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- E. "Deferred maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology."
- F. "Economic Life" means the number of years a property is expected to be in service in a facility.
- G. "Eligible facilities" means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Duval County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Duval County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.
- H. "Employee" means a person whose employment is both permanent and full-time, who works for and is an employee of the Company/Owner or an employee of a Business, who works a minimum of 1,750 hours per year exclusively within the reinvestment zone, who receives industry-standard benefits, and whose employment is reflected in the Companies, Owner's (and/or Business' applicable) quarterly report filed with the Texas Workforce Commission ("TWC"); but excluding any direct contract employment (seasonal, part-time, and full-time equivalent).

- I. "Expansion " means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.
- J. "Facility" means property improvement completed or in process of construction which together comprise an interregional whole.
- K. "Manufacturing Facility" means products, buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change, including the generation of electrical energy.
- L. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of building s, structures, machinery, or equipment, or both.
- M. "New facility " means property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- N. "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which serve a market primarily outside of Duval County, resulting in the creation of new permanent jobs bringing in new wealth.
- O. "Owner" means the Company and/or other entity, in good standing, business, persons and/or individual who is the Owner of the real property in Duval County subject to an abatement of ad-valorem taxes. If the eligible property is constructed or located on a leased property, only the property owner shall be the party eligible for any ad-valorem tax abatement. The other party to the lease may join in the execution of the agreement but shall not be obligated to assure the performance of the party receiving the abatement.
- P. "Permanent Full-Time Job" means a new employment position created by a company, owner and/or employee of a business that provides a regular work schedule of at least 35 hours per week or 1820 hours of regular employment per year to a Duval County, Texas resident and maintains the employment position exclusively within the reinvestment zone during the term of the abatement agreement.
- Q. "PILOT" Payment in Lieu of Taxes is a payment made in compensation to a governmental entity for some or all of the property tax revenue owed.
- R. " Productive life" means the number of years a property improvement is expected to be in service in a facility.
- S. "Project" means the proposed development as specifically described by the Company/Owner in the application/request for ad-valorem tax abatement incentives and the Tax Abatement Agreement.
- T. "Property" means the land (real property) on which the Project will be developed.
- U. "D. C.A.D." means the Duval County Appraisal District.
- V. "Proximate Relocations" means moving a business within Duval County, Texas.

- W. "Tax Abatement Reinvestment Zone or Reinvestment Zone" means any real property within Duval County, Texas which has been designated as a reinvestment zone, by the Duval County Commissioners Court and may include any land within the City of San Diego. that has been properly designated as a reinvestment zone by San Diego City Council or other eligible jurisdiction.
- X. "Tax Abatement Term" The Tax Abatement Agreement Term shall be as set forth in the specific agreement entered into under these Policy Guidelines, Criteria and Methodology governing Tax Abatement Agreements between Duval County and the Company, individual property Owner and/or Business. The Ad-Valorem Tax Abatement Term under an agreement for an ad-valorem tax abatement shall not exceed a period of ten (10) years. The Abatement portion of the agreement for an ad-valorem tax abatement may take effect on January 1 of the next tax year after the date the improvements or repairs are substantially completed and/or a certificate of occupancy is issued for the project.
- Y. "Termination Date" means the end of the time period specified under the Agreement.

Section 2 Abatement Authorized

- A. Eligible facilities: Upon application, eligible facilities as defined herein shall be considered for tax abatement as hereinafter provided.
- B. Creation of New Values: Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Duval County and the property owner or applicant, including a Lessee, subject to such limitations as Duval County may require.
- C. New and existing facilities: Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Duval County and the Property Owner or Lessee, subject to such limitations as Duval County may require.
- D. Eligible property: Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.
- E. Ineligible Property: The following types of property shall be fully taxable and ineligible for tax abatement: land, animals, inventories, supplies, tools, furnishings, vehicles, vessels, aircraft, housing or residential property, flora, fauna, and other forms of movable personal property, housing , deferred maintenance, property to be rented or leased except as provided in Section 2F, property which has a productive life of less than ten years, but does not include spare parts associated with eligible facilities; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which abatement is not allowed by state law.
- F. Owned/leased facilities: If a leased facility is permitted by state law to be granted abatement, the abatement agreement shall be applicable to the taxable value of the leased

improvement, and where appropriate, shall be executed with both the Lessor and the Lessee.

G. Economic Qualifications: In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net benefit to Duval County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and / or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Duval County to another.

