

State of Texas §

County of Duval §

**Tax Abatement Agreement between Duval County, Texas,
and Cielo Vista Power, LLC**

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

**I.
Authorization**

This Agreement is authorized and governed by (i) Chapter 312 of the Texas Tax Code, as amended (the “**Act**”), (ii) the Duval County Tax Abatement Policies and Guidelines (as defined below), and a Resolution of the Commissioners Court approved on [July 13, 2026]. The County gave timely notice of its intention to consider this Agreement to the presiding officers of the taxing jurisdictions in which the Site is located as required under the Act.

The Commissioners Court found during a duly posted regular meeting that entering into this Agreement for development of the Site and construction of the Project would encourage development of the Reinvestment Zone during the Abatement Period, promote local economic development, and directly accomplish public purposes, including by providing direct and indirect jobs, stimulating business and commercial activity within the County, and generating tax revenue.

**II.
Definitions**

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

- A. “**Abatement**” means the full or partial exemption from the County’s ad valorem taxes on specific property in the Reinvestment Zone as provided herein.
- B. “**Abatement Period**” means the ten (10) year period during which period the Abatement applies beginning on the earlier of (a) January 1 of the first Calendar Year after the COD or (b) January 1 of the Calendar Year within which Developer delivers to County a Notice of Abatement Commencement (as defined below) and ending upon the conclusion of ten (10) full Calendar Years thereafter.
- C. “**Affiliate**” of the Developer refers to any entity that directly or indirectly through

one or more intermediaries, controls or is controlled by, or is under common control with Developer. For purposes of this definition, “control” of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

- D. **“Application”** means the Developer’s “Application for Tax Abatement” submitted to the County on March 13, 2026 in conformance with the Duval County Policies and Guidelines and deemed complete by the County.
- E. **“Base Year”** means the Calendar Year in which the Effective Date of this Agreement occurs.
- F. **“Base Year Value”** means the assessed value of the improvements located on the Eligible Property as of the Effective Date of this Agreement.
- G. **“Calendar Year”** means each year beginning on January 1 of that year and ending on December 31 of that year.
- H. **“Certificate”** means a letter, provided by Developer to the County that certifies the Project has achieved Commercial Operations, identifies in detail the assets that are the Project Improvements (including those that are still under construction), and further states the overall Nameplate Capacity of Generation or Nameplate Capacity of Storage, as the case may be, of the entire Project.
- I. **“Certified Appraised Value,”** means the appraised value, for property tax purposes, of Developer’s Eligible Property (including the Project Improvements) within the Reinvestment Zone as certified by the Duval County Appraisal District (**“County Appraisal District”**) for each tax year.
- J. **“COD”** means the date upon which the Developer’s Project commences Commercial Operations. For avoidance of doubt, completion of construction of any interconnections facilities or substations associated with or to be used by the Project, regardless of whether such interconnection facilities or substations are or become fully operational, shall not be deemed to trigger any payments by Developer associated with COD unless and until the Project commences Commercial Operations.
- K. **“Commercial Operations”** means that the Project has become commercially operational and placed into service for the purpose of generating and/or storing and dispatching electricity for sale.
- L. **“County Abated Property Tax”** means all current or future property taxes levied by or for the County Maintenance and Operations (“M&O”) portion of the ad valorem taxes. For purposes of clarity, this does not include the ad valorem taxes

collected for the County's Interest and Sinking fund ("I&S"), Duval County Emergency Services District No. 2, Duval County Groundwater District, and Farm-to-Market Road.

- M. **"Default Notice"** means a written notice delivered by one Party to the other Party regarding a default of this Agreement. A Default Notice must be delivered in accordance with the requirements of this Agreement.
- N. **"Deferral Payment"** means an amount of money paid by Developer to County to defer or extend the date of automatic termination of this Agreement as set forth in this Agreement.
- O. **"Developer"** has the meaning provided in the introductory paragraph. The Developer is the lessee of the Site.
- P. **"Development Period"** means the period between the Effective Date of this Agreement and COD.
- Q. **"Development Period Payment"** means a payment by Developer to County during the Development Period, if any.
- R. **"Duval County Tax Abatement Policies and Guidelines"** means those policies and guidelines adopted by the Duval County Commissioners' Court on June 8, 2026, a copy of which are attached to this Agreement ("Attachment B"); sometimes referred to as **"Policies and Guidelines"**.
- S. **"Eligible Property"** means Developer's property located in the Reinvestment Zone eligible for Abatement under Duval County's Policies and Guidelines, including new buildings and structures; fixed machinery and equipment; site improvements; office space; other related fixed improvements; other tangible items necessary to the operation and administration of the Project; and all other real and tangible personal property eligible to receive Abatement by the Act and Duval County's Policies and Guidelines. It shall not include tangible personal property located in the Reinvestment Zone at any time before the Effective Date, nor inventory or supplies.
- T. **"Force Majeure"** includes events not reasonably within the control of the Party whose performance is sought to be excused thereby, including, without limitation, the following causes and events: (i) acts of God and the public enemy; (ii) strikes, lockouts, labor disputes, or other industrial disturbances; (iii) inability to obtain material or equipment or labor; (iv) wars, blockades, insurrections, riots, civil strife, or other violence; (v) epidemics and pandemics; (vi) landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement and severe weather, or other natural disaster; (vii) arrests and restraint of rulers and people, (viii) interruptions by government or court orders, or present or future orders of any regulatory body; (ix) civil disturbances; (x) explosions, breakage, or accident to

