

Tax Abatement Agreement between Lamar County, Texas and Mockingbird Solar Center, LLC

State of Texas

County of Lamar

This Tax Abatement Agreement (the “**Agreement**”) is made and entered into by and between Lamar County, Texas (the “**County**”), acting through its duly elected officers, and Mockingbird Solar Center, LLC, a Delaware limited liability company, owner of Eligible Property (as hereinafter defined) to be located on real property located in the Reinvestment Zone(s) described in this Agreement. This Agreement shall become effective upon final signature by both parties (which date shall be the “**Effective Date**”) and shall remain in effect until fulfillment of the obligations described in Paragraph IV(D), unless terminated earlier as provided herein.

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the Guidelines and Criteria (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 Maintenance and Operations (M&O) and Interest and Sinking (I&S) Fund tax rate ad valorem taxes on property in a Reinvestment Zone(s) as provided herein. Abatement shall not apply nor be extended to the County’s Road and Bridge, Estray & Jury, and Indigent Health Care Tax rates.
- B. “Abatement Period” means the ten-year period described in Paragraph IV(B)(1) of this Agreement during which the Abatement will apply.
- C. “Base Year” means the Calendar Year in which the Effective Date occurs.
- D. “Calendar Year” means each year beginning on January 1 and ending on December 31.
- E. “Certificate” means a letter, provided by the Owner (as defined below) to the County that certifies that the Project and Improvements have achieved Commercial Operations, outlines the Improvements included in the Project (included those that are still under construction), and states the overall Nameplate Capacity of the Project and Improvements.
- F. “Certified Appraised Value,” means the appraised value, for property tax purposes, of Owner’s Eligible Property (including the Project and Improvements) within the

Reinvestment Zone(s) as certified by the Lamar County Appraisal District ("County Appraisal District") for each tax year.

- G. "COD" means the date that the Project and Improvements commence Commercial Operations.
- H. "Commercial Operations" means that the Project and Improvements has become commercially operational and placed into service for the purpose of generating electricity for sale in one or more commercial markets.
- I. "Default Notice" means a written notice delivered by one party to the other under Paragraph VIII(A) of this Agreement. Default Notices must be delivered in accordance with the requirements of Paragraph XI of this Agreement.
- J. "Eligible Property" means property eligible for Abatement under the Guidelines and Criteria, 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 a project or facility; and all other real and tangible personal property permitted to receive tax abatement by Chapter 312 of the Texas Tax Code and the Guidelines and Criteria. Taxes on Eligible Property may be abated only to the extent the property's value for a given year exceeds its value for the Base Year. Tangible personal property located in the Reinvestment Zone(s) at any time before the date the Agreement is signed is not eligible for Abatement. Tangible personal property eligible for Abatement shall not include inventory or supplies.
- K. "Force Majeure" includes events not reasonably within the control of the party whose performance is sought to be excused thereby, including the following causes and events: acts of God and the public enemy, strikes, lockouts or other industrial disturbances, inability to obtain material or equipment or labor due to an event that meets the definition of a Force Majeure, wars, blockades, insurrections, riots, epidemics, pandemic, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather, 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.
- L. "Guidelines and Criteria" means the *Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zone(s)*, adopted by the Lamar County Commissioners Court on November 9, 2020 (the "Guidelines and Criteria"), a copy of which is attached hereto as Attachment B to this Agreement.
- M. "Lender" means any entity or person providing, directly or indirectly, with respect to the Project and 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 of the 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.

- N. "Local Outreach Plan" means the plan attached to this Agreement as Attachment D.
- O. "Nameplate Capacity" means the total or overall generating capacity of the Project and Improvements on the Site (as designated in ac units). In the event that the Project and Improvements include battery storage technology, the storage capacity of the battery storage technology will not be included in Nameplate Capacity.
- P. "Notice of Abatement Commencement" has the meaning assigned in Paragraph IV(B)(6) of this Agreement.
- Q. "Notices" means all notices, demands, or other communications of any type given shall be given in accordance with this Section, including Default Notices.
- R. "Owner," on the Effective Date, means Mockingbird Solar Center, LLC, a Delaware limited liability company, the entity that owns the Eligible Property for which the Abatement is being granted, and also includes any assignee or successor-in-interest of such party. An "Affiliate" of an Owner means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such 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.
- S. "Payment In Lieu of Taxes" or "PILOT" means a payment made by Owner to the County described in Paragraph IV(F) of this Agreement.
- T. "Project and Improvements" means 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, or fixture erected on or affixed to the land.
- U. "Reinvestment Zone(s)" means the reinvestment zone(s), as that term is defined in Chapter 312 of the Texas Tax Code, created by Lamar County and known as the "Mockingbird Solar Reinvestment Zone No. 1" by that certain Resolution Adopting and Designating a Reinvestment Zone in the Jurisdiction of Lamar County, Texas, adopted and approved by the Lamar County Commissioners' Court on November 9, 2020, a copy of which resolution is attached as Attachment A to this Agreement,
- V. "Site" means the portion of the Reinvestment Zone(s) leased by Owner and on which Owner constructs the Project and Improvements and installs and constructs the Eligible Property for which the Abatement is granted hereunder. The Site is described on Attachment C to this Agreement.

W. "Term" means the period commencing on the Effective Date of this Agreement and ending on December 31 of the fifteenth Calendar Year after the commencement of the Abatement Period.

III. Project and Improvements in Reinvestment Zone(s)

Owner anticipates constructing the following Project and Improvements on the Site:

- A. Owner anticipates constructing Project and Improvements on the Site consisting of a photovoltaic solar powered electricity generation facility (the "Project and Improvements"). The Project and Improvements are anticipated to consist of solar equipment located in the Reinvestment Zone(s) with a total Nameplate Capacity of approximately 400 megawatts AC. The total Nameplate Capacity will vary depending on the type of solar equipment used and the size of the facility but shall at a minimum equal 360 megawatts AC. The Project and Improvements may, in Owner's sole discretion, include ancillary battery storage technology. The Certified Appraised Value will depend upon annual appraisals by the Lamar County Appraisal District.
- B. The Project and Improvements will also include any other property in the Reinvestment Zone(s) owned or leased by Owner meeting the definition of "Eligible Property" that is used to produce electricity and perform other functions related to the production, distribution, and transmission of electrical power, or that is otherwise related to the production of electricity.
- C. Owner anticipates that the Project and Improvements will achieve Commercial Operations by no later than March 1, 2023, but this Agreement shall remain effective, and shall not be in default, so long as the Project and Improvements achieve Commercial Operations on or before December 31, 2023.