B. Standards for Tax Abatement: The following factors, among other, shall be considered in determining whether to grant tax abatement:

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements;
4. Number of existing jobs to be retained by proposed improvements;
5. Number and type of new jobs to be created by proposed improvements;
6. Wage rate and benefits to be offered to employees of the facility;
7. Amount of local payroll to be created;
8. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
9. Amount which property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Ten Million Dollars (\$10,000,000.00.)
10. The costs to be incurred by Duval County to provide facilities directly resulting from the new improvements;
11. The amount of ad valorem taxes to be paid to Duval County during the abatement period considering:
 - a. the existing values;
 - b. the percentage of new value abated;
 - c. the abatement period; and
 - d. the value after expiration of the abatement period.
12. The population growth of Duval County that occurs directly as a result of new improvements;

13. The types and values of public improvements, if any, to be made by Applicant seeking abatement;
14. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
15. The impact on the business opportunities of existing businesses;
16. The attraction of other new businesses to the area;
17. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
18. Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

Abatement shall be granted effective no earlier than the January 1 valuation date immediately following the date of execution of the abatement agreement. The agreement may provide that the period for which the abatement applies will commence on a later date. The value of new eligible property shall be abated according to the approved agreement between applicant and the governing body. The Duval County Commissioners Court, in its sole discretion, shall determine the amount to any abatement.

- C. Construction in Progress. If a qualifying facility has not commenced construction within three (3) years after execution of the abatement Agreement, the applicant may apply for a one-year extension of the term of abatement, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the three-year anniversary of execution of the abatement agreement.
- D. Denial of Abatement: Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 1. There would be substantial adverse effect on the provision of government services or tax base;
 2. The applicant has insufficient financial capacity;
 3. Planned or potential use of the property would constitute a hazard to public health, safety or morals;
 4. Violation of other codes or laws; or
 5. Any other reason deemed appropriate by Duval County.
- E. Taxability: From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:
 1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and

2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3 Application

A. Any present or potential owner of taxable property in Duval County may request the creation of a reinvestment zone and/or tax abatement by filing a written application with the County Judge and copy with the Duval County Taxing Jurisdictions. The application shall consist of a written request for tax abatement, accompanied by:

1. An analysis of the economic impact and/or feasibility study such an abatement will have on Duval County, including:
 - a. Estimated tax revenues annually for the term of the requested abatement, taking into account any requested abatement.
 - b. A comparison between an abatement of taxes and any requested "payment in lieu of taxes (PILOT) in terms of benefit to the County over the proposed term of the abatement period.
 - c. A statement of the expected residual taxable value of the proposed project at the end of the abatement term requested, and the remaining taxable life expectancy of the proposed project.
2. A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
3. A descriptive list and approximate taxable value of the improvements which will be a part of the facility;
4. A site map and property description, including a complete legal description of the property, and a map/property description of any requested;
5. A time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the applicant.
6. Certification from the Duval County Appraisal District verifying that no taxes are past due on applicant's property located in the proposed reinvestment zone
7. Disclosure of any environmental permits required or additional environmental impacts.
8. A \$1,000.00 non-refundable application fee.

9. Duval County reserves the right to request additional information or data from the applicant.
- C. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the Application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application.
- D. All checks in payment of the application fee shall be made payable to Duval County. In addition to the application fee the applicant shall also agree to pay reasonable professional service and consulting fees as may be incurred by Duval County in the examination of the application, feasibility, analysis, or preparation and negotiation of any tax abatement agreement. Such payment shall be determined during the negotiation of the abatement agreement and payable as a condition precedent to the execution of the agreement.
- E. Duval County shall give notice as provided by the Property Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the public hearing and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon Application, Duval County shall, through public hearing, afford the Applicant and the designated representative of any governing body referenced herein above opportunity to show cause why the abatement should or should not be granted.
- F. If a city within Duval County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by Duval County, but shall follow the same application process described in Section 3, et seq. hereof.
- G. Variance. Although a variance is not favored, exceptional circumstances may support a request for variance from the provisions of Section 2, in which case such request for a variance may be made in an application or other written form to the Commissioners' Court. Such request shall include all the items listed in Section 3(B) and may include a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court. To the full extent permitted by applicable law, the Commissioners' Court shall have the authority to enter into an abatement agreement with terms and conditions that vary from the terms and conditions in these Guidelines, but only so long as the Commissioners Court determines that such variances are in the best interests of Duval County. Any terms or conditions contained in an abatement Agreement approved by the Commissioners' Court that vary from the terms and conditions in these Guidelines shall automatically be deemed to have been granted an approved variance by the Commissioners Court, shall be binding and enforceable as agreed to in the abatement Agreement, and shall control in the event of any inconsistency

or conflict with these Guidelines. A variance granted to any applicant shall not be deemed a variance for any subsequent applicant.

- H. Confidentiality Required. Information that is provided to the County in connection with an application or request for Tax Abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which Tax Abatement is sought may be deemed as confidential and not subject to public disclosure only if specifically identified by the Applicant, and segregated from the remaining portions of the Application. Once the Tax Abatement Agreement is executed, all attachments to the Abatement Agreement shall become public. All information in the custody of a taxing unit after the Agreement is executed is Public Record, and not confidential.