machinery, pipelines or power lines, or freezing of power lines, (xi) any laws, rules, orders, acts, or restraint of government or governmental body or court, or (xii) the partial or entire failure of fuel supply or the supply of critical materials; or (xiii) any other event that is beyond the reasonable control of the Party claiming Force Majeure.

- U. **“Lender”** means any entity or person providing, directly or indirectly, with respect to the Project and/or Project Improvements any (i) 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), (ii) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (iii) tax equity financing, (iv) any interest rate protection agreements to hedge any foregoing obligations, and/or (v) any energy hedge provider. There may be more than one Lender. Developer, at its election, may send written notice to the County with the name and notice information for any Lender.
- V. **“Local Outreach Plan”** means the Local Outreach Plan attached to this Agreement (**“Attachment D”**).
- W. **“Minimum Investment”** means the minimum investment that the Developer agrees to make in on the Site for the Project.
- X. **“Nameplate Capacity of Generation”** means the maximum full-load sustained generating capacity of permanent project natural gas power generation system under ideal conditions as expressed as Megawatts (**“MW”**).
- Y. **“Notice of Abatement Commencement”** has the meaning assigned in this Agreement.
- Z. **“Notice of Commencement of Site Construction”** means that written notice that must be provided by Developer to County in advance of beginning Site Construction.
- AA. **“Notices”** means all notices, demands, or other communications of any type as between the Parties (including a Default Notice), and such Notices shall be given in accordance with terms of this Agreement.
- BB. **“Payment In Lieu of Taxes”** or **“PILOT”** means a payment made by Developer to the County in lieu of payment of some of the County Abated Property Tax that would be otherwise owed if not for the Abatement as further described in this Agreement.
- CC. **“Project”** means the natural gas power generation system on the Site to be developed by Developer, including the Project Improvements.

- DD. **“Project Improvements”** means Developer’s Eligible Property meeting the definition for improvements provided by the Act and includes, but is not limited to, any building, structure, fixture, or fence erected on or affixed to the Site, including: roads, fences, gates, underground electrical collection systems, project substation, project maintenance facility, and natural gas turbine generators which will produce up to 720 MW of energy capacity for redistribution to the grid.
- EE. **“Property”** means the improvements and personal property that constitute the Project.
- FF. **“Reinvestment Zone”** means the reinvestment zone, as that term is defined in the Act, created by Duval County and known as the **“Cielo Vista Reinvestment Zone”** by that Order Adopting and Designating a Reinvestment Zone in the Jurisdiction of Duval County, Texas, adopted and approved by the Duval County **Commissioners’ Court on[]**, a copy of which Order is attached to this Agreement (**“Attachment A”**).
- GG. **“Site”** means the portion of the Reinvestment Zone upon which Developer has leased and intends to construct the Project, located in north Duval County along Highway 59 and County Road 115, as further described on **“Attachment C”** to this Agreement.
- HH. **“Site Construction”** means the activity commencing on the Site to develop the Project after Developer has provided its general contractor notice to proceed to construct the Project, which activity could include any of the following work or services provided by or contracted by Developer and initiated at the Site: clearing of brush, grading of location, deposit of materials upon location, fencing, preparations for foundation(s) and/or structures, provisions for electrical service, and related work and services performed at the Site.
- II. **“Term”** means the period commencing on the Effective Date of this Agreement and ending on December 31 of the tenth Calendar Year after the commencement of the Abatement Period.

III. The Project

Developer anticipates constructing the following Project Improvements on the Site as part of an energy campus located in the Reinvestment Zone.

