

State of Texas §
 §
County of Lamar §

MODIFICATION TO TAX ABATEMENT AGREEMENT

This Modification (“the MODIFICATION”) to a tax abatement agreement (“the AGREEMENT”) dated May 22, 2023 is entered into by and between Lamar County, Texas (the “County”), acting through its duly elected officers, and **MRG GOODY SOLAR PROJECT, LLC**, a Texas Limited Liability Company, acting by and through its authorized officer whose signature appears below (hereinafter referred to as “OWNER”).

WITNESSETH:

WHEREAS, heretofore, on May 22, 2023, the COUNTY and OWNER entered into the Tax Abatement Agreement (hereinafter called “AGREEMENT”) attached hereto as **Exhibit 1** and incorporated by reference as if fully set forth herein related to OWNER’s installation of a solar powered electricity generating facility and battery energy storage system (the “PROJECT”) to be located in Lamar County, Texas; and

WHEREAS, the term of said AGREEMENT expires on December 31, 2037; and

WHEREAS, said AGREEMENT relates to PROPERTY owned or leased by OWNER within Lamar County, Texas, which PROPERTY is located within current and proposed Reinvestment Zones as designated by the COUNTY and as set forth in the AGREEMENT;

WHEREAS, the Texas Tax Code Sec. 312.208 and tax abatement guidelines in effect in 2023 and on the date of the execution of this MODIFICATION (a copy of which tax abatement guidelines effective October 24, 2022 are attached hereto as **Exhibit 2** and incorporated herein by reference) allow for modifications of a tax abatement agreement during the term of said agreement; and

WHEREAS, OWNER has determined to modify the parameters of the PROJECT to be installed on OWNER’s PROPERTY and therefore, OWNER has requested certain modifications to the AGREEMENT relating to the scope and description of the PROPERTY to be included within the AGREEMENT; and

WHEREAS, the COUNTY has agreed to said modifications of the AGREEMENT because said modifications are consistent with encouraging development within previously designated and proposed Reinvestment Zones in accordance with the purposes for which it was created and are in compliance with the COUNTY’S policy on tax abatements and the order creating such Reinvestment Zones adopted by the COUNTY and the order creating an additional Reinvestment Zone adopted by the COUNTY to include the property to be included within the modified agreement and all applicable laws and otherwise serve a public purpose in encouraging the development of greenfield property in the COUNTY;

NOW, THEREFORE,

The COUNTY and OWNER hereto do mutually contract and agree to modify the AGREEMENT as follows:

A. Section II(Q.) "Nameplate Capacity of Storage" of the AGREEMENT is hereby deleted in its entirety and replaced with the following definition.

Q. "Nameplate Capacity of Storage" means the total or overall storage capacity of the energy storage system (estimated to be two-hour or four-hour) included in the Project and Improvements on the Site (as designated in AC units per hour), which is calculated by multiplying the Rated Power Capacity by two or four as reported to the Electric Reliability Council of Texas ("ERCOT") and published in ERCOT's "Battery Energy Storage Projects Co-Located with Solar Projects GIS Report". "Rated Power Capacity" is the maximum instantaneous power discharge capability (in megawatts [MW]) that the Project and Improvements can achieve, starting from a fully charged state.

B. Section II(W.) "Reinvestment Zone(s)" and Attachment A of the AGREEMENT are hereby amended to include the additional property described on the attached Exhibit 3 in addition to the property described in Attachment A of the original AGREEMENT.

W. "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 to be known as the "MRG Goody Solar Project, LLC Reinvestment Zone Number 2" by that certain Order Adopting and Designating a Reinvestment Zone in the Jurisdiction of Lamar County, Texas, adopted and approved by the Lamar County Commissioners' Court on July 8, 2024, a copy of which resolution is attached as Attachment A to this Agreement.

C. Section III(A.) "Project and Improvements in Reinvestment Zone(s)" of the AGREEMENT is hereby deleted in its entirety and replaced with the following.

- i. Photovoltaic solar powered electricity generation facility to consist of solar equipment with a total Nameplate Capacity of Generation of 150 megawatts, AC. The total Nameplate Capacity of Generation will vary but shall at a minimum equal 150 megawatts, AC.
- ii. A 50-megawatt, AC, two-hour or four-hour energy storage facility utilizing lithium-ion batteries organized in modules with a total Nameplate Capacity of Storage of 100.8 megawatt-hours, AC or 201.6 megawatt-hours, AC. The total estimated Nameplate Capacity of Storage will vary depending on the type of storage equipment used but shall at a minimum equal 100 megawatt-hours, AC.

D. Attachment E "County Roads" of the AGREEMENT is hereby amended to include Old Bonham Road, attached hereto as Exhibit 4 of this MODIFICATION.

E. OWNER further agrees that as part of the COUNTY'S material consideration for entering into this MODIFICATION that OWNER shall remit to COUNTY \$7,500.00 in fees incurred in connection with this MODIFICATION.

MRG Goody Solar Project, LLC
By: MRG Goody Holdco, LLC, its Sole Member

By: _____

Date: August 14, 2024

Print Name: Sargon Daniel

Print Title: Manager

LIST OF EXHIBITS TO THIS MODIFICATION:

- Exhibit 1:** Tax Abatement Agreement dated May 22, 2023
- Exhibit 2:** Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zone(s), adopted by the Lamar County Commissioners Court on October 24, 2022
- Exhibit 3:** Additional PROPERTY added by this modification, MRG Goody Solar Project, LLC Reinvestment Zone Number 2, adopted by the Lamar County Commissioners Court on July 8, 2024
- Exhibit 4:** Amended Attachment E, County Roads

- F. All other terms in the original AGREEMENT dated May 22, 2023 remain unaltered by this MODIFICATION and remain in full force in effect as if fully set forth herein.

WITNESS our hands this 12th day of August, 2024.

LAMAR COUNTY, TEXAS

By:

Brandon Bell
Brandon Bell, Lamar County Judge

Alan Skidmore
Alan Skidmore, Commissioner, Pct. 1

Ronnie Bass
Ronnie Bass, Commissioner, Pct. 3

Lonnie Layton
Lonnie Layton, Commissioner, Pct. 2

Kevin Anderson
Kevin Anderson, Commissioner, Pct. 4

ATTEST:

Ruth Sisson
Ruth Sisson, Lamar County Clerk



Exhibit 1

MRG Goody Solar Project

**Tax Abatement Agreement
dated May 22, 2023**

State of Texas §
 §
County of Lamar §

Tax Abatement Agreement between Lamar County, Texas and MRG Goody Solar Project, 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 MRG Goody Solar Project, 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), Interest and Sinking (I&S), Road and Bridge, Estray & Jury, and Indigent Health Care tax rates and corresponding ad valorem taxes on property in a Reinvestment Zone(s) as provided herein.
- 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 Project and Improvements (including those that are still under construction), and states the actual Nameplate Capacity of all components 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 have become commercially operational and placed into service for the purpose of generating and storing electricity for sale on one or more commercial markets.
- I. "County Property Tax" means any and all current or future property taxes imposed by the County and includes the County's Maintenance and Operations (M&O), Interest and Sinking (I&S), Road and Bridge, Estray & Jury, and Indigent Health Care tax rates and corresponding ad valorem taxes on property in a Reinvestment Zone(s) as provided herein.
- J. "Default Notice" means a written notice delivered by one party to the other under Paragraph IX(A) of this Agreement. Default Notices must be delivered in accordance with the requirements of Paragraph XII of this Agreement.
- K. "Eligible Property" means property eligible for Abatement under the Guidelines and Criteria, including: new, expanded, or modernized buildings and structures; fixed machinery and equipment; power generation, electricity storage, and transmission facilities; 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.
- L. "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, pandemics, 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.

- M. "Guidelines and Criteria" means the *Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zone(s)*, adopted by the Lamar County Commissioners Court on October 24, 2022 (the "Guidelines and Criteria"), a copy of which is attached hereto as Attachment B to this Agreement.
- N. "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.
- O. "Local Outreach Plan" means the plan attached to this Agreement as Attachment D.
- P. "Nameplate Capacity of Generation" means the total or overall generating capacity of the photovoltaic solar panels included in the Project and Improvements on the Site (as designated in AC units).
- Q. "Nameplate Capacity of Storage" means the total or overall storage capacity of the energy storage system included in the Project and Improvements on the Site (as designated in AC units per hour).
- R. "Notice of Abatement Commencement" has the meaning assigned in Paragraph IV(B)(5) of this Agreement.
- S. "Notices" means all notices, demands, or other communications of any type given shall be given in accordance with Paragraph XII, including Default Notices.
- T. "Owner," on the Effective Date, means MRG Goody Solar Project, 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.
- U. "Payment In Lieu of Taxes" or "PILOT" means a payment made by Owner to the County described in Paragraph IV(F) of this Agreement.
- V. "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, electricity storage, electric power generation, transmission equipment, and

any building, structure, or fixture erected on or affixed to the land. Attachment G attached to this Agreement includes a list of equipment that is expected to be included in the Project and Improvements.