Section 4 Affected Jurisdiction

- A. Should any Affected Jurisdiction be able to show cause in the public hearing why the granting of abatement by the County will have a substantial adverse effect on its bonds, tax revenue, service incapacity or the provision of service, that showing shall be considered by the Duval County Commissioners' Court when deciding to approve or disapprove of the application for tax abatement.
- B. Neither a reinvestment zone nor an abatement shall be authorized if it is determined that:
 - 1. There would be a substantial adverse effect on the provision of a government service or the tax base of an Affected Jurisdiction;
 - 2. The applicant has insufficient financial capacity to construct and operate the proposed facility or improvements;
 - 3. The planned or potential use of the property would constitute a hazard to public safety, health, or morals; or
 - 4. The planned or potential use of the property violate other governmental codes or laws.

Section 5 Agreement

- A. After approval, the Commissioners Court of Duval County shall formally pass a Resolution and execute an agreement with the owner of the facility and Lessee as required which shall:
 - 1. Include a list of the kind, number, location of all proposed improvements to the property and if this is not defined at the time of the agreement, then to be supplemented after construction of the facilities;
 - 2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
 - 3. Develop the use of the property consistent with the taxing unit's developmental goals as stated in Section 2 H of the Duval County Tax Abatement Guidelines and Criteria;
 - 4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;

5. Include each term that was agreed upon with the property owner and require the owner of the facility to annually certify compliance with the terms of the agreement to each taxing unit; and
 6. Allow the taxing unit to cancel the agreement after notice of default and opportunity to cure if the property owner fails to comply with the terms of the agreement.
- B. The owner of the facility and Lessee shall also agree to the following:
1. A specified number of permanent full-time jobs at facility shall be created, and the owner and Lessee shall make reasonable efforts to employ persons who are residents of Duval County in such jobs provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and/or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.
 2. Each person employed in such job shall perform a portion, if not all, of their work in Duval County.
 3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Duval County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Duval County residents that are not:
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 100% (105% in cases of contracts with a gross value of not more than \$25,000.00) of the nonresident price for equivalent quality, conditions and terms.
 4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Duval County who are interested in obtaining information about providing goods or services related to the construction of the project.
 5. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Duval County and or surrounding counties for local contractors to perform work on the construction of the project.
 6. Owner shall agree to maintain a viable presence (as below defined) within the reinvestment zone for a period of time, as set by the Duval County Commissioners Court, not to exceed twenty (20) years from the date that the

abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed, in part, within Duval County.

7. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Duval County, and to the governing body of each taxing unity, that Owner is in compliance with each applicable term set forth above.
8. Additionally, the owner of the project:
 - a. Will be wholly responsible for the County roads and right-of-way (including bridges, culverts, ditches, etc.) and damage caused thereto as a result of the construction of or of an on-going maintenance and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
 - i. Cost to maintain the roads, if needed, utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by Duval County and invoiced on a regular basis to the Owner.
 - ii. Cost to reconstruct the roadway, if needed, will be actual costs to repair the County roads and right-of-way incurred by the County and invoiced to the Owner. These costs will include all construction costs as well as all related professional services for the repair work.
 - iii. Cost associated with the issuance of a County driveway permit, which shall be required in the event the project is accessed directly by a County Road. Owner agrees to promptly submit a completed County driveway permit application

C. Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the Commissioners Court.

Section 6 Recapture

- A. In the event that the company or individual:
 1. Allows its ad valorem taxes owed Duval County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period;
 3. The agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

- B. Should Duval County determine that the company or individual is in default according to the terms and conditions of its agreement, Duval County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.
- C. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing a product or service for any reason for a period of one year during the abatement period, other than because of fire, explosion, or other casualty, accident, natural disaster, or other event of force majeure, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the applicant's facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

Section 7 Administration

- A. The Chief Appraiser of the Duval County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Duval County of the amount of the assessment.
- B. The Agreement shall stipulate that employees and/or designated representatives of Duval County will have access to the applicant's facilities within the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of reasonable notice and will only be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant, and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Duval County shall annually evaluate each facility receiving abatement to ensure compliance with the agreement. A formal report shall be made to the Commissioners Court.
- D. Timely Filing. The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.

Section 8 Assignment

- A. Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility only upon the approval by resolution of the Commissioners Court of Duval County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Duval County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations.

Attachment C

Attached is a description of the Site.

Sun Cactus Property Description

The North 28 acres of Lot 4 and the South 28 acres of Lot 2 in Block 60 of the Realitos Subdivision of the Copita Farm and Garden Tracts, Duval County, Texas.