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 be fully taxable at all times;
 - 2. The Certified Appraised Value of property existing in the Reinvestment Zones prior to execution of this Agreement shall be fully taxable at all times;
 - 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 at all times;
 - 4. During the Abatement Period, Lamar County 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 Paragraph IV(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 at all times, including during the remainder of the Term.
- B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of the categories of Lamar County taxes included in the definition of "Abatement" that are assessed on the Eligible Property in the Reinvestment Zone(s) as follows:
1. Beginning on the earlier of (a) January 1 of the first Calendar Year after the COD or (b) January 1 of the Calendar Year identified in a Notice of Abatement Commencement (as defined below) delivered by Owner (with such Calendar Year being "Year 1" of the Abatement Period) and ending upon the conclusion of ten full Calendar Years thereafter (which 10-year period shall constitute the Abatement Period), the Abatement percentage shall be 100%;
 2. The foregoing percentage of property taxes on the Certified Appraised Value of all eligible Improvements described in the Certificate (and actually in place in the Reinvestment Zones) shall be abated for the entire Abatement Period, and shall be replaced by a ten year series of Payments in Lieu of Taxes [PILOT], as further defined herein;
 3. The foregoing percentage of property taxes on the Certified Appraised Value of any and all otherwise taxable Eligible Property owned by Owner and located in the Reinvestment Zones shall be abated for the entire Abatement Period, and shall be replaced by a ten-year series of Payments in Lieu of Taxes [PILOT], as further defined herein;
 4. The Base Year value for the proposed Project and Improvements is agreed to be zero.
 5. Owner shall provide the Certificate to the County and to the County Appraisal District within sixty (60) days after the COD. The Certificate shall describe any 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 and Improvement construction is complete. If they meet the definition of "Eligible Property," such ancillary facilities, once completed, shall become part of the Project and Improvements eligible for the Abatement under this Agreement.
 6. If Owner, at its sole election, desires that the Abatement Period begin prior to January 1 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, ____”; 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 on or before the date required in the preceding paragraph.

7. 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 10 years.
- C. All or a portion of the Project and Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Project and Improvements.
 - D. Owner agrees that the Project and 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 Improvements prior to that date. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(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 REMOVED IMPROVEMENTS, LESS ANY PAYMENTS IN LIEU OF TAXES MADE AT ANY TIME TO THE COUNTY FOR THE REMOVED IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(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(s) 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(s). 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 (which taxable value shall be zero for each of the years during the Abatement Period). 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.
 - F. If the Project and Improvements are constructed and the COD is achieved, Owner agrees to make an annual PILOT to the County in the amount set forth in the table below per megawatt of the total Nameplate Capacity of the Project and Improvements

on the Site for each year of the Abatement Period. Each PILOT described in this Paragraph IV(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 2024, then the PILOT owed for 2024 shall be due and payable on January 31, 2025. There shall be a total of ten (10) PILOTs under this Agreement.

<u>Year of Abatement Period</u>	<u>PILOT Amount (Per MW of Nameplate Capacity (AC))</u>
Year 1	\$668.00
Year 2	\$668.00
Year 3	\$668.00
Year 4	\$668.00
Year 5	\$668.00
Year 6	\$668.00
Year 7	\$668.00
Year 8	\$668.00
Year 9	\$668.00
Year 10	\$668.00

- G. Owner has remitted and the County confirms its receipt of a fee of \$30,000.00 which shall be used to offset soft costs incurred by County related to the Mockingbird Solar Center project.

V. Decommissioning

The County and Owner agree that the intent and purpose of Section V is to provide a process for returning and restoring the Site to its previous state. The County acknowledges that Owner has entered into (or will enter into) confidential agreements with each landowner whose property will be utilized by the Project and Improvements within the Reinvestment Zone (“Landowner Agreement”). Owner represents that each Landowner Agreement will include a requirement that Owner decommission the Project and Improvements, including restoring, through soil stabilization and revegetation, at least the first three feet of depth of the soil on any land disturbed by the Project and Improvements (the “Restoration Obligations”). Each Landowner Agreement will include a requirement that, beginning on or about twenty years after the commencement of operations of the Project and Improvements, Owner will provide a form of security or financial assurance to the Landowner in the form of a bond, an escrow deposit, line of credit, letter of credit, corporate guarantee from investment-grade entity, cash deposit, or other industry-accepted form of security to secure Owner’s performance of the Restoration Obligations (“Restoration Security”). Sample provisions governing the Restoration Obligations and Restoration Securities (with other financial terms redacted) are provided in Attachment F; each Landowner Agreement will include provisions concerning Restoration Obligations and Restoration Securities that are at least as stringent as the sample provisions included in Attachment F.

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 now or in the future; (vi) Owner agrees to conduct an environmental study for the Project and Improvements in accordance with state and federal law and to comply with the permit requirements identified by the environmental study; (vii) Owner agrees to observe all state and federal law restricting the diversion and impoundment of the natural flow of surface water across the Project and Improvements; (viii) Owner shall meet or exceed industry standards for utilizing processes, products and materials that minimize the risk of environmental toxicity emitted by the Project and Improvements; and (ix) 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 and be bound 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(s) has been designated and this Agreement has been approved in accordance with Chapter 312 of the Texas Tax Code and the Guidelines and Criteria as both exist on the effective date of this Agreement; (iii) no interest in the Project and Improvements is held, leased, or subleased by a member of the County Commissioners Court, (iv) that the property within the Reinvestment Zone(s) and the Site is located within the legal boundaries of the County and outside the boundaries of all municipalities located in the 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(s) and this Agreement.

VII. Maintenance of County Infrastructure, Access to and Inspection of Property by County Employees, and Periodic Statement of Compliance

- A. Owner shall, by contract, cause its prime contractor and major equipment suppliers to restrict their travel to and from the Project and Improvements to the County roads depicted on Attachment E (the "County Roads"). The County acknowledges and approves that (i) the Owner will need to cross certain County roads with heavy construction equipment during the construction, operation, maintenance, and decommissioning of the Project and Improvements, and (ii) Owner may need to place certain electrical cables for the Project and Improvements across certain County roads

for the collection, distribution, and transmission of electricity to and from various parts of the Project and Improvements, in which case Owner and County agree to negotiate in good faith a crossing agreement for such cables. Owner shall use commercially reasonable efforts to require its prime contractor to restrict all subcontractor travel to and from the Project and Improvements to the County Roads. Owner will be wholly responsible for damage (normal wear and tear excluded) to the County roads and rights-of-way (including bridges, culverts, ditches, etc.), if damage is caused directly thereto as a result of the construction of the Project and Improvements, or directly as a result of operations and maintenance activity conducted on the Project and Improvements (normal wear and tear excluded), including:

1. Actual costs incurred by the County to maintain County roads and right-of-ways, if needed, utilized for construction of the Project and Improvements in an effort to keep the road safe for the traveling public will be tracked by Lamar County and damage caused by Owner shall be reasonably documented by Lamar County, discussed with Owner, and invoiced to Owner, who shall remit payment within thirty days of receipt of billing;
 2. Charges to Owner shall be based on a methodology designed to evaluate the isolated impact of the Owner's use of the County roads and rights-of-way and will be limited to actual repair costs incurred by the County and reasonably documented and invoiced to Owner. These costs will include all construction costs as well as all related professional services for the repair work, not to exceed 110% of a cost estimate delivered to Owner by a qualified third-party road construction contractor. Owner shall remit payment within thirty days of receipt of billing; and
 3. Costs associated with the issuance of a County driveway permit, which shall be required in the event the Project and Improvements are accessed directly by a County Road, shall be paid by Owner within thirty days of receipt of billing. Owners agrees to promptly submit a completed County driveway permit application to the precinct Commissioner.
 4. Subject to County approval, Owner may conduct dust control and grading activities on County roads utilized for the Project and Improvements.
 5. Notwithstanding the foregoing, the County hereby preserves all rights and remedies provided under Chapter 251 of the Texas Transportation Code.
- B. Owner shall allow the County's employees and consultants access to the Site for the purpose of inspecting the Project and Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours' 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 Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.