- W. "Reinvestment Zone(s)" means 1) the reinvestment zone(s), as that term is defined in Chapter 312 of the Texas Tax Code, created by Lamar County to be known as the "MRG Goody Solar Project, LLC Reinvestment Zone Number 1" by that certain Order Adopting and Designating a Reinvestment Zone in the Jurisdiction of Lamar County, Texas, adopted and approved by the Lamar County Commissioners' Court on March 13, 2023, a copy of which resolution is attached as Attachment A to this Agreement.
- X. "Site" means the portion of the Reinvestment Zone(s) leased or owned by Owner and on which Owner makes 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.
- Y. "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 Improvements on the Site consisting of a photovoltaic solar powered electricity generation facility and an electric energy storage facility (the "Project and Improvements"). The Project and Improvements are anticipated to consist of solar equipment with a total Nameplate Capacity of Generation of approximately 171 megawatts, AC, and electric storage equipment consisting of lithium-ion batteries organized in modules and installed rack towers with a total Nameplate Capacity of approximately 50 megawatt hours, AC, all to be located in the Reinvestment Zone(s). The total Nameplate Capacity of Generation will vary but shall at a minimum equal 154 megawatts, AC. Owner is not required to include storage equipment as part of the Project and Improvements, but if energy storage is included, the total Nameplate Capacity of Storage will vary but shall at a minimum equal 45 megawatt hours, AC. 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 generate and store electricity and perform other functions related to the generation, storage, distribution, and transmission of electrical power, or that is otherwise related to the facility or its operations, including specifically the equipment listed in Attachment G to this Agreement.
- C. Owner anticipates that the Project and Improvements will achieve Commercial Operations by no later than December 31, 2027. In the event that the Project and

Improvements do not achieve Commercial Operations before January 1, 2028, the County's sole remedy shall be to cancel this Agreement.

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, 100% of County Property Tax 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% of 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 County Property Tax 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% of County Property Taxes;
2. The foregoing percentage of County Property Tax on the Certified Appraised Value of all eligible Project and 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 Base Year value for the proposed Project and Improvements is agreed to be zero.

4. Owner shall provide County with a copy of the publicly available Amended Standard Generation Interconnection Agreement (SGIA) submitted to ERCOT within thirty (30) days after the COD.
 5. Owner shall provide a Certificate evidencing the commencement date of commercial operations to the County and to the County Appraisal District within thirty (30) 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 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 PROJECT AND IMPROVEMENTS, LESS ANY PAYMENTS IN LIEU OF TAXES MADE AT ANY TIME TO THE COUNTY FOR THE REMOVED PROJECT AND 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 Owner's Eligible Property in the Reinvestment Zone(s) and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of Owner's Eligible Property 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. 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. Notwithstanding any of the foregoing, Owner at all times shall have the right to appeal, challenge, or protest appraisals of the Site, Improvements, and Eligible Property, including any portion thereof. Owner acknowledges that the outcome of any appeal, challenge, or protest appraisals on the Project and Improvements will have no effect on the annual PILOT payments as identified in Paragraph IV(F) of 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 amounts set forth in the tables below 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 2023, then the PILOT owed for 2023 shall be due and payable on January 31, 2024. There shall be a total of ten (10) PILOTs under this Agreement.

MRG Goody Solar Project, LLC		
	PILOT Amount - (Per MW AC of Nameplate Generating Capacity)	PILOT Amount - (Per MWh of Nameplate Storage Capacity)
Abatement Year 1	\$1,576	\$620
Abatement Year 2	\$1,576	\$620
Abatement Year 3	\$1,576	\$620
Abatement Year 4	\$1,576	\$620
Abatement Year 5	\$1,576	\$620
Abatement Year 6	\$1,576	\$620
Abatement Year 7	\$1,576	\$620
Abatement Year 8	\$1,576	\$620
Abatement Year 9	\$1,576	\$620
Abatement Year 10	\$1,576	\$620

G. Annual PILOT remittances shall be made payable to Lamar County, shall note the Project's name and corresponding PILOT year, and be mailed as follows:

County Judge
Lamar County Courthouse
Attn. County Judge – PILOT Remittance
119 North Main Street
Paris, Texas 75460
Phone: 903-737-2410
Email: judgebell@co.lamar.tx.us

H. Prior to May 22, 2023, Owner shall remit to County a fee of \$30,000.00 which shall be used to offset soft costs incurred by County related to the project.

V. Decommissioning

The County and Owner agree that the intent and purpose of Section V is to return and restore the land to its previous state. The County acknowledges that Owner has entered into confidential agreements with each landowner whose property will be utilized by the Project and Improvements within the Reinvestment Zone ("Landowner Agreement") that requires that Owner decommission the Project and Improvements. In addition, Owner must comply with all applicable laws and regulations. For lease agreements executed after August 31, 2021, this includes compliance with the facility removal and financial assurance provisions in Title 6, Chapter 302 of the Texas Utilities Code (the "Utilities Code"), following the

expiration or earlier termination of the Project. The text of Title 6, Chapter 302 of the Texas Utilities Code is provided in Attachment F.

VI. Covenants

During the term of this Agreement, Owner shall:

A. 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 Lamar 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.

B. Deliver to County:

1. Forty-five (45) days prior to the commencement of construction of the Project and Improvements;
 - i. Engineering drawings illustrating pre and post development topographic information.
 - ii. Hydrology studies listing required drainage structures that provide protection against excessive erosion damage.
 - iii. Internal site-road layouts and relevant site road construction drawings that document Owner's plans to construct all-weather access to accommodate the provision of emergency services, including fire protection.
 - iv. Project's Geotechnical Report.
 - v. Project's Phase 1 Environmental Site Assessment.
 - vi. Project's Stormwater Pollution Prevention Plan.
 - vii. Copies of any Material Safety Data Sheets ("MSDS") or warnings that are relevant to the handling, installation, or maintenance of the solar panels and batteries and copies of any other information provided by the manufacturers that detail materials used in the solar panels and batteries and compliance with TCEQ and EPA requirements regarding chemicals or fumes that may be vented in the event of an upset condition.
 - viii. In the event water is to be utilized as the primary fire suppression method, provide minimum water requirements along with a letter from

the water supplier stating that sufficient water capacity is available for fire suppression purposes.

- ix. In the event water is to be utilized as the primary fire suppression method, provide the chemical composition of wastewater that hazardous material first responders will be required to remove.
- x. Secondary containment drawings for battery storage containers.
- xi. Copies of information provided by the manufacturer of any internal fire suppression systems and all associated emergency action plans for upset conditions, to include thermal runaway parameters.
- xii. Documentation evidencing battery storage equipment meets or exceeds all TCEQ and EPA requirements for operation and upset conditions.
- xiii. List of hazardous chemicals or fumes emitted during an upset condition and modeled exposure limits for a one-hundred-foot radius around the battery containers in the event of venting.

VII. 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 meet or exceed 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 comply with all relevant laws and regulations governing environmental toxicity emitted by the Project and Improvements ; and (ix) Owner agrees that any assignment of this Agreement shall be preceded by the written notice and consent of the County and that 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.

VIII. 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 site to the County roads listed in Attachment E (the "County Roads"). The County acknowledges and approves that (i) the Owner will need to cross the County Roads with heavy construction equipment during the construction, operation, maintenance, and decommissioning of the Project, 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;

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. Owner 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; and
 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.

IX. 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 by Owner which remains uncured after all

applicable notice and cure periods, the County may pursue the remedies provided for in Paragraph IX(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 IX(A) above to cure any default. If Owner provides notice to the County of the existence of a Lender under Paragraph XI(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 IX(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.

X. 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.

XI. 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 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 XI(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 require the consent of the County but shall be preceded by Owner providing the County with thirty (30) days' written notice of any such intended assignment.
- D. Upon any assignment and assumption under Paragraph XI(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 XI(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 owed 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 XI(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. 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.

XII. 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 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, by facsimile transmission, or by electronic mail. 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 and electronic mail notices 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 Paragraph IX(F). All Notices (including Default Notices) shall be mailed or delivered to the following addresses:

To the Owner: MRG Goody Solar Project, LLC
5160 Tennyson Parkway, Suite 1000W
Plano, Texas 75024
Attention: Sargon Daniel
Telephone: (917)-453-1763
sdaniel@nexusvntrs.com

To the County: County Judge
Lamar County Courthouse
119 North Main Street
Paris, Texas 75460
Phone: 903-737-2410
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.

XIII. 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.

XIV. 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.

XV. 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.

XVI. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Guidelines and Criteria.

XVII. 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.

XVIII. 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.

XIX. Local Outreach Plan

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

XX. Counterparts

This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original but such counterparts together shall constitute one and the same instrument.

[remainder of this page intentionally blank]

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: B. L. Bell
Brandon Bell, County Judge

Date: 5/22/2023

Ruth Sisson
Attest: Ruth Sisson
County Clerk



[Signatures continue next page]

OWNER:

MRG Goody Solar Project, LLC

By: MRG Goody Holdco, LLC, its Sole Member

By: 

Date: 5/24/23

Print Name: Sargon Daniel

Print Title: Manager

Attachment A

Attached is the Order Designating the MRG Goody Solar Project, LLC Reinvestment Zone Number 1

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

RESOLUTION AND ORDER

R2023-008

DESIGNATING THE REINVESTMENT ZONE TO BE KNOWN AS THE
MRG GOODY SOLAR PROJECT REINVESTMENT ZONE NUMBER 1
IN THE JURISDICTION OF LAMAR COUNTY, TEXAS

The Commissioners Court of Lamar County, Texas, meeting in regular session on March 13, 2023, 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 24, 2022 (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 "MRG Goody Solar Project, LLC Reinvestment Zone #1."