Parcel ID # 15949, Part of 15955

AND

Lot 1, Section 60 of the Realitos Subdivision of the Copita Farm and Garden Tracts, Duval County, Texas.

Parcel ID # 15948

AND

South 132 acres of Lot 4, Section 60 of the Realitos Subdivision of the Copita Farm and Garden Tracts, Duval County, Texas.

Parcel ID # Part of 15955

AND

Fifty-three and one-third (53-1/3) acres of land, more or less, being all of the North one-third (N. 1/3) of Lot No. Three (3) in Block Fifty (50) of Addition No. Three (3) of the Realitos Subdivision of Copita Farm & Garden Tracts, being a subdivision of the Marcelo Hinojosa Grant, according to the map or plat on file and of record in the office of the County Clerk of Duval County, Texas.

Parcel ID #15896

The North 132 acres of Lot No. 2 in Block No. 60 of the Realitos Subdivision of the Copita Farm and Garden Tracts in Duval County, Texas, as per map or plat thereof of record in the office of the County Clerk of Duval County, Texas to which reference here made for all purposes.

Parcel ID 15950

AND

160 acres of land being Lot 4 of Section 49 of Addition No. 3 of the Realitos Subdivision of the Copita Farm and Garden Tracts as per map thereof recorded in Volume 6, Page 82 of the Deed Records, Duval County, Texas.

Parcel ID 17050

AND

80 acres of land, more or less, being the North one-half of Lot No. 3 in Section No. 49 of Addition No. 3 of the Realitos Subdivision of the Copita Farm & Garden Tracts, according to the map or plat thereof of record in Volume 6, Page 82, Deed Records, Duval County, Texas, and now filed in Envelope 49, Side 2, Map Records, Duval County, Texas, to which record reference is here made for all purposes, said tract being located in and a part of what is known as the Marcelo Hinojosa Grant, Abstract No. 628, Duval County, Texas.

Parcel ID 15887

AND

Being the South One-Half (S1/2) of Lot Three (3), Section Forty-Nine (49) of Addition No. Three (3) of the Realitos Subdivision of the Copita Farm and Garden Tracts as per map recorded in Volume 6, Page 82 of the Deed Records of Duval County, Texas.

Parcel ID 15888

AND

Lot 2, Block 50, Realitos Subdivision of Copita Farm and Garden Tracts, Addition #3, as per map or plat thereof of record in the office of the County Clerk of Duval County, Texas, to which reference is here made for all purposes.

LESS AND EXCEPT

Those lands conveyed to Woodrow Latham in Partition Agreement Dated May 22, 1980 and recorded in Duval County Records Volume 244, Page 4 being described as:
The North 64 and ½ acres out of Lot 2, Block 50, of the Realitos Subdivision of Copita Farm & Garden tracts, Addition No. 3.

Parcel ID 15890

AND

Fifty three and One-Third (53 - 1/3) acres of land, more or less, being all of the South One-third of the North Two-thirds (S. 1/3 of N. 2/3) of Lot No. Three (3), in Block Fifty (50) of Addition No. Three (3) of the Realitos Subdivision of the Copita Farm & Garden Tracts, being a subdivision out of the Marcelo Hinojosa Grant, according to the map or plat on file and of record in the office of the County Clerk of Duval county, Texas, to which reference is here made for all pertinent purposes; being the same property described in and conveyed by that certain instrument dated December 10, 1970, from Herminia G.

Almaraz, Grantor, to Elva A. Hofstetter, Grantee, as recorded in Book 160, Pages 461-463, Deed Records of Duval County, Texas.

Parcel ID # 15897

North 32 acres, being Lots 1 and 2, Block 43 Realitos Subdivision of the Copita Farm and Garden Tracts Addition No. 3, as per map or plat thereof of record in the office of the County Clerk of Duval County, Texas

Parcel ID # 19490

80 acres of land, more or less being the most westerly 80 acres of Lot 4, Block 43 Realitos Subdivision of the Copita Farm and Garden Tracts Addition No. 3, as per map or plat thereof of record in the office of the County Clerk of Duval County, Texas

Parcel ID # 15847

One Hundred and Sixty (160) acres of land, more or less, situated in Duval County, Texas, the same being all of Lot No. 1, in Block No. 50 of the Realitos Subdivision No. 3 of the Copita Farm and Garden Tract, and the same being a part of the Marcelo Hinojosa Grant. The tract of land being the same land conveyed to G.W. Flournoy by A. J. Etris, et ux, on December 10th, 1934, by Warranty Deed of record in Book 38, Pages 14-15, of the Deed Records of Duval County, Texas, and being the same tract of land conveyed by G.W. Flournoy and Wife, Dora B. Flournoy to Marcelo Hinojosa, Jr. in Warranty Deed dated June 15, 1950, recorded in Volume 77, Pages 277-280 of the Deed Records of Duval County, Texas.