- C. 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.

VIII. Default, Remedies and Limitation of Liability

- A. No party may terminate this Agreement unless (i) such party provides a written Default Notice to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (x) excused by the occurrence an event of Force Majeure or (y) cured by the other party within sixty (60) days after the delivery of the Default Notice, or if such failure cannot be cured within such sixty (60)-day period, the other party shall have such additional time, up to 365 days, to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continues to diligently and timely pursue the completion of such remedial action before the expiration of the maximum 365-day cure period. Notwithstanding the preceding portions 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. If Owner believes that any alleged termination is improper, Owner may file suit in the proper court challenging such termination. OWNER'S SOLE REMEDY WILL BE REINSTATEMENT OF THIS AGREEMENT AND SPECIFIC PERFORMANCE BY THE COUNTY. In the event of default which remains uncured after all applicable notice and cure periods, the County may pursue the remedies provided for in Paragraph VIII(D) and (E) below or the preceding Paragraph IV(D), as applicable.
- B. 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 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. The settlement of strikes or lockouts or resolution of differences with workers shall be entirely within the discretion of the affected party, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or differences by acceding to the demands of the opposing party in such strike, lockout

or difference when such course is inadvisable in the reasonably exercised discretion of the affected party.

- C. 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 by delivery of a Default Notice in the manner prescribed herein. The Default Notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified in Paragraph VIII(A) above to cure any default. If Owner provides notice to the County of the existence of a Lender under Paragraph X(E) 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 that it 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.
- D. As required by section 312.205 of the Texas Tax Code, if an Owner default remains uncured after all applicable notice and cure periods, the County shall be entitled to cancel the Agreement and recover the property tax revenue abated under this Agreement through the cancellation date, less any and all PILOTs made by Owner to County under this Agreement. Owner agrees to pay such amounts within sixty (60) days after the cancellation of this Agreement.
- E. LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE) AND RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH VIII(D) OF THIS AGREEMENT OR PARAGRAPH IV(D) OF THIS AGREEMENT (BUT LESS ANY AND ALL PILOTS MADE BY OWNER PRIOR TO CANCELLATION), ALONG WITH ANY REASONABLY INCURRED COURT COSTS AND ATTORNEYS' FEES, SHALL BE THE COUNTY'S SOLE REMEDY, 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 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.
- F. 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 THE COUNTY. FAILURE TO CURE

THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN CANCELLATION OF THE TAX ABATEMENT AGREEMENT AND, IF PERMITTED, RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT.

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 the County or the State of Texas.

X. Assignment of Agreement

- A. The rights and responsibilities of Owner hereunder may be assigned, in whole or in part, 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 such intended assignment to the County, 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. Owner's assignment of the Agreement shall be final only after the execution of a formal assignment document between Owner and the assignee and the delivery of notice of the execution of such assignment agreement to the County. 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, and Owner's request for a consent to assignment shall not obligate owner to assign the Agreement.
- B. No assignment under Paragraph X(A) 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 ad valorem taxes owed to the County or any other taxing jurisdiction in the County.
- C. The parties agree that a transfer of all or a portion of the ownership interests in Owner to a third party shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the County.

Upon any assignment and assumption under Paragraph X(A) 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) of only a portion of Owner's interest in the Agreement (for example, if only 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 party under this Agreement, (ii) the County shall cause the property taxes owned by each of the Owner parties to be separately assessed, and (iii) neither of the Owner parties shall have

any further rights, duties, or obligations under the Agreement as to the portion of the Project and Improvements owned by another Owner party.

- E. In addition to its rights under Paragraph X(A), Owner may, without obtaining the County's consent, mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project and Improvements to a Lender for the purpose of financing the operations of the Project and Improvements or constructing the Project and 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 contact 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 contact 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.

XI. Notice

All Notices (including Default Notices) 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 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; 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; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. All Default Notices shall be given by at least two (2) methods of delivery and in a manner consistent with Section VIII(F). All Notices (including Default Notices) shall be mailed or delivered to the following addresses:

To the Owner: Mockingbird Solar Center, LLC
812 San Antonio Street, Suite 500
Austin, TX 78701
Attn: Jordan Shontz
Phone: 5024720772
Email: jords@orsted.com.

To the County: County Judge
Lamar County Courthouse
119 North Main Street, 1st Floor
Paris, Texas 75460
Phone: 903-737-2410
Fax: 903-737-2469

Email: judgebell@co.lamar.tx.us

Any party may designate a different address 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

This Agreement shall be construed under the laws of the State of Texas. Venue for any dispute hereunder shall be exclusively in the courts of the County.

XIV. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to 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. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines and Criteria or is inconsistent with any provision of the Guidelines and Criteria, the Guidelines and Criteria are deemed amended for purposes of this Agreement only.

XVI. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner, and supersedes any and 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

Owner enters into this Agreement as, and shall continue to be, an independent contractor. Under no circumstances shall Owner, or any of Owner's employees, look to Lamar 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 Lamar County's employees, including without limitation worker's compensation, disability insurance, vacation or sick pay. Owner shall be responsible for providing, at Owner's expense and election, and in Owner's name, unemployment, disability, worker's compensation and other insurance that Owner elects to provide, as well as all licenses and permits that are usual or necessary in connection with the Project and Improvements.

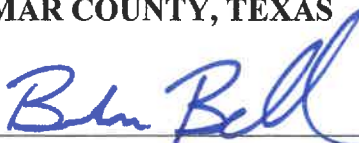
XVIII. Local Outreach Plan

Owner shall comply with the provisions of the Local Outreach Plan.