The foregoing Resolution and Order was lawfully moved by COMMISSIONER KEVIN ANDERSON, duly seconded by COMMISSIONER ALAN SKIDMORE, and duly adopted by the Commissioners Court of Lamar County, Texas, on March 13, 2023.



Judge Brandon Bell



Commissioner Alan Skidmore, 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 March 13, 2023.



Ruth Sisson

County Clerk, Lamar County, Texas



Exhibit A

Property Included in the Reinvestment Zone

The Reinvestment Zone is described below.

Parcel No. (Property ID)	Acres	Owner Name	Legal Description
90931	16.58	NEWSOM JIM D & J RENEE	137 H S BENNETT SURVEY, TRACT 3
90933	16.33	NEWSOM JIM D & J RENEE	A229 J S CHISUM SURVEY, TRACT 2
90929	14.42	NEWSOM JIM D & J RENEE	A229 J S CHISUM SURVEY, TRACT 3
90445	66.00	NEWSOM JEWEL R ET UX	A813 W ROSS SURVEY, TRACT 2
90729	35.29	BESTEMAN JACK & PAM	A132 W H BOURLAND SURVEY, TRACT 3
90730	117.31	BESTEMAN JACK & PAM	A813 W ROSS SURVEY, TRACT 3
90059	6.65	BESTEMAN JACK & PAM	A162 I CRUISE SURVEY, TRACT 28
71113	45.31	MOORE ROBERT	A71 W H BOURLAND SURVEY, TRACT 1
71112	59.02	MOORE ROBERT	A162 I CRUISE SURVEY, TRACT 25
71111	66.00	MOORE ROBERT	A132 W H BOURLAND SURVEY, TRACT 4
90514	65.15	MTLCA SLR 1 LLC	A137 H S BENNETT SURVEY, TRACT 10
90005	432.51	BRAY RANCH HOLDINGS LL	A498 M KELLER SURVEY, TRACT 4
70422	175.88	MOORE ROBERT	A637 MEP & P SURVEY, TRACT 1
Total	1,106.45		

Attachment B

Attached is a copy of the Guidelines and Criteria for Granting Tax Abatements.

RESOLUTION NO. R2022-020

**A RESOLUTION OF THE LAMAR COUNTY COMMISSIONERS' COURT
AUTHORIZING LAMAR COUNTY TO BE ELIGIBLE TO PARTICIPATE IN
PROPERTY TAX ABATEMENTS AND APPROVING GUIDELINES AND
CRITERIA FOR GRANTING TAX ABATEMENTS**

WHEREAS, Section 312.002 of the Texas Tax Code (the "Code") requires local taxing units to state every two years their intent to participate in property tax abatement agreements and to adopt guidelines and criteria for granting tax abatements; and

WHEREAS, the Lamar County Commissioners' Court hereby reaffirms its intent to be eligible to participate in property tax abatements in accordance with Chapter 312 of the Code and to adopt Guidelines and Criteria for Tax Abatements attached hereto and incorporated herein; and

NOW, THEREFORE, BE IT RESOLVED BY THE LAMAR COUNTY COMMISSIONERS' COURT THAT:

Section 1. The findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. Lamar County hereby elects to be eligible to participate in a property tax abatement program and approves and adopts the Guidelines and Criteria for Tax Abatement attached hereto and incorporated herein.

PASSED AND ADOPTED, the 24th day of October, 2022.


THEREFORE, IN OFFICIAL RECOGNITION WHEREOF; we the undersigned do hereby affix our signatures. Signed this 24th day of October, 2022.


Brandon Bell, Lamar County Judge


Alan Skidmore, Commissioner Precinct 1


Lonnie Layton, Commissioner, Precinct 2


Ronnie Bass, Commissioner, Precinct 3


Kevin Anderson, Commissioner, Precinct 4


Ruth Sisson, Lamar County Clerk
ATTEST

Adopted 10-24-2022

**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.

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

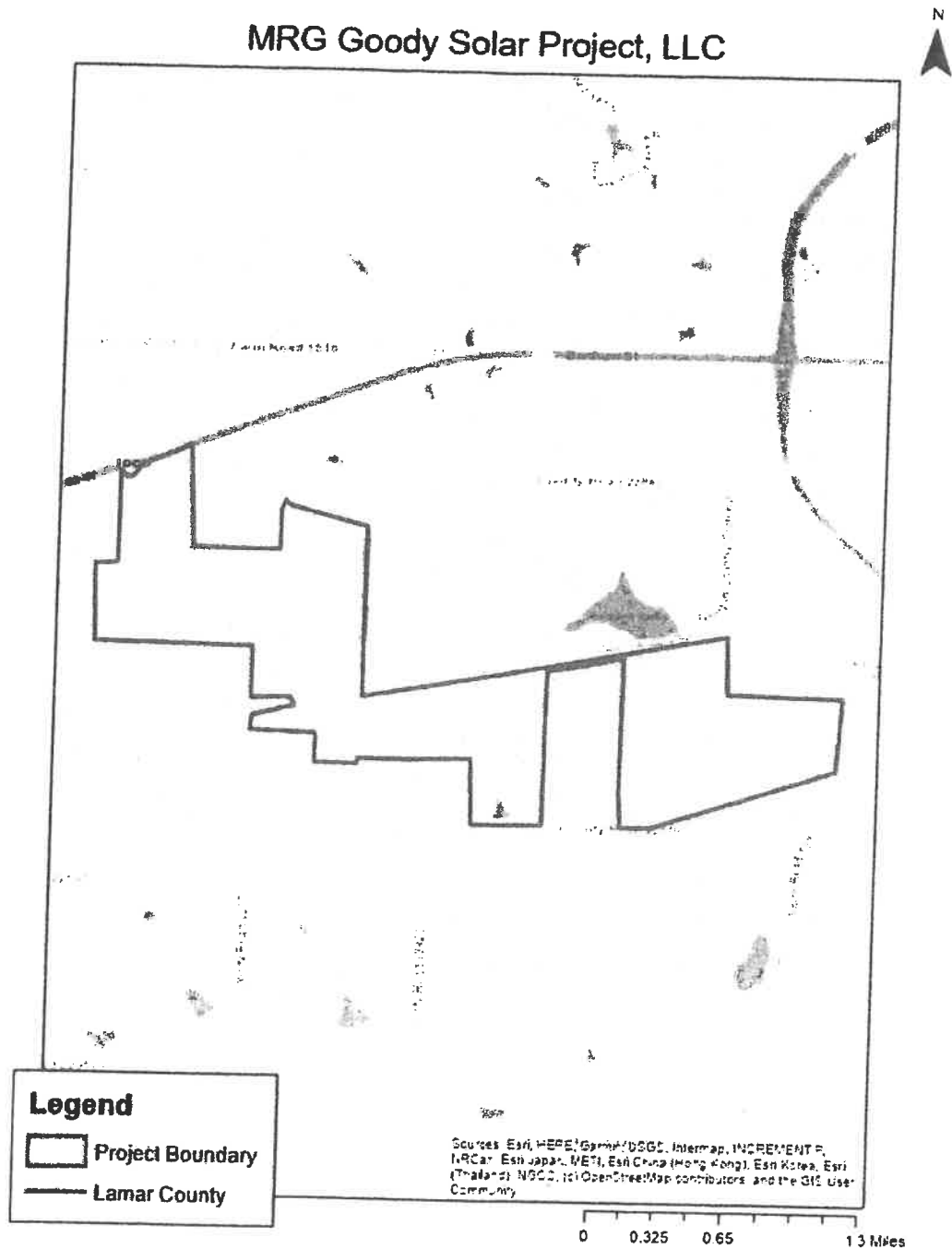
Attached is a description of the Site.

Reinvestment Zone (Parcel Listing)

PARCEL ID	OWNER NAME	LEGAL DESCRIPTION	ACREAGE
90931	NEWSOM JIM D & J RENEE	137 H S BENNETT SURVEY, TRACT 3	16.58
90933	NEWSOM JIM D & J RENEE	A229 J S CHISUM SURVEY, TRACT 2	16.33
90929	NEWSOM JIM D & J RENEE	A229 J S CHISUM SURVEY, TRACT 3	14.42
90445	NEWSOM JEWEL R ET UX	A813 W ROSS SURVEY, TRACT 2	66.00
90729	BESTEMAN JACK & PAM	A132 W H BOURLAND SURVEY, TRACT 3	35.29
90730	BESTEMAN JACK & PAM	A813 W ROSS SURVEY, TRACT 3	117.31
90059	BESTEMAN JACK & PAM	A162 I CRUISE SURVEY, TRACT 28	6.65
71113	MOORE ROBERT	A71 W H BOURLAND SURVEY, TRACT 1	45.31
71112	MOORE ROBERT	A162 I CRUISE SURVEY, TRACT 25	59.02
71111	MOORE ROBERT	A132 W H BOURLAND SURVEY, TRACT 4	56.00
90514	MTLCA SLR 1 LLC	A137 H S BENNETT SURVEY, TRACT 10	65.15
90005	BRAY RANCH HOLDINGS LLC	A498 M KELLER SURVEY, TRACT 4	432.51
70422	MOORE ROBERT	A637 MEP & P SURVEY, TRACT 1	175.88

Reinvestment Zone Map (1 of 2)

MRG Goody Solar Project, LLC



Attachment D

Attached is the Local Outreach Plan.