Parcel ID # 15889

Being all of the 160 acres of land, known as Lot 4, Block 50 of Addition No. 3 of the Realitos Subdivision of the Copita Farm and Garden Tracts.

Parcel ID # 15899

120 acres of land, more or less, being the most westerly 40 acres of lot 3, and the most Easterly 80 acres of Lot 4, Block 43, Realitos Subdivision of the Copita Farm and Garden Tracts Addition No. 3, as per map or plat thereof of record in the office of the County Clerk of Duval County, Texas

Parcel ID # 19475

120 acres of land, more or less, being the most easterly 120 acres of Lot 3, Block 43, Realitos Subdivision of the Copita Farm and Garden tracts Addition No. 3, as per map or plat thereof of record in the office of the county Clerk of Duval County, Texas

Parcel ID # 19474

157.54 acres of land, more or less, being lot 2, Block 54, Realitos Subdivision of the Copita Farm and Garden Tracts, Addition No. 3, Duval County, Texas.

Parcel ID# 327178

157.58 acres of land more or less, being lots 1, 2, 7, and 8, Block 53, Realitos Subdivision the Copita Farm and Garden Tracts, Addition No. 3, Duval County, Texas, being the same land described in Warranty Deed dated October 23, 2020, from Minerva R. Lopez to Lazaro Garza, Jr., et al, recorded in Volume 493, Page 628 of the Official Records of Duval County, Texas

Parcel ID #15909

157.58 acres of land, more or less, being Lots 9, 10, 11 and 12, Block 53, Realitos Subdivision of the Copita Farm and Garden Tracts, Addition No. 3, Duval County, Texas

Parcel ID# 15917

Situated in Duval County, Texas and being a tract of land containing 159.97 acres, more or less, and being all of Lot Number THREE (3), in Block Number FIFTY-FOUR (54), REALITOS SUBDIVISION OF THE COPITA FARM AND GARDEN TRACTS, ADDITION NO. 3, according to plat thereof recorded in Envelope 34, Side 1, Duval County Plat Records.

Parcel ID # 217047

Situated in Duval County, Texas, and being the SURFACE ONLY of a tract of land containing 237.27 acres, more or less, and being the West One-Half of Lot Number THREE (W. 1/2 of 3), and All of Lot Number FOUR (4), in Block Number FORTY-TWO (42), Addition No. 3 of the Realitos Subdivision of Copita Farm and Garden Tracts, as per map or plat recorded on file in the Office of the County Clerk of Duval County, Texas, and being more particularly described by metes and bounds as:

Being a 237.27 acre tract of land by deed to Jesus Trejo, and wife Isabel M. Trejo, as recorded in Volume 141, Pages 268-270, Deed Records, Duval County, Texas, and being more particularly described by metes and bounds as follows, to wit:

Beginning at a fence corner post found at the southwest corner of said Trejo tract, at the northwest corner of a 30' easement for road purposes, conveyed by deed to Duval County, Texas, as recorded in Volume 123, Pages 173-174, Deed Records, Duval County, Texas, situated in Tract 4, Section 42, Copita Farm and Garden Tracts, Addition No. 3, (no map of record), at the east Right of Way line of a County Road, for the southwest corner hereof;

Thence, with the east Right of Way line of said County Road, North 00 degrees 19 minutes 10 seconds West, 2610.00 feet to a fence corner post found at the southwest corner of a tract of land conveyed by deed to Donna Faye Martin, as recorded in Volume 399, Pages 537-539, Deed Records, Duval County, Texas, for the northwest corner hereof;

Thence, with the south line of said Martin, North 89 degrees 40 minutes 50 seconds East, passing the southwest corner of a tract of land conveyed by deed to Werner Hofstetter, as recorded in Volume 189, Pages 215-219, Deed Records, Duval County Texas, at 2640.00 feet passing a ½" iron rod found at the southwest corner of a tract of land conveyed by deed to Delma Eva Hinojosa, as recorded in Volume 325, Deed Records, Duval County, Texas, in all a total distance of 3960.00 feet to a fence corner post found at the northwest corner of a tract of land conveyed by deed to Elson Barerra, and wife Alicia Barerra, as recorded in Volume 240, Pages 231-232, Deed Records, Duval County, Texas, for the northeast corner hereof;

Thence, with the west line of said Barerra tract, South 00 degrees 19 minutes 10 seconds East, 2610.00 feet to a ½" iron rod set at the northeast corner of aforementioned 30' easement for road purposed to Duval County, Texas, for the southeast corner hereof;

Thence, with the north line of said Duval County tract, South 89 degrees 40 minutes 50 seconds West, 3960.00 feet to the Point of Beginning and containing 237.27 acres of land, more or less.