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

LAMAR COUNTY, TEXAS

By: 
Brandon Bell, County Judge

Date: 12/14/2020


Attest: Ruth Sisson
County Clerk

[Signatures continue next page]

OWNER:

MOCKINGBIRD SOLAR CENTER, LLC

By Its Sole Member, Orsted Onshore DevCo, LLC

By Its Sole Member, Orsted Onshore North America, LLC

By: 

Date: 12/10/2020

Print Name: Philip Moore

Print Title: Sr. Vice President

COMMISSIONERS COURT OF LAMAR COUNTY
COMMISSIONERS COURT ROOM
LAMAR COUNTY HISTORIC COURTHOUSE
119 NORTH MAIN, PARIS, TEXAS

RESOLUTION R2020-019
AND ORDER

DESIGNATING THE REINVESTMENT ZONE TO BE KNOWN AS THE
MOCKINGBIRD SOLAR REINVESTMENT ZONE # 1
IN THE JURISDICTION OF LAMAR COUNTY, TEXAS

The Commissioners Court of Lamar County, Texas, meeting in regular session on November 9, 2020, considered the following resolution:

WHEREAS, the Commissioners Court of Lamar County, Texas (the "County") has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act"); and,

WHEREAS, the County adopted guidelines and criteria governing tax abatement agreements in a resolution dated on October 26, 2020 (the "Guidelines and Criteria"); and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

WHEREAS, the County (a) timely published or posted all applicable notices of public hearing regarding the designation of the real estate described in the attached Exhibit A as a reinvestment zone for tax abatement purposes, and (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone;

WHEREAS, the improvements proposed for the reinvestment zone are feasible and of benefit to the reinvestment zone after expiration of an abatement agreement; and

WHEREAS, the property described in Exhibit A meets the criteria established in the Guidelines and Criteria for a reinvestment zone; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and would contribute to the economic development of the County; and

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Lamar County, that:

1. The County hereby designates the property located in Lamar County, Texas, having the property description in Exhibit A attached to this Order as a reinvestment zone under the County's Guidelines and Criteria, having determined that (a) the property described on Exhibit A meets the criteria established in the Guidelines and Criteria, and (b) the designation of such reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and that would contribute to the economic development of the County.
2. The reinvestment zone created by this Order to include the real property described in Exhibit A shall be known as "Mockingbird Solar Reinvestment Zone #1."

The foregoing Resolution and Order was lawfully moved by Commissioner Ronnie Bass, duly seconded by Commissioner Lawrence Malone, and duly adopted by the Commissioners Court of Lamar County, Texas, on November 9, 2020.



Judge Brandon Bell



Commissioner Lawrence Malone, Pct. 1



Commissioner Lonnie Layton, Pct. 2



Commissioner Ronald Bass, Pct. 3



Commissioner Kevin Anderson, Pct. 4

The foregoing Resolution and Order is a true and correct copy of the Resolution and Order passed by the Commissioners Court in open and regular session on November 9, 2020.





Ruth Sisson
County Clerk, Lamar County, Texas

Exhibit A

Property Included in the Reinvestment Zone

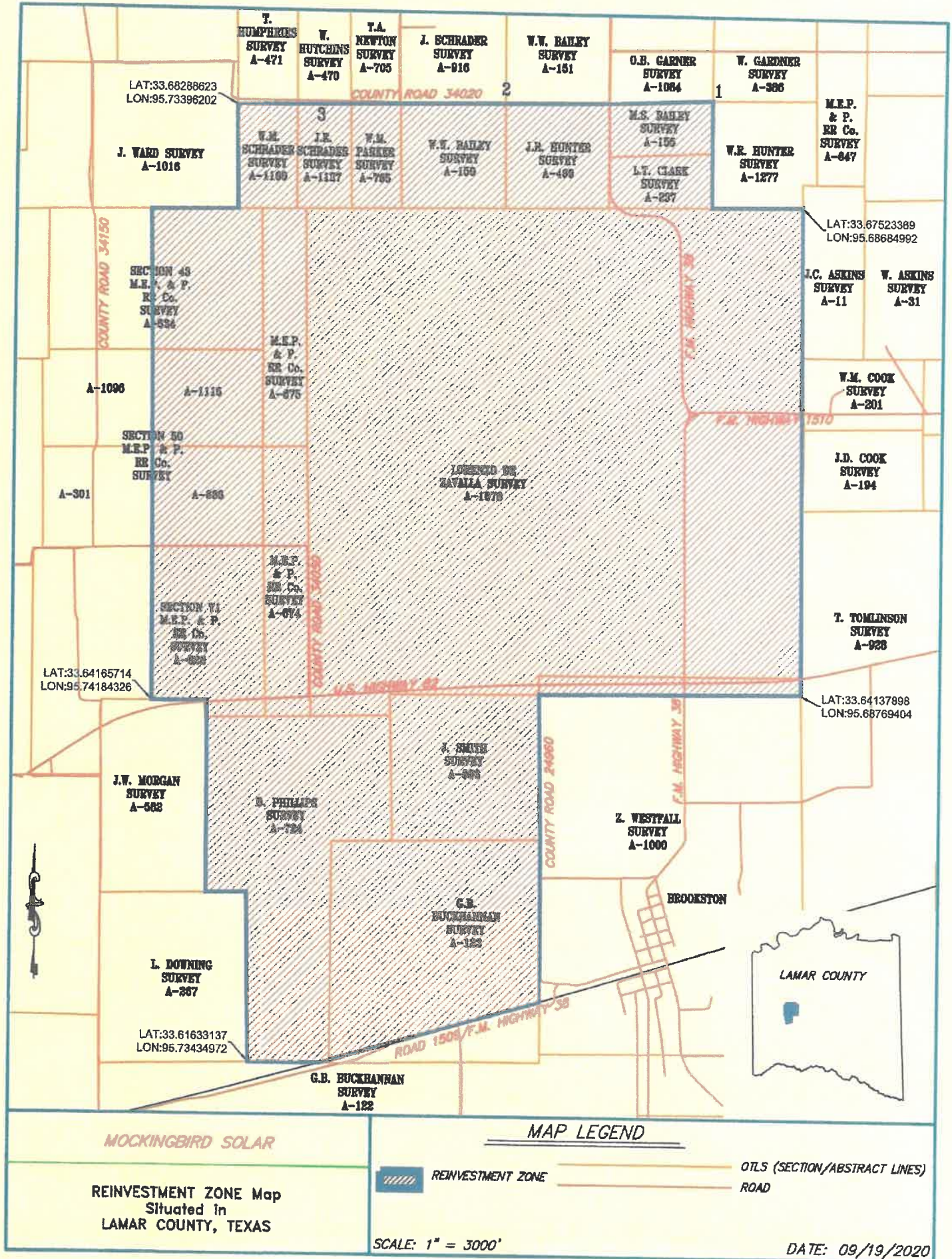
The Reinvestment Zone is described by metes and bounds below.

Section 4(d)

MOCKINGBIRD RZ

SECTION	BLOCK	SURVEY	ABSTARCT	COUNTY
		G.B. BUCKHANNAN	123	LAMAR
		B. PHILLIPS	724	LAMAR
		J. SMITH	893	LAMAR
		Z. WESTFALL	1000	LAMAR
71		M.E.P. & P. RR Co.	628	LAMAR
		M.E.P. & P. RR Co.	674	LAMAR
		M.E.P. & P. RR Co.	675	LAMAR
50		M.E.P. & P. RR Co.	1116	LAMAR
50		M.E.P. & P. RR Co.	686	LAMAR
43		M.E.P. & P. RR Co.	634	LAMAR
		LORENZO DE ZAVALLA	1078	LAMAR
3	(1-2-3 UL)	W.M. SCHRADER	1160	LAMAR
3	(1-2-3 UL)	J.E. SCHRADER	1127	LAMAR
3	(1-2-3 UL)	W.M. PARKER	765	LAMAR
2	(1-2-3 UL)	W.W. BAILEY	150	LAMAR
2	(1-2-3 UL)	J.R. HUNTER	469	LAMAR
1	(1-2-3 UL)	M.S. BAILEY	155	LAMAR
1	(1-2-3 UL)	L.T. CLARK	237	LAMAR

Section 4(d)



Attachment B

Attached is a copy of Lamar County's Guidelines and Criteria.