LOCAL OUTREACH PLAN

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

1. Utilize qualified and experienced 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 qualified and experienced 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; and (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 of the Project and Improvements in Lamar County.

C. Owner and any contractors or agents which Owner plans to use to complete the construction of the Project and Improvements and who may require additional labor and/or services to complete said construction, 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 construction and hiring needs of the Project and Improvements.

D. Notwithstanding the forgoing, Lamar County acknowledges that Owner shall engage a nationally recognized contractor to act as the general/prime 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, and trackers, 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 holds a job and contracting information session as described in paragraph C above and actively solicits proposals from Local contractors or subcontractors and makes its selection using reasonable discretion based on economic, commercial, practical, or similar considerations.

Attachment E

Attached is a list of County Roads to be utilized by Owner during the development of the Project and Improvements.

Attachment E

List of County Roads

The current scope of the project is contemplated to utilize the following County Roads:

- County Road 22900
- County Road 22500
- 19th St. SW

Attachment F

Attached is Title 6, Chapter 302 of the Texas Utilities Code

UTILITIES CODE

TITLE 6. PRIVATE POWER AGREEMENTS

CHAPTER 302. SOLAR POWER FACILITY AGREEMENTS

Sec. 302.0001. DEFINITIONS. In this chapter:

(1) "Grantee" means a person, other than an electric utility, as defined by Section 31.002, who:

(A) leases property from a landowner; and

(B) operates a solar power facility on the property.

(2) "Solar energy device" has the meaning assigned by Section 185.001.

(3) "Solar power facility" includes:

(A) a solar energy device; and

(B) a facility or equipment, other than a facility or equipment owned by an electric utility, as defined by Section 31.002, used to support the operation of a solar energy device, including an underground or aboveground electrical transmission or communications line, an electric transformer, a battery storage facility, an energy storage facility, telecommunications equipment, a road, a meteorological tower, or a maintenance yard.

(4) "Solar power facility agreement" means a lease agreement between a grantee and a landowner that authorizes the grantee to operate a solar power facility on the leased property.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0002. APPLICABILITY. This chapter applies only to a solar power facility that is a generation asset as defined by Section 39.251.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0003. WAIVER VOID; REMEDIES. (a) A provision of a solar power facility agreement that purports to waive a right or exempt a grantee from a liability or duty established by this chapter is void.

(b) A person who is harmed by a violation of this chapter is entitled to appropriate injunctive relief to prevent further violation of this chapter.

(c) The provisions of this section are not exclusive. The remedies provided in this section are in addition to any other procedures or remedies provided by other law.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0004. REQUIRED AGREEMENT PROVISIONS ON FACILITY REMOVAL. (a) A solar power facility agreement must provide that the grantee is responsible for removing the grantee's solar power facilities from the landowner's property and that the grantee shall, in accordance with any other applicable laws or regulations, safely:

(1) clear, clean, and remove from the property each solar energy device, transformer, and substation;

(2) for each foundation of a solar energy device, transformer, or substation installed in the ground:

(A) clear, clean, and remove the foundation from the ground to a depth of at least three feet below the surface grade of the land in which the foundation is installed; and

(B) ensure that each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property;

(3) for each buried cable, including power, fiber-optic, and communications cables, installed in the ground:

(A) clear, clean, and remove the cable from the ground to a depth of at least three feet below the surface grade of the land in which the cable is installed; and

(B) ensure that each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property; and

(4) clear, clean, and remove from the property each overhead power or communications line installed by the grantee on the property.

(b) The agreement must provide that, at the request of the landowner, the grantee shall:

(1) clear, clean, and remove each road constructed by the grantee on the property; and

(2) ensure that each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property.

(c) The agreement must provide that, at the request of the landowner, if reasonable, the grantee shall:

(1) remove from the property all rocks over 12 inches in diameter excavated during the decommissioning or removal process;

(2) return the property to a tillable state using scarification, V-rip, or disc methods, as appropriate; and

(3) ensure that:

(A) each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property; and

(B) the surface is returned as near as reasonably possible to the same condition as before the grantee dug holes or cavities, including by reseeding pastureland with native grasses prescribed by an appropriate governmental agency, if any.

(d) The landowner shall make a request under Subsection (b) or (c) not later than the 180th day after the later of:

(1) the date on which the solar power facility is no longer capable of generating electricity in commercial quantities; or

(2) the date the landowner receives written notice of intent to decommission the solar power facility from the grantee.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0005. REQUIRED AGREEMENT PROVISIONS ON FINANCIAL ASSURANCE. (a) A solar power facility agreement must provide that the grantee shall obtain and deliver to the landowner evidence of financial assurance that conforms to the requirements of this section to secure the performance of the grantee's obligation to remove the grantee's solar power facilities located on the landowner's property as described by Section 302.0004. Acceptable forms of financial assurance include a parent company guaranty with a minimum investment grade credit rating for the parent company issued by a major domestic credit rating agency, a letter of credit, a bond, or another form of financial assurance reasonably acceptable to the landowner.

(b) The amount of the financial assurance must be at least equal to the estimated amount by which the cost of removing the solar power facilities from the landowner's property and restoring the property to as near as reasonably possible the condition of the property as of the date the agreement begins exceeds the salvage value of the solar power facilities, less any portion of the value of the solar power facilities pledged to secure outstanding debt.

(c) The agreement must provide that:

(1) the estimated cost of removing the solar power facilities from the landowner's property and restoring the property to as near as reasonably possible the condition of the property as of the date the agreement begins and the estimated salvage value of the solar

power facilities must be determined by an independent, third-party professional engineer licensed in this state;

(2) the grantee must deliver to the landowner an updated estimate, prepared by an independent, third-party professional engineer licensed in this state, of the cost of removal and the salvage value:

(A) on or before the 10th anniversary of the commercial operations date of the solar power facilities; and

(B) at least once every five years after the commercial operations date of the solar power facilities for the remainder of the term of the agreement; and

(3) the grantee is responsible for ensuring that the amount of the financial assurance remains sufficient to cover the amount required by Subsection (b), consistent with the estimates required by this subsection.

(d) The grantee is responsible for the costs of obtaining financial assurance described by this section and costs of determining the estimated removal costs and salvage value.

(e) The agreement must provide that the grantee shall deliver the financial assurance not later than the earlier of:

(1) the date the solar power facility agreement is terminated; or

(2) the 20th anniversary of the commercial operations date of the solar power facilities located on the landowner's leased property.

(f) For purposes of this section, "commercial operations date" means the date on which the solar power facilities are approved for participation in market operations by a regional transmission organization and does not include the generation of electrical energy or other operations conducted before that date for purposes of maintenance and testing.

(g) The grantee may not cancel financial assurance before the date the grantee has completed the grantee's obligation to remove the grantee's solar power facilities located on the landowner's property in the manner provided by this chapter, unless the grantee provides the landowner with replacement financial assurance at the time of or before the cancellation. In the event of a transfer of ownership of the grantee's solar power facilities, the financial security provided by the grantee shall remain in place until the date evidence of financial security meeting the requirements of this chapter is provided to the landowner.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Attachment G

Attached is the List of Anticipated Equipment for the Project and Improvements

Attachment G

List of Equipment and Improvements Description

The current scope of the project is contemplated to include:

- Substation
- Transmission Line
- Inverters
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracking Equipment
- Transformers
- Grading
- Fuses
- Combining Boxes
- Cabinets
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC & AC Cabling (and structures/installation methods to support such cables)
- SCADA Equipment
- Battery Energy Storage Systems
- DC Strings
- Harnessing
- Components to Attach Modules to Racking

Exhibit 2
Guidelines and Criteria for Granting
Tax Abatements in
Reinvestment Zone (s)

Adopted by the
Lamar County Commissioners Court
on October 24, 2022

RESOLUTION NO. R2022-020

**A RESOLUTION OF THE LAMAR COUNTY COMMISSIONERS' COURT
AUTHORIZING LAMAR COUNTY TO BE ELIGIBLE TO PARTICIPATE IN
PROPERTY TAX ABATEMENTS AND APPROVING GUIDELINES AND
CRITERIA FOR GRANTING TAX ABATEMENTS**

WHEREAS, Section 312.002 of the Texas Tax Code (the "Code") requires local taxing units to state every two years their intent to participate in property tax abatement agreements and to adopt guidelines and criteria for granting tax abatements; and

WHEREAS, the Lamar County Commissioners' Court hereby reaffirms its intent to be eligible to participate in property tax abatements in accordance with Chapter 312 of the Code and to adopt Guidelines and Criteria for Tax Abatements attached hereto and incorporated herein; and

NOW, THEREFORE, BE IT RESOLVED BY THE LAMAR COUNTY COMMISSIONERS' COURT THAT:

Section 1. The findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. Lamar County hereby elects to be eligible to participate in a property tax abatement program and approves and adopts the Guidelines and Criteria for Tax Abatement attached hereto and incorporated herein.