Basis of Bearings: A ½" iron rod found at the northwest corner of Tract 1, out of Lot 2, Section 42, Copita Farm & Garden Tracts Addition No. 3, (no map of record) as recorded in Volume 325, Pages 650-655, Deed Records, Duval County, Texas, and a ½" iron rod found at the southwest corner of Tract 4, out of Lot 2, Section 42, Copita Farm & Garden Tract Addition No. 3. Called to be South 00 degrees 21 minutes 57 seconds East, 2639.69 feet, but found by OPS observation to be South 00 degrees 19 minutes 10 seconds East, 2638.98 feet.

Property ID # 18970

AND

Being a total of 318.79 acres and being part of Lots 3 and 2, Block 41 Realitos Subdivision of Copita Farm and Garden Tracts Addition No. 2, Duval County, Texas, as per map or

plat thereof recorded in Volume 6, Page 26, Map Records, recorded in Envelope 49, Side 2, Map Records, Duval County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod set on the North right-of-way line of a 100-foot wide road easement, same being twenty feet north from the Southwest corner of said Lot 3, said 5/8-inch iron rod being the Southwest corner of this tract;

THENCE, North 00 degrees 31 minutes 45 seconds West, with the West lot line of said Lots 3 and 2, a distance of 5260 feet to a 5/8-inch iron rod set on the South right-of-way line of a County Road 250 and being the Northwest corner of said Lot 2, same being the Northwest corner of this tract;

THENCE, North 89 degrees 28 minutes 15 seconds East with the South right-of-way line of said County Road 250, a distance of 2640.00 feet to a 5/8 inch iron rod set on the West right-of-way line of County Road 253 and being the Northeast corner of this tract;

THENCE, South 00 degrees 31 minutes 45 seconds East, with the West right-of-way line of said County Road 253, a distance of 5260.00 feet to a 5/8 inch iron rod set for the Southeast corner of this tract;

THENCE, South 89 degrees 28 minutes 15 seconds West, the North right-of-way line of said 100 foot wide road easement, a distance of 2640.00 feet to the POINT OF BEGINNING and being a 318.79 acre tract of land, more or less.

Property ID # 15838, and 15840

Situated in Duval County, Texas and being a tract of land containing 40 acres, more or less, and being the Northeast 40 acres of Lot Number ONE (1), in Block Number FORTY-TWO (42), in Addition No. 3 of the Realitos Subdivision of Copita Farm and Garden Tracts, as per map or plat of said subdivision on file and of record in the office of the County Clerk of Duval County, Texas.

Property ID # 15842

AND

Situated in Duval County, Texas and being a tract of land containing 40 acres, more or less, and being the Southwest 40 acres of Lot Number ONE (1), in Block Number FORTY-TWO (42), Addition No. 3 of the Realitos Subdivision of Copita Farm and Garden Tracts, as per Map or plat of said subdivision on file and of record in the office of the County Clerk of Duval County, Texas.

Property ID # 15841

AND

Situated in Duval County, Texas and being 80 acres of land, more or less, and being the Northwest 40 acres and Southeast 40 acres of Lot Number ONE (1), in Block Number FORTY- TWO (42), Addition No. 3 of the Realitos Subdivision of Copita Farm and Garden Tracts, as per map or plat subdivision on file and of record in the offices of the County Clerk of Duval County, Texas and being more particularly described by metes and bounds as described below:

The northwest 40.00 acres of Lot 1, Block 42:

Beginning at a fence corner found at the northwest corner of said Lot 1, at the east Right of way line of a County Road, the south Right of way line of a County Road 250, for the northwest corner hereof;

Thence, with the south Right of Way of said County Road 250, North 89 degrees 41 minutes 19 Seconds East, 1320.00 feet to a ½" iron rod set at the northwest corner of a tract of land conveyed by deed to Betty Ruth Butler, as recorded in Volume 315 Pages 859-860, Deed Records, Duval County, Texas, for the northwest corner hereof;

Thence with the west line of said Butler tract, South 00 degrees 19 minutes 10 Seconds East, 1319.81 feet to a ½" iron rod set at the northwest corner of aforementioned southeast 40.00 acres of land conveyed to Werner Hofstetter, the northwest corner of a tract of land conveyed by deed to Donna Faye Martin, as recorded in Volume 399, Pages 537-539, Deed Records, Duval County, Texas, for the southwest corner hereof;

Thence, with the north line of said Martin tract, South 89 degrees 40 minutes 50 Seconds West, 1320.24 feet to a ½" iron rod set at the east Right of Way line of aforementioned County Road, for the southwest corner hereof;

Thence, with the east Right of Way line of said County Road, North 00 degrees 18 minutes 32 Seconds East, 1320.00 feet to the Point of Beginning and

The southeast 40.00 acres of Lot 1, Block 42:

Beginning at a ½" iron rod found at the southwest corner of Tract 4, out of Lot 2, Block 42, Realitos Subdivision of the Copita Farm and Garden Tract, conveyed by deed to Delma Eva Hinojosa, as recorded in Volume 325, Pages 650-655, Deed Records, Duval County, Texas, the northwest corner of Lot 3, Block 42, Realitos Subdivision of the Copita Farm and Garden Tract, the northeast corner of Lot 4, Block 42, Realitos Subdivision of the Copita Farm and Garden Tract, on the north line of a tract of land conveyed by deed to Jesus Trejo, and wife Isabel M. Trejo, as recorded in Volume 141, Pages 268-270, Deed Records, Duval County, Texas, for the southeast corner hereof;

Thence, with the north line of said Lot 4, Block 42, and said Trejo tract, South 89 degrees 39 minutes 19 Seconds West, 1320.83 feet to a ½" Iron rod set at the southeast corner

of a tract of land conveyed by deed to Donna Faye Martin, as recorded in Volume 399, Pages 537-539, Deed Records, Duval County, Texas, for the southwest corner hereof;

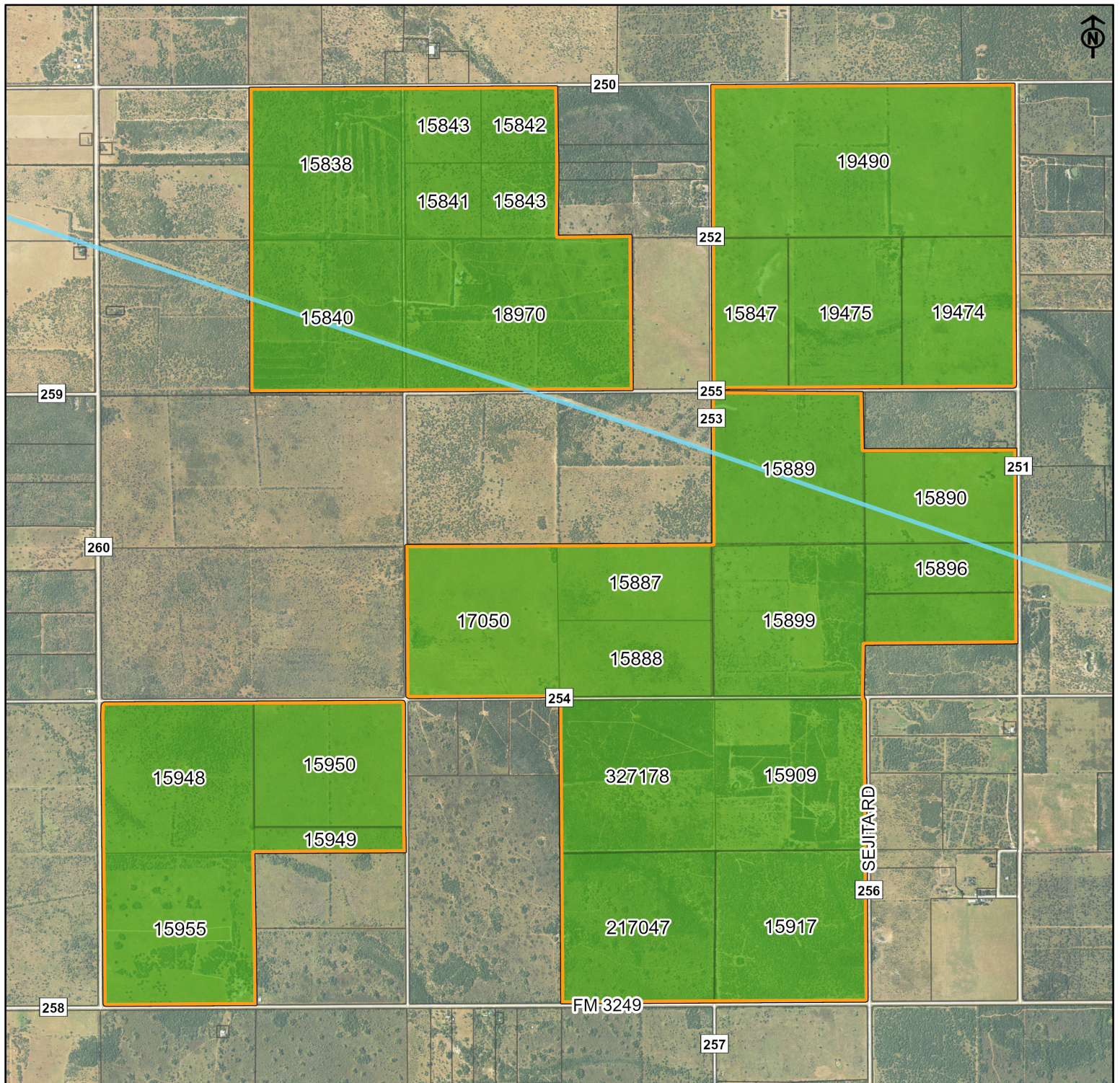
Thence, with the east line of said Martin tract, North 00 degrees 19 minutes 10 Seconds East, 1319.94 feet to a ½" Iron rod set at the southeast corner of the aforementioned northwest corners of Lot 1, Block 42, conveyed to Werner Hofstetter, the southwest corner of a tract of land conveyed by deed to Betty Ruth Butler, as recorded in Volume 315, Pages 859-860 Deed Records, Duval County, Texas, for the northwest corner hereof;