Adopted 10-26-2020

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN
REINVESTMENT ZONES**

Lamar County, Texas

I. PURPOSE

Lamar County, hereinafter referred to as "County" is committed to the promotion of quality development in all parts of the County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider recommending tax incentives, which may include the designation of reinvestment zones, accepting applications for tax abatement, and entering into tax abatement agreements to stimulate growth and development.

It is the intent of the County that such incentives will be provided in accordance with the procedures and criteria in this document and in Chapter 312 of the Texas Tax Code. However, nothing in these Guidelines and Criteria shall imply or suggest to be construed to imply or suggest that tax entities are under any obligation to provide any incentives to any applicant. All such applicants for tax incentives shall be considered on an individual basis for both the qualification for tax abatement and the amount of any tax abatement. The adoption of these Guidelines and Criteria shall not create 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.

Only that increase 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. All abatement contracts will be for a term no longer than allowed by law. Additionally, the Lamar County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

II. DEFINITIONS

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

III. GUIDELINES AND CRITERIA

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

- (a) Be an authorized Facility. A Facility may be eligible for abatement if it is a(n):

- Aquaculture/Agriculture Facility
- Distribution Center Facility
- Manufacturing Facility
- Office Building
- Regional Entertainment/Tourism Facility
- Research Facility
- Regional Service Facility
- Historic Building in designated area
- Renewable Energy Facility
- Other Basic Industry

- (b) The project must be reasonably expected to have an increase in positive net economic benefit to Lamar County of at least \$ 15,000,000 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and capital improvement. In consideration of the request for designation as a reinvestment zone and to receive tax abatement, the following factors will also be considered:

- (1) Jobs. The projected New Jobs created including the number of jobs, the retention of existing jobs, the type of jobs, the average payroll, the total payroll and the number of local persons hired.
- (2) Fiscal Impact. The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, the amount of direct sales tax that will be generated, the infrastructure improvements by the county that will be required by the facility, the infrastructure improvements made by the facility, and the compatibility of the project with the county's development goals.
- (3) Community Impact, including:
 - i. The pollution, if any as well as other negative environmental impacts affecting the health and safety of the community that will be created by the project;
 - ii. The revitalization of a depressed area;
 - iii. The business opportunities of existing local vendors;
 - iv. The alternative development possibilities for proposed site;
 - v. The impact on other taxing entities, including the use of municipal or county infrastructure; and/or
 - vi. Whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Lamar County to another.

IV. ABATEMENT AUTHORIZED

- (a) **Authorized Date.** A facility may be eligible for tax abatement for a period not to exceed 10 years or one-half of the productive life of the improvement, whichever is less. The “productive life” will be calculated from the effective date of the tax abatement and the date the equipment ceases to be in service. If an application for abatement is submitted prior to the commencement of construction, the facility must meet the criteria granting tax abatement in reinvestment zones created in Lamar County pursuant to these Guidelines and Criteria.
- (b) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to the filing of an application for tax abatement and specified in the abatement agreement between the County and the owner or lessee (and lessor if required pursuant to IV(f)) of the facility or improvements receiving the abatement, all subject to such limitations as the Guidelines and Criteria may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. If the modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).
- (d) **Eligible Property.** Abatement may be extended to the value of the following: new, expanded, replaced or modernized buildings and structures; fixed machinery and equipment; site improvements; office space and related fixed improvements necessary to the operation and administration of the facility; and all other real and tangible personal property as permitted by Chapter 312 of the Texas Tax Code.
- (e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement:
 - i. Land
 - ii. Animals
 - iii. Inventories
 - iv. Supplies
 - v. Tools
 - vi. Furnishings and other forms of movable personal property other than machinery and equipment that are in essential part of the facility or improvements receiving abatement
 - vii. Vehicles
 - viii. Vessels
 - ix. Aircraft
 - x. Housing or residential property
 - xi. Fauna
 - xii. Flora
 - xiii. Deferred Maintenance investments
 - xiv. Property to be rented or leased (except as provided in Part IV(f),

- xv. Any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility, and
 - xvi. Property owned or used by the State of Texas or its political subdivision or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- (f) **Owned/Leased Facilities.** If a leased facility or leased improvements are granted an abatement, the agreement shall be executed with the lessor and lessee of the facility or improvements. The owner of the real property where the facility or improvements are located is not required to execute the abatement agreement if it is not the lessor or lessee of the facility or improvements.
- (g) **Value and Term of Abatement**
- (1) Abatement shall be granted effective no earlier than the January 1 valuation date immediately following the date of execution of the 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 Lamar County Commissioners Court, in its sole discretion, shall determine the amount of any abatement.
- (h) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:
- (1) Must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Lamar County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing facility containing the abated facility site described in the tax abatement application whichever is greater, for the duration of the abate period. The following is applicable to the employment retention/preventing loss of employment requirement:
- (a) "Existing facility" is a Manufacturing Facility, Research Facility, Distribution Center or Regional Facility, Regional Entertainment Facility, Other Basic Industry, or a facility the Commissioners Court determines would enhance job creation and the economic future of Lamar County. The facility must be expanded or modernized and contain the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for the purposes of Section 2(h)(1) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whoever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility

must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

(b) Employees of a larger plant until transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on underdeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered "created" employment for purposes of this sub-section.

(c) The proposed number of employees to be employed at the abatement facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this subsection, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-subsection and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.

(d) Full-time employee creation requirements for Renewable Energy Facilities shall be determined on a case by case basis by the Commissioners Court.

- (2) Must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
- (3) Must be necessary because capacity cannot be provided efficiently utilizing existing improved property.

Additionally, the owner of the project:

- (4) Will be wholly responsible for all 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:
 - a. 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 Lamar County and invoiced on a regular basis to the Abatee.
 - b. 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 Abatee. These costs

will include all construction costs as well as all related professional services for the repair work.

c. 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

(l) **Taxability.** From the execution of the abatement contract to the end of the prior during which the abatement applies, taxes shall be payable as follows:

(1) The value of ineligible property as provided in Part IV(e) shall be fully taxable;

(2) The base year value of existing eligible property as determined each year shall be fully taxable; and

(3) The additional value of new eligible property shall be taxable in the manner described in the abatement agreement.

V. APPLICATION FOR TAX ABATEMENT

(a) Any present or potential owner, assignee, or lessee of taxable property in Lamar County may request the creation of a reinvestment zone and the consideration of a tax abatement agreement by filing a written request with the County. The completed Application must be accompanied by the payment of a one thousand dollar (\$1,000) non-refundable application fee for administrative costs with the processing of the tax abatement request. Additional fees may be assessed for more complex requests at the discretion of the Commissioner's Court. All checks in payment of the administrative fee shall be made payable to Lamar County.