PASSED AND ADOPTED, the 24th day of October, 2022.

THEREFORE, IN OFFICIAL RECOGNITION WHEREOF; we the undersigned do hereby affix our signatures. Signed this 24th day of October, 2022.



Brandon Bell, Lamar County Judge



Alan Skidmore, Commissioner Precinct 1



Lonnie Layton, Commissioner, Precinct 2



Ronnie Bass, Commissioner, Precinct 3



Kevin Anderson, Commissioner, Precinct 4



Ruth Sisson, Lamar County Clerk
ATTEST

Adopted 10-24-2022

**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.

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.

Exhibit 3
MFG Goody Solar Project
Reinvestment Zone Number 2

Adopted by the
Lamar County Commissioners Court
on July 8, 2024

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

RESOLUTION AND ORDER R2024-006

DESIGNATING THE REINVESTMENT ZONE TO BE KNOWN AS THE
MRG GOODY SOLAR PROJECT REINVESTMENT ZONE NUMBER 2
IN THE JURISDICTION OF LAMAR COUNTY, TEXAS

The Commissioners Court of Lamar County, Texas, meeting in regular session on July 8, 2024, 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 24, 2022 (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 "MRG Goody Solar Project, LLC Reinvestment Zone #2."

The foregoing Resolution and Order was lawfully moved by LONNIE LAYTON, PCT 2 COMM., duly seconded by ALAN SKIDMORE, PCT. 1 COMM., and duly adopted by the Commissioners Court of Lamar County, Texas, on July 8, 2024.


Judge Brandon Bell


Commissioner Alan Skidmore, 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 July 8, 2024.





Ruth Sisson
County Clerk, Lamar County, Texas

Exhibit A

Property Included in the Reinvestment Zone

The Reinvestment Zone is described below.

Parcel No. (Property ID)	Acres	County	Owner Name	Legal Description
90729	35.29	Lamar	BESTEMAN JACK & PAM	A132 W H BOURLAND SURVEY, TRACT 3, ACRES 35.29
90730	117.31	Lamar	BESTEMAN JACK & PAM	A813 W ROSS SURVEY, TRACT 3, ACRES 117.31
90059	6.65	Lamar	BESTEMAN JACK & PAM	A162 I CRUISE SURVEY, TRACT 28, ACRES 6.65
90005	432.61	Lamar	BRAY RANCH HOLDINGS LLC	A498 M KELLER SURVEY, TRACT 4, ACRES 432.51
71113	45.31	Lamar	MOORE ROBERT	A71 W H BOURLAND SURVEY, TRACT 1, ACRES 45.31
71112	59.02	Lamar	MOORE ROBERT	A162 I CRUISE SURVEY, TRACT 25, ACRES 59.02
71111	56.00	Lamar	MOORE ROBERT	A132 W H BOURLAND SURVEY, TRACT 4, ACRES 56.0
70422	175.88	Lamar	MOORE ROBERT L	A637 MEP & P SURVEY, TRACT 1, ACRES 172.422
90514	65.15	Lamar	MTLCA SLR 1 LLC	A137 H S BENNETT SURVEY, TRACT 10, ACRES 65.15
90445	66.00	Lamar	MTLCA SLR 1 LLC	A813 W ROSS SURVEY, TRACT 2, ACRES 66.0
90933	16.33	Lamar	MTLCA SLR 1 LLC	A229 J S CHISUM SURVEY, TRACT 2, ACRES 16.33
90929	14.42	Lamar	MTLCA SLR 1 LLC	A229 J S CHISUM SURVEY, TRACT 3, ACRES 14.42
90931	16.58	Lamar	MTLCA SLR 1 LLC	A137 H S BENNETT SURVEY, TRACT 3, ACRES 16.583
126898	44.57	Lamar	CRAWFORD BENJAMIN A & KENNETH MILLSAP	A162 I CRUISE SURVEY, TRACT 7, ACRES 44.57, HWY 82
70423	14.29	Lamar	MOORE ROBERT L	A313 L EWER SURVEY, TRACT 12, ACRES 14.29
109000	80.17	Lamar	OWINGS MARGARET A	A498 M KELLER SURVEY, TRACT 97, ACRES 80.17
90157	4.84	Lamar	REILY DANA N	A137 H S BENNETT SURVEY, TRACT 11, ACRES 4.84, A137 IS ALSO THE MEP SURVEY.
404770	73.60	Lamar	WOOD WILLIAM E JR & SHERYL G	A132 W H BOURLAND SURVEY, TRACT 1-1, ACRES 73.596
90456	6.51	Lamar	WOOD WILLIAM E JR & SHERYL G	A132 W H BOURLAND SURVEY, TRACT 1, ACRES 6.508
90454	27.95	Lamar	WOOD WILLIAM E JR & SHERYL G	A162 I CRUISE SURVEY, TRACT 33, ACRES 27.95
91156	58.08	Lamar	MTLCA SLR 1 LLC	A813 W ROSS SURVEY, TRACT 1, ACRES 58.08
91168	38.90	Lamar	MTLCA SLR 1 LLC	A229 J S CHISUM SURVEY, TRACT 1, ACRES 38.9
90398	44.35	Lamar	LIEVING JANET R & MELANIE A	A132 W H BOURLAND SURVEY, TRACT 2, ACRES 44.35
Total	1,499.71			

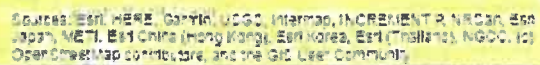
Exhibit A

Property Included In the Reinvestment Zone

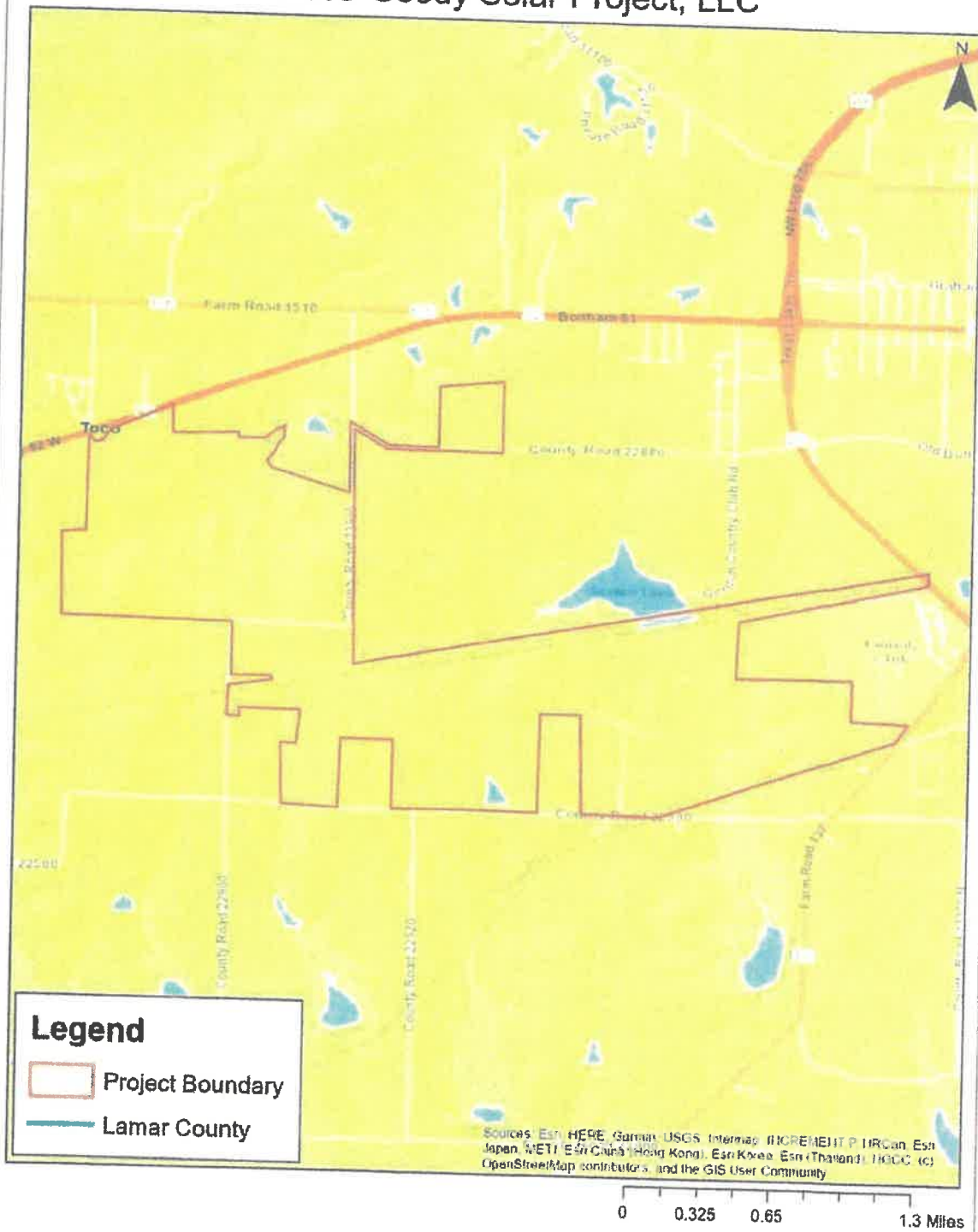
The Reinvestment Zone is described below:

PARCEL ID	OWNER NAME	LEGAL DESCRIPTION	ACREAGE
90729	BESTEMAN JACK & PAM	A132 W H BOURLAND SURVEY, TRACT 3	35.29
90730	BESTEMAN JACK & PAM	A813 W ROSS SURVEY, TRACT 3	117.31
90059	BESTEMAN JACK & PAM	A162 I CRUISE SURVEY, TRACT 28	6.65
90005	BRAY RANCH HOLDINGS LLC	A498 M KELLER SURVEY, TRACT 4	432.51
71113	MOORE ROBERT	A71 W H BOURLAND SURVEY, TRACT 1	45.31
71112	MOORE ROBERT	A162 I CRUISE SURVEY, TRACT 25	59.02
71111	MOORE ROBERT	A132 W H BOURLAND SURVEY, TRACT 4	56.00
70422	MOORE ROBERT	A637 MEP & P SURVEY, TRACT 1	175.88
90514	MTLCA SLR 1 LLC	A137 H S BENNETT SURVEY, TRACT 10	65.15
90445	MTLCA SLR 1 LLC	A813 W ROSS SURVEY, TRACT 2	66.00
90933	MTLCA SLR 1 LLC	A229 J S CHISUM SURVEY TRACT 3	16.33
90929	MTLCA SLR 1 LLC	A229 J S CHISUM SURVEY TRACT 3	14.42
90931	MTLCA SLR 1 LLC	A137 H S BENNETT SURVEY	16.58
126898	CRAWFORD BENJAMIN A & KENNETH MILLSAP	A162 I CRUISE SURVEY, TRACT 7	44.57
70423	MOORE ROBERT	A313 LEWER SURVEY, TRACT 12	15.00
109000	OWING MARGARET A	A498 M KELLER SURVEY, TRACT 97	80.17
90157	REILY DANA N	A137 H S BENNETT SURVEY, TRACT 11	4.84
404770	WOOD WILLIAM E JR & SHERYL G	A132 W H BOURLAND SURVEY, TRACT 1-1	73.60
90456	WOOD WILLIAM E JR & SHERYL G	A132 W H BOURLAND SURVEY, TRACT 1-1	6.51
90454	WOOD WILLIAM E JR & SHERYL G	A162 I CRUISE SURVEY, TRACT 33	27.95
91156	MTLCA SLR 1 LLC	A813 W ROSS SURVEY, TRACT 1	58.08
91168	MTLCA SLR 1 LLC	A229 J S CHISUM SURVEY TRACT 1	38.90
90398	LIEVING JANET R & MELANIE A	A132 W H BOURLAND SURVEY, TRACT 2	44.35

MRG Goody Solar Project, LLC



MRG Goody Solar Project, LLC



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Reinvestment Zone Map (2 of 2)

MRG Goody Solar Project, LLC

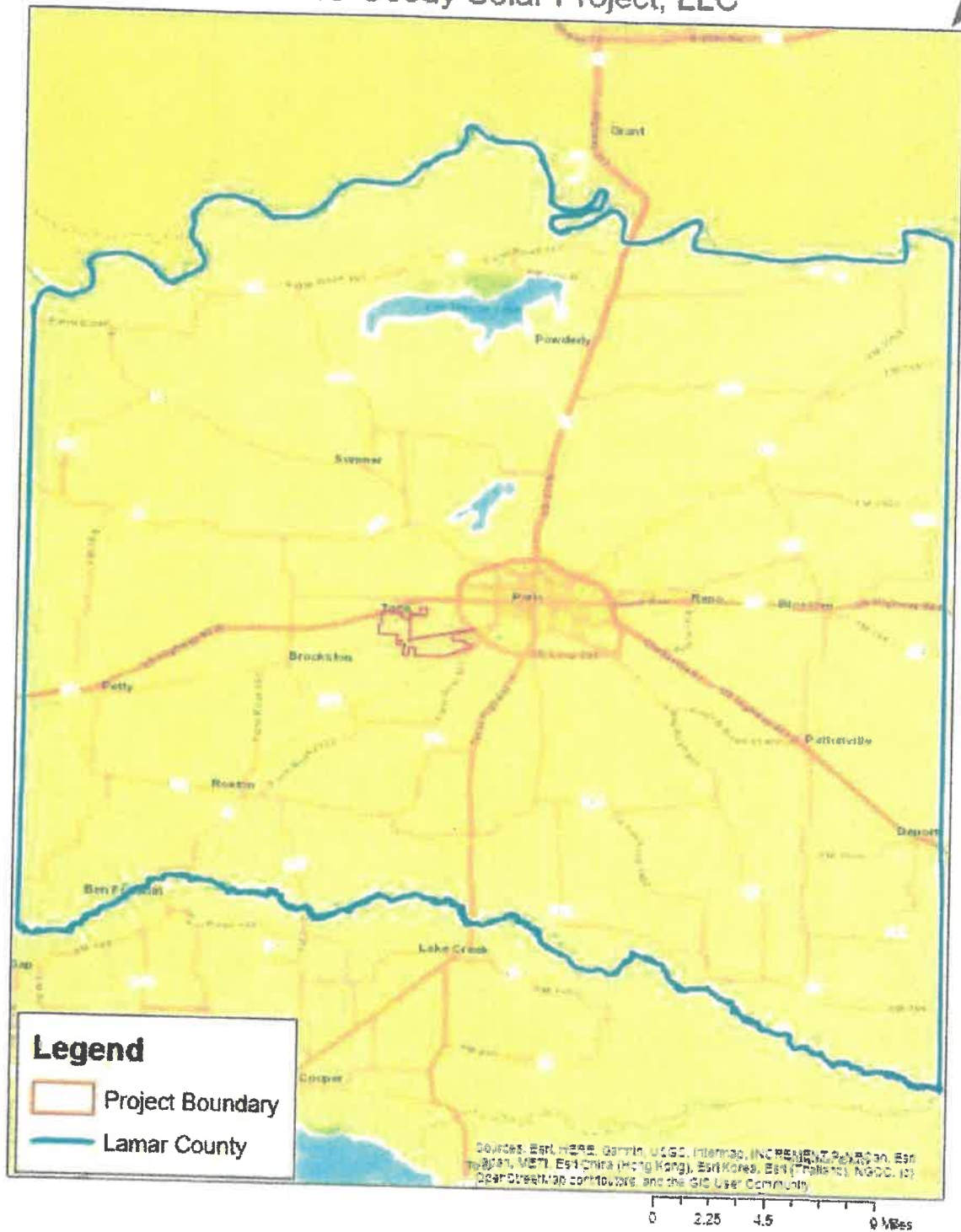


EXHIBIT 4

Amended Attachment E

List of County Roads

The current scope of the project is contemplated to utilize the following County Roads:

- County Road 22900
- County Road 22500
- 19th St. SW
- Old Bonham Road

RESOLUTION NO. R2022-020

**A RESOLUTION OF THE LAMAR COUNTY COMMISSIONERS' COURT
AUTHORIZING LAMAR COUNTY TO BE ELIGIBLE TO PARTICIPATE IN
PROPERTY TAX ABATEMENTS AND APPROVING GUIDELINES AND
CRITERIA FOR GRANTING TAX ABATEMENTS**

WHEREAS, Section 312.002 of the Texas Tax Code (the "Code") requires local taxing units to state every two years their intent to participate in property tax abatement agreements and to adopt guidelines and criteria for granting tax abatements; and

WHEREAS, the Lamar County Commissioners' Court hereby reaffirms its intent to be eligible to participate in property tax abatements in accordance with Chapter 312 of the Code and to adopt Guidelines and Criteria for Tax Abatements attached hereto and incorporated herein; and

NOW, THEREFORE, BE IT RESOLVED BY THE LAMAR COUNTY COMMISSIONERS' COURT THAT:

Section 1. The findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. Lamar County hereby elects to be eligible to participate in a property tax abatement program and approves and adopts the Guidelines and Criteria for Tax Abatement attached hereto and incorporated herein.

PASSED AND ADOPTED, the 24th day of October, 2022.

THEREFORE, IN OFFICIAL RECOGNITION WHEREOF; we the undersigned do hereby affix our signatures. Signed this 24th day of October, 2022.



Brandon Bell, Lamar County Judge



Alan Skidmore, Commissioner Precinct 1



Lonnie Layton, Commissioner, Precinct 2



Ronnie Bass, Commissioner, Precinct 3



Kevin Anderson, Commissioner, Precinct 4



Ruth Sisson, Lamar County Clerk
ATTEST

Adopted 10-24-2022

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.

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.

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

RESOLUTION AND ORDER

R2023-008

DESIGNATING THE REINVESTMENT ZONE TO BE KNOWN AS THE
MRG GOODY SOLAR PROJECT REINVESTMENT ZONE NUMBER 1
IN THE JURISDICTION OF LAMAR COUNTY, TEXAS

The Commissioners Court of Lamar County, Texas, meeting in regular session on March 13, 2023, 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 24, 2022 (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 "MRG Goody Solar Project, LLC Reinvestment Zone #1."

The foregoing Resolution and Order was lawfully moved by COMMISSIONER KEVIN ANDERSON, duly seconded by COMMISSIONER ALAN SKIDMORE, and duly adopted by the Commissioners Court of Lamar County, Texas, on March 13, 2023.