- A. Application. Developer submitted its Application for a natural gas power generation system located entirely within the County and not within the boundaries of any municipality.
- B. Site. The Site is under long-term lease agreements from local landowners to the Developer, allowing the construction, maintenance, and operation of the Project on the Site. There are no existing improvements on the Site. The Site is described in **“Attachment C”** hereto.

- C. Project. Developer anticipates constructing its Project on the Site to consist of a natural gas power generation facility. The Project has an estimated life expectancy of twenty (20) to thirty (30) years.
- D. Generation. The Project has a Nameplate Capacity of Generation of approximately 720 MW. The total Nameplate Capacity of Generation will vary depending on the type of natural gas generating facility equipment used and the size of the facility, however, for the purpose of calculating the PILOT herein, the Nameplate Capacity of Generation shall at a minimum be considered to equal 720 MW. The Certified Appraised Value will depend upon annual appraisals by the Duval County Appraisal District.
- E. Project Improvements. The Project Improvements may also include any other property in the Reinvestment Zone owned or leased by Developer meeting the definition of “Eligible Property” and used by Developer to generate energy and perform other functions related to the Project. The Reinvestment Zone may include other projects and improvements separately owned which are not covered by this Agreement.
- A. Project Investment. The Developer estimates that the total Project investment amount will be not be less than \$539,752,619 (the “**Minimum Investment**”). The value of the Project will depreciate as provided for under the Modified Accelerated Cost Recovery system (MACRS) which is the current tax depreciation system utilized in the United States for this type of industrial equipment. MACRS allows for the accelerated depreciation of property value over time, offering businesses a means to recover the cost of an asset more quickly than with straight-line depreciation
- B. Development Period. Developer anticipates that construction of its Project will require one (1) to two (2) years, estimated to begin in the fourth quarter of 2026 with completion estimated to occur in the fourth quarter of 2028. During peak construction Developer estimates there will be one hundred twenty-five (125) temporary, full-time construction jobs.
- C. Permanent Jobs. Developer agrees to maintain three (3) to five (5) full-time employees at the Project to maintain the natural gas power generation system, underground electrical connections, substation, and other infrastructure associated with the safe and reliable operation of the Project.
- D. Additional Agreements. Because the construction and development of the Project will place additional burdens on County and the community, the Parties have agreed to or will agree to additional agreements:
 - 1. Road Access Agreement. To ensure the integrity and maintenance of County roads that are part of the haul route for the Project and the related projects in the Reinvestment Zone, the Developer (or its Affiliate) has entered into a Road Access Agreement with the County. The Parties agree the Road Use Agreement has a value to the County in excess of \$1,000,000.
 - 2. Community Benefit Agreement. The Parties agree that in lieu of a community benefits agreement, the Developer or its Affiliate will enter into a Road Use Agreement with the

City of San Diego, Texas and agrees to make commercially reasonable efforts to utilize reclaimed water for projects in the Zone. The Community Benefits Plan is provided as “Attachment E” hereto.

3. Development Agreement. The Developer (or its Affiliate) have entered into a Development Agreement with the County providing that within thirty (30) days after the Effective Date of this Agreement, the Developer shall remit a payment not to exceed \$15,000 payable to the County as an offset to the County’s attorney’s fees incurred for services of outside legal counsel in furtherance of this Agreement. Within thirty (30) days after the Effective Date of this Agreement, County shall send notice to Developer of a detailed, itemized invoice of out-of-pocket costs and expenses incurred by the County relating to this Agreement, not including outside legal counsel attorney’s fees and expenses, which County costs and expenses shall be reimbursed by Developer to “Duval County” within thirty (30) days of Developer’s receipt of said invoice (such County costs and expenses not to exceed \$500).
4. Wastewater Agreement. Developer (or its Affiliate) agrees to undertake reasonable business efforts to capture effluent water resources to address all or part of the water needs of the projects in the Reinvestment Zone.

IV.

Term and Portion of Tax Abatement; Taxability of Property

- A. Treatment of Property during the Abatement Period. The County and Developer specifically agree and acknowledge that the Site shall be taxable in the following ways before, during, and after the Term of this Agreement:
 1. Ineligible Property. Property not eligible for Abatement, if any, shall always be fully taxable. Pursuant to the Policies and Guidelines, ineligible property includes: animals, inventory, supplies, tools, furnishings, vehicles, vessels, aircraft, housing or residential property, flora, fauna, and other forms of movable personal property, as well as any property which has a productive life of less than ten (10) years.
 2. Existing Property. The Certified Appraised Value of land and Property existing in the Reinvestment Zone prior to the Effective Date of this Agreement shall always be fully taxable, even during the Abatement Period.
 3. Eligible Property During the Abatement Period. During the Abatement Period, 100% of County Abated Property Taxes on the Certified Appraised Value of the Eligible Property shall be abated for the periods and in the amounts as provided for by Article IV(B) below.
 4. Expiration of the Abatement Period. After expiration of the Abatement Period, 100% the Certified Appraised Value of real and personal property owned by Developer located in the Reinvestment Zones shall be fully taxable, including during the remainder of the Term.