Thence, with the south line of said Butler tract, North 89 degrees 40 minutes 50 Seconds East, at 1320.82 feet to a ½" iron rod set at the west line of Tract 3, conveyed by deed to Juan Rene Hinojosa, as recorded in Volume 325, Pages 650-655, Deed Records, Duval County, Texas, for the northeast corner hereof;




Thence, with the west line of said Tract 3, South 00 degrees 19 minutes 10 Seconds East, at 306.21 feet passing a ½" iron rod found at the northwest corner of aforementioned Tract 4, in all a total distance of 1319.36 feet to the Point of Beginning.

Basis of Bearings: A ½" iron rod found at the northwest corner of Tract 1, out of Lot 2, Section 42, Copita Farm & Garden Tracts Addition No. 3, (no map of record) as recorded in Volume 325, Pages 650-655, Deed Records, Duval County, Texas, and a ½" iron rod found at the southwest corner of Tract 4, out of Lot 2, Section 42, Copita Farm & Garden Tract Addition No. 3. Called to be South 00 degrees 21 minutes 57 seconds East, 2639.69 feet, but found by GPS observation to be South 00 degrees 19 minutes 10 seconds East, 2638.98 feet.


Property ID # 15843

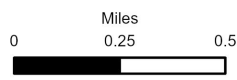


Sun Cactus Solar Project

-  Project Boundary
-  Secured Lease
-  Tax Parcel

Existing Transmission Lines

-  138



Scale: 1:28,800

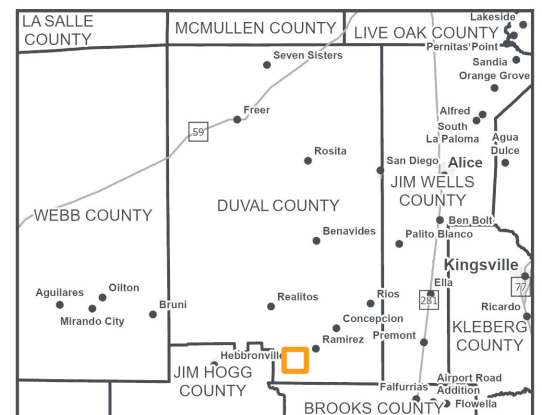
Coordinate System: NAD 1983 StatePlane Texas South FIPS 4205 Feet

The following companies and organizations provided data that contributed to the production of this map.

- CoreLogic, Inc.
- Environmental Systems Research Institute (ESRI)
- ReGrid, Loveland Technologies
- U.S. Department of Agriculture (USDA)
- U.S. Federal Aviation Administration (FAA)
- U.S. Geological Survey (USGS)
- WhiteStar Corporation
- Ventyx, Inc., An ABB Company
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DUVAL COUNTY, TEXAS



 Site Location

Attachment D

LOCAL OUTREACH PLAN

- A. In connection with the preparation, construction and operation of the Project in Duval County, Owner shall make reasonable attempts to:
1. Utilize Duval County individuals and businesses for materials, labor and services, provided nothing in this paragraph shall require Owner to use services and supplies that are not of similar quality to those provided by residents or businesses outside of Duval County or are not made available on terms and/or at prices comparable to those offered by residents or businesses outside of Duval County; and
 2. In filling positions of employment connected with the Project and Improvements, Owner and its contractors and agents shall use commercially reasonable efforts to employ individuals who reside within the borders of Duval County, provided nothing in this paragraph shall require Owner or its contractors or agents to employ Duval County residents who are not (i) equally or more qualified than nonresidents; or (ii) are not available for employment on terms and/or at salaries comparable to those required by nonresidents.
- B. Owner along with Project construction contractors of the Project, who anticipate the need to hire additional labor and/or services to complete said construction shall hold a job and contracting information session in San Diego, Texas, prior to beginning physical construction of the Project at which information session attendees shall be provided information regarding the construction, development, and operation and hiring needs of the Project. Notice relating to the time, place, and general purpose of the information session shall be published in a local or regional newspaper no less than seven (7) days in advance of the information session.