Judge Brandon Bell



Commissioner Alan Skidmore, 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 March 13, 2023.



Ruth Sisson

County Clerk, Lamar County, Texas



Exhibit A

Property Included in the Reinvestment Zone

The Reinvestment Zone is described below.

Parcel No. (Property ID)	Acres	Owner Name	Legal Description
90931	16.58	NEWSOM JIM D & J RENEE	137 H S BENNETT SURVEY, TRACT 3
90933	16.33	NEWSOM JIM D & J RENEE	A229 J S CHISUM SURVEY, TRACT 2
90929	14.42	NEWSOM JIM D & J RENEE	A229 J S CHISUM SURVEY, TRACT 3
90445	66.00	NEWSOM JEWEL R ET UX	A813 W ROSS SURVEY, TRACT 2
90729	35.29	BESTEMAN JACK & PAM	A132 W H BOURLAND SURVEY, TRACT 3
90730	117.31	BESTEMAN JACK & PAM	A813 W ROSS SURVEY, TRACT 3
90059	6.65	BESTEMAN JACK & PAM	A162 I CRUISE SURVEY, TRACT 28
71113	45.31	MOORE ROBERT	A71 W H BOURLAND SURVEY, TRACT 1
71112	59.02	MOORE ROBERT	A162 I CRUISE SURVEY, TRACT 25
71111	56.00	MOORE ROBERT	A132 W H BOURLAND SURVEY, TRACT 4
90514	65.15	MTLCA SLR 1 LLC	A137 H S BENNETT SURVEY, TRACT 10
90005	432.51	BRAY RANCH HOLDINGS LL	A498 M KELLER SURVEY, TRACT 4
70422	175.88	MOORE ROBERT	A637 MEP & P SURVEY, TRACT 1
Total	1,106.45		

**LAMAR COUNTY
COUNTY ROAD CROSSING AND
RIGHT-OF-WAY USE AGREEMENT**

On this 26th day of August, 2024, Lamar County ("County") subject to the terms and conditions set forth in this County Road Crossing and Right-of-Way Use Agreement (this "**Agreement**") hereby grants approval to MRG Goody Solar Project, LLC" ("**Company**") for the installation, maintenance, operation, repair, and replacement of electric distribution lines with an aggregate total length of 10,000 feet across and along the rights-of-way of County Road 22900, County Road 22500, and Old Bonham Road, each in Lamar County, Texas (each a "**County Road**" and collectively the "**County Roads**").

Authorization is hereby granted for such installation, maintenance, operation, repair, and replacement, subject to the below stated terms and conditions, to-wit:

1. The location and detail of the crossing within Lamar County must be shown on the road crossing plans and profile drawings provided by the Company.
2. The installation shall be accomplished without damage to the County Roads, and any damage that does in fact occur, shall be promptly repaired by and at the expense of the Company.
3. Company will contact the County Commissioner of the respective precinct at least forty-eight (48) hours prior to beginning the construction of the crossings in order that the County may have a representative present. A copy of this Agreement shall be delivered by Company to all construction contractors and for sub-contractors.
4. Adequate provisions must be made by and at the expense of the Company to cause a minimum of inconvenience to traffic and to adjacent property owners.
5. Emplacement operations are not permitted during wet weather.
6. All cut brush and debris are to be removed from right-of-way within seven (7) days.
7. Open trenches will be protected during off-duty hours by flasher lights.
8. Temporary construction signs are to be placed on the right-of-way at both ends of project.
9. All driveway entrances to be restored to original condition and resurfaced with suitable materials.

10. After construction, Company will maintain the line so that there will be no interference with the public use of the roads and function of the creeks.
11. County makes no charge whatever of the granting of this approval, and the agreement of Company constitutes the consideration of this approval on the part of the County.
12. The action of the Company in proceeding with the installation of said electric distribution line shall constitute the agreement of said company to the terms and conditions of this document.
13. Such additional requirements as the individual situation and circumstance warrants.
 - a. The electric distribution line shall be buried at a minimum of 48-inches deep.
14. If, at any time in the future, it becomes necessary, in the sole opinion of the Commissioner's Court of Lamar County, to lower, encase, relocate, modify or alter the buried utility, in a manner, by reason of the widening of the road, or for any other good and sufficient reason, written notice of that opinion will be given to Owner, and said lowering, encasement, relocation, modification or alteration shall promptly be accomplished by or at the sole expense of Owner.

[Signatures on Following Page]

ACCEPTED AND AGREED TO this 26th day of August, 2024.

Br Bell

The Honorable Brandon Bell
Lamar County Judge



MRG Goody Solar Project LLC,
a Delaware limited liability company

By: MRG Goody Holdco, LLC,
a Delaware limited liability company,
its sole member

By:

Name:

Title: Manager

STATE OF Texas

COUNTY OF Collin

§
§
§

The foregoing instrument was acknowledged before me this 28 day of August, 2024 by Sarson Daniel, Manager of MRG Goody Holdco, LLC, a Delaware limited liability company, as the sole member of MRG Goody Solar Project LLC, a Delaware limited liability company, on behalf of said limited liability company.

[seal of Notary]



Deborah Lynn Ravenscraft
Notary Public

October 9, 2024

MRG Goody Solar Project, LLC
5160 Tennyson Pkwy, Suite 1000W
Plano, TX 75024

Attn: Sargon Daniel

Subject: MRG Goody Solar Project – Lamar County, Texas

Dear Mr. Daniel,

This letter is in response to your request to construct, install, maintain, and operate certain facilities within certain easement areas benefitting the Auds Creek Water Control and Improvement District #1 and associated watershed sponsors noted below (Sponsors) pursuant to those certain easements identified in Exhibit A attached hereto and located in Lamar County, Texas (such easements being collectively the "Sponsors Easement" and the areas affected by such Sponsor Easements being the "Easement Areas").

Pertinent Information and Data regarding the Auds Creek Dam and Reservoir are as follows:

Dam ID – Auds Creek Watershed Site 8A

NID-ID- TX 01828

Construction Completed – 01/27/1964

Hazard Classification – Low As Built, High Currently

Top of Dam Elevation 509.9 msl

Upper Easement Take Line Elevation 508.0 msl; Storage Cap – 1,514.4 AC-Ft

Auxiliary Emergency Spillway Crest Elevation 506.0 msl; Storage Cap – 1,177.0 AC-Ft

Principal Spillway Crest (Normal Pool) Elevation 493.0 msl; Storage Cap 108 AC-Ft

Auds Creek Watershed Sponsors:

Auds Creek Water Control & Improvement District #1 (WCID)

Lamar Soil & Water Conservation District (LSWCD)

Lamar County Commissioners Court (LCCC)

The location of the dam and reservoir at normal pool elevation is shown adjacent to SH137 and south of CR 22500 identified as Exhibit B attached hereto. The flood detention pool (upper easement take line) extends upstream across CR22500 and the abandoned Railroad Line into the proposed solar energy project area. The approximate flood detention pool within the project area is shown on the As Built Plans Exhibit C and in red identified as Exhibit D attached hereto. Site 8A was originally designed to meet low hazard Natural Resource Conservation Service criteria with the expectation that the flood detention pool would fill to and exceed Elevation 506.0 once in 25 years or a 4% chance in any given year. To our knowledge, the auxiliary spillway has not experienced flow in the past 60 years.

Your specific request is to construct, install, maintain, and operate solar energy collection, generation, storage, transmission and distribution facilities, and related ancillary facilities in

connection with a solar energy project in Lamar County, Texas ("Goody Facilities") within a portion of the Easement Areas.

The Sponsors hereby confirm that it has no objection to encroachments of the Goody Facilities over the portion of the Easement Areas above Elevation 506.0 msl provided that no earthfill is placed below Elevation 506.0 msl and that notification is given to the Sponsors prior to any construction within or across the Solar Areas. The Sponsors further: (i) acknowledge that the placement of the Goody Facilities within the Solar Areas does not conflict with the Sponsors existing or future rights under the Easements; (ii) consents to the placement of the Goody Facilities within and across the Solar Areas, and (iii) acknowledges that the Solar Areas are not located in a portion of the Easement Area where any dam or other reservoir structure is located.

Should you have any questions please call Richard L. Peace, P.E., LSWCD Director at 903-495-1982.