(b) The completed application must contain the following information/attachments:

(1) A general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken;

(2) A descriptive list of the improvements which will be part of the facility.

(3) A map and list of parcel id's

(4) A time schedule for undertaking and completing the planned improvements

(5) In the case of modernizing or replacing existing facilities in whole or in part, a statement of the assessed value of the facility separately stated for real and personal property for the tax year immediately preceding the year in which the application is filed.

The County may require that the application be supplemented with such financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.

(c) Upon receipt of a completed application, the County shall, through public hearings, afford the applicant and the designated representative of any Affected Jurisdiction the opportunity

to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the Lamar County Commissioners Court to be posted at least (30) days prior to the hearing.

- (d) The County shall consider the application for tax abatement after the application has been reviewed and required public notices have been posted. The County shall notify the applicant of the approval or disapproval promptly after the corresponding hearing of the Commissioners Court.
- (e) A request for reinvestment zone for the purpose of abatement shall not be granted by the County if the County finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of taxable improvements related to a proposed modernization expansion or new facility. Before the Lamar County Commissioners Court holds a public hearing to designate a reinvestment zone it shall do the following:
 - (1) Not later than the seventh day before the date of the hearing, publish notice of the hearing in a newspaper having general circulation in the County; and
 - (2) Not later than the seventh day before the date of the hearing, deliver written notice of the hearing to the presiding officer of the governing body of each taxing unit that includes in its boundaries any real property that is to be included in the proposed reinvestment zone.
- (f) Requested Variances. Requests for variance from any provision of these Guidelines and Criteria may be made in written form to the Lamar county Commissioners' Court. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the Lamar County Commissioners Court.
- (g) Deemed Variances. The Lamar County Commissioners' Court may approve a tax abatement agreement that varies from any requirement in these Guidelines and Criteria so long as such variance is permitted by Chapter 312 of the Texas Tax Code. Any aspect of a tax abatement agreement duly authorized and approved by the Lamar County Commissioners' Court that varies in any respect from any requirement in these Guidelines and Criteria shall be deemed to have been granted a variance from the Guidelines and Criteria by the Court. It is the express intention of the Lamar County Commissioners Court that no tax abatement agreement that has been duly authorized and approved by the Court shall be challenged or held to be invalid because such authorized and approved tax abatement agreement varies from any requirement contained in these Guidelines and Criteria.

VI. PUBLIC HEARING

- (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 Lamar 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.

VII. AGREEMENT

- (a) If an application for tax abatement is approved by the Lamar County Commissioners Court, the Court shall formally pass a resolution and execute an agreement with the owner and/or lessee of the facility which shall include:
 - (1) The percentage of value to be abated each year as provided in Part IV(g) of these Guidelines and Criteria.
 - (2) The commencement date and the termination date of abatement.
 - (3) The proposed use of the facility, nature of construction, time schedule for undertaking completing the planned improvements, map, property description, and improvements list as provided in Part V of these Guidelines and Criteria.
 - (4) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration and assignment (as provided in the agreement), and other provision that may be required for uniformity or by state law or that are mutually agreed to by the County and the applicant.
 - (5) Amount of investment, forecast depreciation over abatement period, and/or average number of jobs applicant commits to create for the period of abatement.
 - (6) Any other provisions required by Chapter 312 of the Texas Tax Code.
- (b) The county will use its best efforts to cause such agreement to be executed within forty-five (45) days after the later of the date applicant has forwarded all necessary information to the jurisdiction receiving the application or the date of the approval of the application. Prior to the execution of the Agreement, the County will comply with the following notice requirement in Tax Code § 312.2041(a):

Not later than the thirtieth day before the date on which a municipality or county enters into an abatement agreement, the governing body of the municipality or county or a designated officer or employee of the municipality or county shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located, a written notice that the municipality or county intends to enter into the agreement. The notice must include a copy of the proposed agreement.

- (c) Each other taxing unit that has jurisdiction over the facility or improvements for which the County approves or disapproves an application for tax abatement shall make its own determination of abatement (if requested by the applicant) which shall not bind any other Affected Jurisdiction.

VIII. RECAPTURE

- (a) In the event that the facility or improvements are completed and begin operating but subsequently discontinue operating for any reason excepting a force majeure event (as such event may be more specifically defined in the tax abatement) for a period of more than one (1) year during the abatement period, then the abatement agreement shall terminate along with the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination. The County is permitted to enter into a tax abatement agreement that varies from the provisions of this paragraph without being deemed to be in violation of the Guidelines and Criteria so long as the agreement provides for the recapture of property taxes in the event that the approved facility or improvements discontinue operations during the period of tax abatement.
- (b) If the County determines that a party to a tax abatement agreement is in default according to the terms and conditions of its agreement, the County shall notify the party in writing at the address stated in the agreement, and if such is not cured within (60) days from the date of such notice, then the agreement shall be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination. Further, it will be a default under a tax abatement granted pursuant to these Guidelines and Criteria if the owner of the eligible property subject to the abatement is delinquent in paying any undisputed taxes to any taxing authority in Lamar County, Texas. The County is permitted to enter into a tax abatement agreement that varies from the provision of this paragraph without being deemed to be in violation of these Guidelines and Criteria so long as the agreement provides for the recapture of property tax in the event that the applicant named in the tax abatement agreement defaults in its obligations under the agreement.

IX. ADMINISTRATION

- (a) The Chief Appraiser of the Lamar County Appraisal District shall annually determine an assessment of any real and/or personal property that is the subject of a tax abatement agreement. Each party to a tax abatement agrees shall be required to furnish the assessor with such information as may be necessary to determine an assessment. Once a value has been established, the Chief Appraiser shall notify the Affected Jurisdictions of the appraised value.
- (b) The abatement agreement shall stipulate that employees and/or designated representatives of the County will have access to the facility or improvements that are the subject of the agreement during the term of the abatement to inspect the facility or improvements to determine if the terms and conditions of the agreement are being met. The terms, guidelines, and requirements concerning inspections shall be set forth in the abatement agreement.
- (c) After the period of abatement begins, the County shall annually evaluate each facility receiving abatement and report possible violations of the abatement agreement to the Lamar County Commissioners Court. The abatement agreement may also require the party receiving the abatement to file annual certifications with the County.
- (d) All proprietary information acquired by the County for purposes monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.
- (e) "Buy Local" Provision. Each recipient of property tax abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency.
- (f) Right to Modify or Cancel. Notwithstanding anything herein, Lamar County may cancel or modify Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones if an owner fails to comply with the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones.

X. ASSIGNMENT

- (a) Except as otherwise provided in the abatement agreement, an abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Lamar County Commissioners Court, 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 an assignment and assumption agreement between the holder of the agreement and the assignee. Approval shall not be unreasonably withheld.
- (b) No assignment or transfer shall be approved if the party/parties to the existing agreement or the proposed assignee is liable to any taxing jurisdiction for outstanding taxes or other obligations.

XI. SUNSET PROVISION

- (a) These Guidelines and Criteria are effective upon the date of the adoption and will remain in force for two (2) years unless amended by three quarters vote of the Lamar County Commissioners Court, at which time all reinvestment zones and tax abatement contracts created pursuant hereto will be reviewed by each Affected Jurisdiction to determine whether the goals have been achieved. Based on that review, these Guidelines and Criteria may be modified, renewed, or not renewed, providing that such actions shall not affect existing abatement agreements.
- (b) These Guidelines and Criteria do not amend any existing Industrial District Contracts or agreements with the owners of real property in areas deserving of specific attention as agreed by the Affected Jurisdiction.

XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.
- (b) Property that is located in a reinvestment zone and that is owned or leased by a person who is a member of the Commissioners Court may not be subject to a tax abatement agreement entered into with the County.
- (c) If these Guidelines and Criteria have omitted any mandatory requirements of the applicable tax abatement laws of the State of Texas, then such requirements are hereby incorporated as a part of these Guidelines and Criteria.

Attachment A

Attached is the Order Designating the Mockingbird Solar Reinvestment Zone Number 1

XIII. TAX ABATEMENT DETERMINATION

- (a) Nothing herein shall imply or suggest Lamar County is under any obligation or duty to provide tax abatement to any applicant, and reserves the right to make exceptions, approve, and deny based on concerns including, however not limited to environmental and quality of life issues and/or compatibility with the economic goals and objectives of Lamar County.

GLOSSARY:

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real or tangible personal property in a reinvestment zone designated by the County or a municipality for economic development purposes.
- (b) "Aquaculture/Agriculture Facility" means building, structures and major earth structure improvements, including fixed machinery and equipment, the primary purposes of which is of food and/or fiber products in commercially marketable quantities.
- (c) "Affected Jurisdiction" means Lamar County and any municipality, or school district, the majority of which is located in Lamar County that levies ad valorem taxes upon and/or provides services to property located within the proposed or existing reinvestment zone designated by Lamar County or any municipality.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and the County for the purpose of tax abatement.
- (e) "Base year value" means the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the filing of an application.
- (f) "Deferred maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process of technology.
- (g) "Distribution Center Facility" means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility from which a majority of revenue generated by activity at the facility are derived from outside of Lamar County.
- (h) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (i) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

- (j) "Manufacturing Facility" means 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.
- (k) "Modernization" means the upgrading and or replacement of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- (l) "New Facility" means improvements to real estate previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (m) "New Jobs" means a newly created employment position on a full-time permanent basis. Two or more part-time permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time permanent employee.
- (n) "Office Building" means a new office building.
- (o) "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 the County and results in the creation of new permanent jobs and new wealth in the County.
- (p) "Regional Entertainment/Tourism Facility" means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Lamar County.
- (q) "Research Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production process thereto.
- (r) "Regional Service Facility" means buildings and structures, including fixed machinery and equipment, used or to be used to provide a service from which a majority of revenues generated by activity at the facility are derived from outside Lamar County.

- (s) "Renewable Energy Facility" means buildings and structures, including but not limited to electricity generating equipment (such as wind turbines or photovoltaic solar panels), electric transmission lines, electric power substations, electrical gathering equipment, communications systems and roads, fixed machinery and equipment, used or to be used to provide electrical energy, and which meet the definition of "Renewable Energy Electric Generation" in Chapter 313 of the Texas Tax Code.

Attachment C

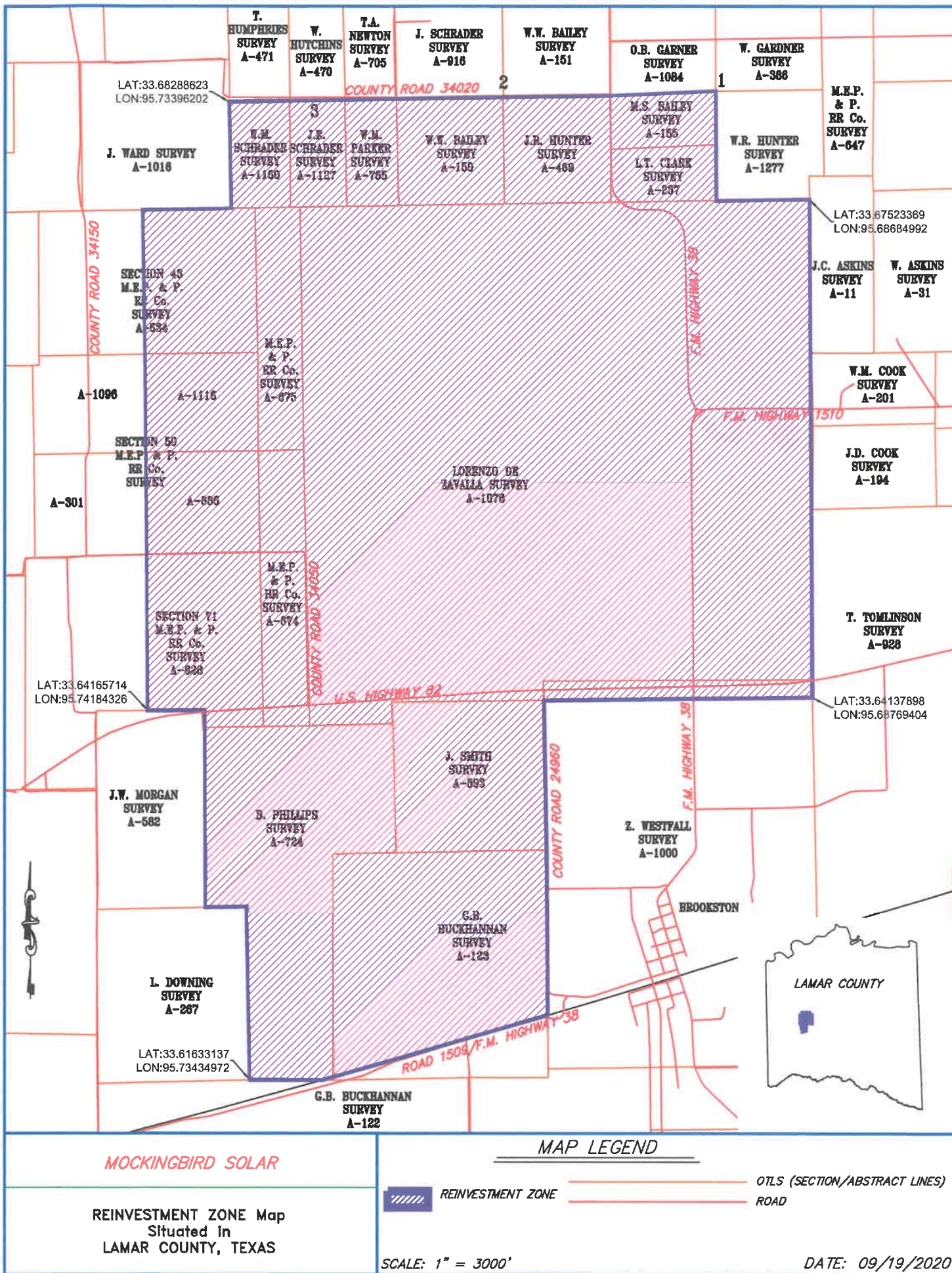
Attached is a description of the Site of the Project and Improvements.