Sincerely,

Auds Creek Water Control and Improvement District #1,

By: Trent Jones
Name: Trent Jones
Title: President

Lamar Soil and Water Conservation District,

By: David Basinger
Name: David Basinger
Title: Director, Chairman
Address: 201 N. Collegiate Dr., Suite 500, Paris, Texas 75460
Phone: 903-784-6679 X3

Lamar County Commissioners Court

By: Brandon Bell
Name: Brandon Bell
Title: County Judge

Attachments – Exhibits A, B, C and D

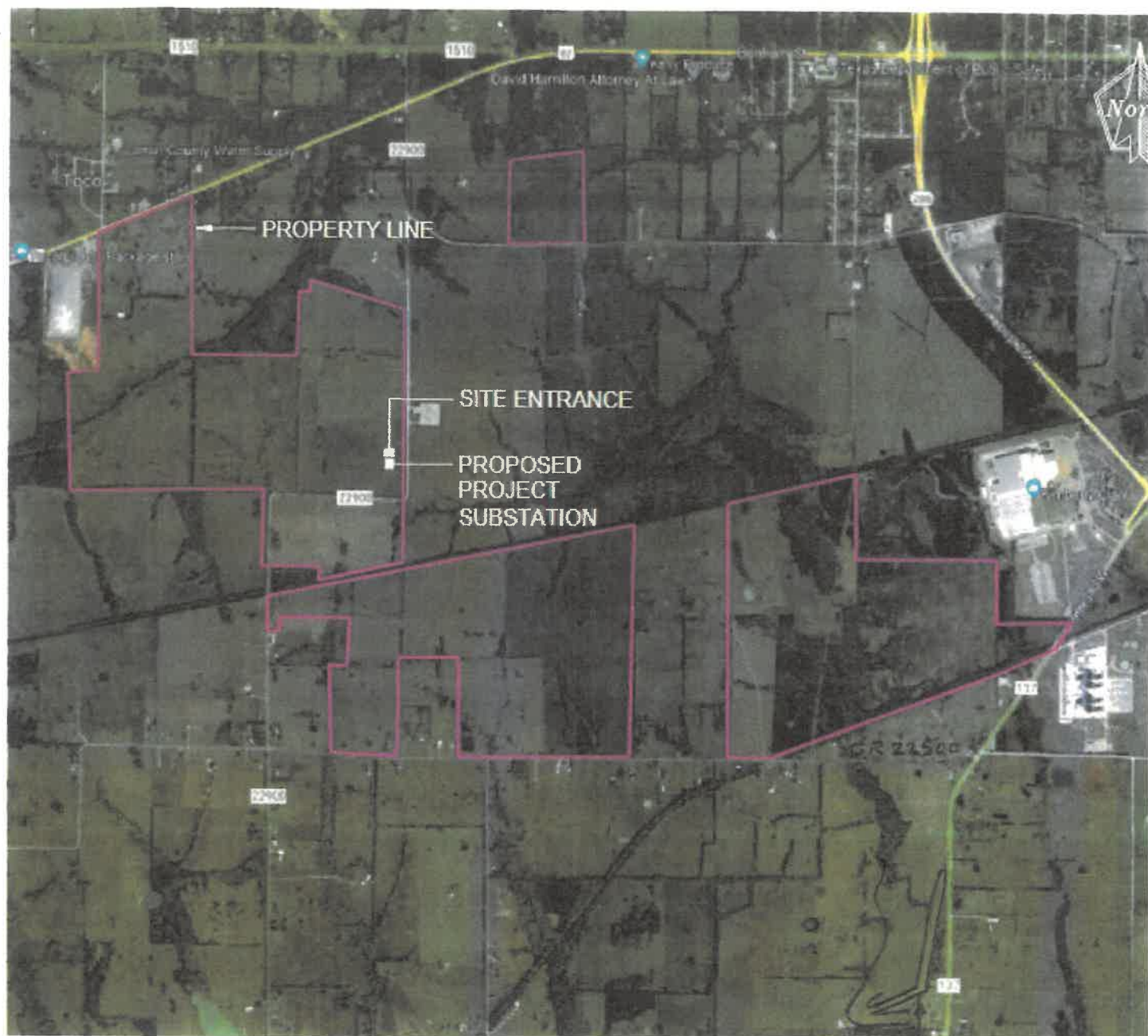
cc: Jami Tomblin, District Conservationist, Natural Resources Conservation Service, Paris Field Office

Exhibit A

Sponsors Easements

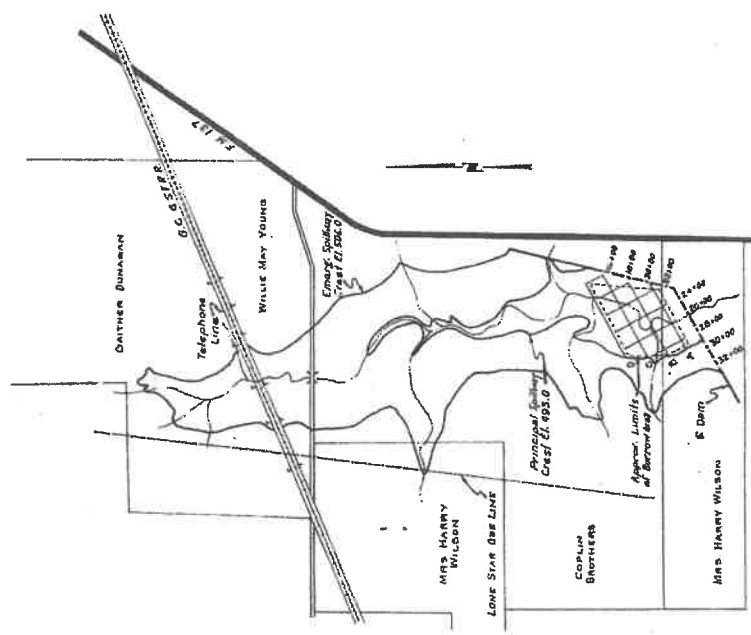
1. Easement dated April 3, 1956, recorded in Vol. 356, P. 499 of the Deed Records of Lamar County, Texas.
2. Easement dated February 25, 1963, recorded in Vol. 598, P. 70 of the Deed Records of Lamar County, Texas.

Exhibit A

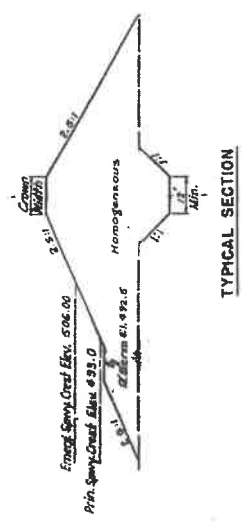


Auds Creek
Site 8A

Exhibit B



GENERAL PLAN OF RESERVOIR
SCALE IN FEET
0 50 100 150 200



TYPICAL SECTION

EMBANKMENT SECTION	SOURCE OF FILL MATERIAL	LAB TEST	COMPACTION REQUIREMENTS				Lab Correlation
			Moisture	Density	Moisture	Density	
Description	Location	Depth	Moisture	Density	Moisture	Density	No.
Emergency Spillway	Emergency Spillway	0' - 10'	10.5	10.0	10.5	10.0	1
Emergency Spillway	Emergency Spillway	10' - 15'	10.5	10.0	10.5	10.0	2
Emergency Spillway	Emergency Spillway	15' - 20'	10.5	10.0	10.5	10.0	3
Emergency Spillway	Emergency Spillway	20' - 25'	10.5	10.0	10.5	10.0	4
Emergency Spillway	Emergency Spillway	25' - 30'	10.5	10.0	10.5	10.0	5
Emergency Spillway	Emergency Spillway	30' - 35'	10.5	10.0	10.5	10.0	6
Emergency Spillway	Emergency Spillway	35' - 40'	10.5	10.0	10.5	10.0	7
Emergency Spillway	Emergency Spillway	40' - 45'	10.5	10.0	10.5	10.0	8
Emergency Spillway	Emergency Spillway	45' - 50'	10.5	10.0	10.5	10.0	9
Emergency Spillway	Emergency Spillway	50' - 55'	10.5	10.0	10.5	10.0	10

No record limits of proposed embankment are established. Upper limits of proposed embankment will be established during construction by the engineer based on the actual quality of the materials being placed in the fill and the densities reached.

Under no circumstances shall optimum moisture, minimum acceptable dry density, or maximum allowable range shown on the material particle passing the number 4 sieve.

EMBANKMENT DATA

ELEVATION	SURFACE AREAS	STORAGE
48.4	0.0	0.0
49.0	5.3	15.6
49.3	7.2	26.4
49.5	32	109
49.6	43.4	244.8
50.0	76.5	481.4
50.4	137.0	893.2
50.6	165	1174.9
50.8	186.6	1374.9
51.2	241.6	2438.0
<hr/>		
Top of Overhead Hwy		
Interlocking Subway Crest Elev.		
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Approximate Contour Elevation 506.0 shown in Red within the Proposed Solar Areas

Exhibit D

LAMAR COUNTY



Brandon Y. Bell
COUNTY JUDGE
903-737-2410

July 2, 2024

MRG Goody Solar Project, LLC
5160 Tennyson Pkwy, Suite 1000W
Plano, TX 75024
Attn: Sargon Daniel

Re: Lamar County Approvals

To MRG Goody Solar Project, LLC, its successors, and assigns:

I affirm that there are no rules or ordinances of Lamar County, Texas (i) that require zoning approval, a license, fire marshal approval, an authorization or a permit for the construction, operation or maintenance of a solar energy generation and battery energy storage project (including all its facilities, such as overhead and underground collector lines, internal project roads, telecommunications equipment, and/or other related facilities and necessary equipment) or (ii) regarding decommissioning, safety buffer zones, setback requirements, noise restrictions, or other zoning rules or regulations affecting the proposed location, construction, operation or maintenance of a solar energy generation and battery energy storage project and its respective related facilities.

I also affirm that no approvals or permits are required by Lamar County, Texas for the location, development, construction, operation, or maintenance of a solar energy generation and battery energy storage project, or its respective, related facilities, in a floodplain.

Regards,

Judge Brandon Bell
Lamar County Judge