Section 4(d)

MOCKINGBIRD RZ

SECTION	BLOCK	SURVEY	ABSTARCT	COUNTY
		G.B. BUCKHANNAN	123	LAMAR
		B. PHILLIPS	724	LAMAR
		J. SMITH	893	LAMAR
		Z. WESTFALL	1000	LAMAR
71		M.E.P. & P. RR Co.	628	LAMAR
		M.E.P. & P. RR Co.	674	LAMAR
		M.E.P. & P. RR Co.	675	LAMAR
50		M.E.P. & P. RR Co.	1116	LAMAR
50		M.E.P. & P. RR Co.	686	LAMAR
43		M.E.P. & P. RR Co.	634	LAMAR
		LORENZO DE ZAVALLA	1078	LAMAR
3	(1-2-3 UL)	W.M. SCHRADER	1160	LAMAR
3	(1-2-3 UL)	J.E. SCHRADER	1127	LAMAR
3	(1-2-3 UL)	W.M. PARKER	765	LAMAR
2	(1-2-3 UL)	W.W. BAILEY	150	LAMAR
2	(1-2-3 UL)	J.R. HUNTER	469	LAMAR
1	(1-2-3 UL)	M.S. BAILEY	155	LAMAR
1	(1-2-3 UL)	L.T. CLARK	237	LAMAR

Section 4(d)



Attachment D

LOCAL OUTREACH PLAN

A. In connection with the preparation, construction and operation of the Project and Improvements in Lamar County, Owner and its agents shall make reasonable attempts to:

1. Utilize Lamar County individuals and businesses for materials, labor and services, provided that nothing in this paragraph shall require Owner to use services and supplies that are not of similar quality to those provided by residents of businesses outside of Lamar County or are not made available on terms and/or at prices comparable to those offered by residents or businesses outside of Lamar 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 Lamar County, provided that nothing in this paragraph shall require Owner or its contractors or agents to employ Lamar 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. In no event shall Owner or its contractors discriminate against Lamar County residents or businesses in employment or in the purchase of goods and services in connection with the construction and operation of the Project and Improvements in Lamar County.

C. Owner and any contractors or agents which Owner plans to use to complete any phase of the development or operation of the Project and Improvements and who may require additional labor and/or services to complete said construction and/or operation, shall hold a job and contracting information session in Paris, Texas, prior to beginning physical construction of the Project and Improvements at which information will be provided regarding the development and construction and hiring needs of the Project and Improvements.

D. Notwithstanding the forgoing, County acknowledges that Owner shall engage a nationally recognized solar power plant contractor to act as the general contractor of the Project and Improvements, and that Owner or such contractor shall procure specialty equipment and specialty materials, including but not limited to inverters, transformers, modules, trackers, energy storage equipment, directly from the manufacturers or distributors of such equipment and materials. The parties agree that such actions shall not in any way violate this Local Outreach Plan.

E. Owner conclusively shall be deemed to comply with this Local Outreach Plan so long as it actively solicits proposals from Local contractors or subcontractors and makes its selection using reasonable discretion based on economic, commercial, practical, or similar considerations.

F. In support of the local community and as part of its community outreach, the Owner is willing to, within sixty (60) days after the start of construction of the Project and Improvements, make one or more financial contributions to fire and emergency service organizations in the

County. The total amount of all financial contributions made by the Owner, whether one or more, shall be \$50,000.

Attachment E

COUNTY ROADS TO BE UTILIZED FOR PROJECT AND IMPROVEMENTS

County Road 34050

Attachment F

LANDOWNER AGREEMENT

Sample Restoration Requirements

Removal Bond.

(a) On or by the twentieth (20th) anniversary after the Operations Date, Grantee shall be obligated to obtain and deliver to Owner a bond, guaranty, letter of credit, cash deposit or other security, each in form and substance reasonably satisfactory to Owner and Grantee, securing the performance of Grantee's Removal and Restoration (the "**Removal Bond**"). The Removal Bond shall be equal to the estimated amount, if any (the "**Net Removal Costs**") by which the cost of the Removal and Restoration exceeds the salvage value of the Improvements which Net Removal Costs shall be determined as set forth below. The salvage value of the Improvements shall include consideration of the ability of any of the Improvements to be recycled or otherwise reasonably repurposed. To the extent that the Net Removal Costs are zero (or negative), the Removal Bond shall not be required, provided, however, that Grantee shall re-evaluate the need for a Removal Bond every five (5) years after the twentieth (20th) anniversary of the Operations Term. Grantee shall not be required to deliver such Removal Bond to Owner if Grantee is in the process of replacing, upgrading, repowering or otherwise redeveloping the Improvements on the Property (any such event being an "**Upgrade**"), or commits in writing with notice to Owner by no later than the nineteenth (19th) anniversary of the Operations Date of its plans to do so. In that event, Grantee shall be not required to deliver such Removal Bond. Once in place, Grantee shall keep the Removal Bond in force throughout the remainder of the Term. The Net Removal Costs shall be determined by an independent engineer mutually selected by the Parties. If the Parties cannot agree upon an independent engineer within thirty (30) days then the independent engineer shall be selected by a state district judge located in Lamar County, Texas. The decision of such independent engineer (however selected) as to the Net Removal Costs shall be conclusive as between and binding upon the parties hereto. The cost incurred for the services of the independent engineer shall be borne by Grantee.

If Grantee fails to timely comply with the Removal and Restoration, and such failure remains uncured after all applicable notice and cure periods, then Owner may draw on the Removal Bond for the purpose of removing the Improvements and completing the Removal and Restoration.

(b) Notwithstanding anything to the contrary in Section [____](a) above, in the event that Grantee is able to demonstrate Grantee's ability to self-secure Grantee's Removal and Restoration obligations, then the Removal Bond shall not be required. Grantee may establish that it is able to self-secure Grantee's Removal and Restoration obligations in the event Grantee delivers to Grantee, no less than annually on and following the twentieth (20th) anniversary after the Operations Date, a current Grantee's financial statement documenting that Grantee (or an Affiliate that guarantees Grantee's Removal and Restoration obligations that will provide inter-company self-security) has a net worth of no less than [Fifty Million Dollars (\$50,000,000.00)] adjusted for inflation, which inflation shall be measured by the annual increase or decrease in the United States Consumer Price Index All Urban Consumers ("CPI-U"), US City Average for All Items published for the preceding twelve (12) month period. If Grantee (or an Affiliate that guarantees Grantee's Removal and Restoration obligations under this Agreement) is a corporation, the stock of which is traded on a national securities exchange, the obligation to certify its net worth pursuant to this Section [____](b) will be deemed satisfied by the submission of the most current annual and any subsequent quarterly reports prepared for Grantee's shareholders that demonstrate the equivalent amount of net worth described above. In the event Grantee is unable to establish its ability to self-secure as described herein, then Grantee shall fully satisfy the requirements of Section [____](a) above.