B. County Abated Property Taxes. The County and Developer specifically agree and acknowledge that this Agreement shall provide for Abatement, under the conditions set forth herein, of County Abated Property Taxes assessed on the Eligible Property in the Reinvestment Zone as follows:

1. Abatement of Taxes. Subject to the limitations on property eligible for Abatement, the Developer is entitled to, and the County will provide to the Developer, an abatement of one hundred percent (100%) of all County M&O property taxes imposed on the Project, including on all real and personal tangible property included in the Project for the ten (10) years Abatement Period.
2. Abatement Period. The foregoing percentage of property taxes on the Certified Appraised Value of all Eligible Property described in the Certificate shall be abated for the entire Abatement Period and shall be replaced by a series of Payments in Lieu of Taxes (PILOTs), as further defined herein.
3. Project Base Year. The Base Year Value for the proposed Project is agreed to be zero (\$-0-).
4. Developer Certificate. Developer shall provide the Certificate to the County and to the County Appraisal District within thirty (30) days after the COD. The Certificate shall describe any of the Project's ancillary facilities not required for Commercial Operations that are still under construction on the date that the Certificate is delivered, and if the Certificate indicates any such facilities exist, Developer will deliver an amended Certificate to the County within thirty (30) days after all Project construction is complete. If such ancillary facilities meet the definition of "Eligible Property," such ancillary facilities, once completed, shall become part of the Project Improvements eligible for the Abatement under this Agreement.
5. Notice of Abatement Commencement. If Developer, at its sole election, desires that the Abatement Period begin prior to January 1st of the of the first Calendar Year after the COD, then Developer 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 Developer, the Notice of Abatement Commencement shall contain the following statement: **"Developer elects for the Abatement Period to begin on January 1, 2029."** 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 ten (10) years beyond such date. Developer shall only be permitted to deliver a Notice of Abatement Commencement if it anticipates achieving COD during the next Calendar Year. Developer shall still be required to deliver the Certificate to the County and to the County Appraisal District within thirty (30) days after the COD.
6. Ten Year Term. Notwithstanding any statement or implication in this Agreement to the contrary, the Parties agree that the Abatement granted in this Agreement shall in no event extend beyond Year 10 of the Abatement.

- C. Future Laws; Tax Exemption. All or a portion of the Project may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. Notwithstanding any statement or implication in this Agreement to the contrary, this Agreement is not to be construed as evidence that no such exemptions shall apply to the Project and Project Improvements.
- D. No Removal of Project. Developer agrees that the Project, once constructed, will remain in place for at least the Abatement Period; provided that nothing herein prevents Developer from replacing equipment or fixtures comprising the Project prior to that date or from components of the Project Improvements so long as the Nameplate Capacity of Generation does not decrease below 60 MW. IN THE EVENT THE PROJECT DOES NOT REMAIN IN PLACE FOR THE ABATEMENT TERM IN BREACH OF THIS PARAGRAPH (D), THE SOLE REMEDY OF THE COUNTY, AND DEVELOPER'S SOLE LIABILITY, WILL BE FOR DEVELOPER TO PAY TO THE COUNTY THE FULL AMOUNT OF ACTUAL TAXES ABATED AT ANY TIME UNDER THIS AGREEMENT ON THE PROJECT IMPROVEMENTS, LESS ANY PAYMENTS IN LIEU OF TAXES MADE AT ANY TIME TO THE COUNTY FOR THE PROJECT IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS PARAGRAPH (D), ANY TAXES DUE BY DEVELOPER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.
- E. Certified Appraised Value. During the Abatement Period, County shall request that the County Appraisal District annually determine both (i) the Certified Appraised Value of the Eligible Property owned by Developer in the Reinvestment Zone, and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of the Eligible Property owned by Developer in the Reinvestment Zone. The County Appraisal District shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records. The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the County in the event that the County is entitled to recapture abated taxes under this Agreement as further described in this Agreement.
- F. PILOT Payments. If the Project COD is achieved, and to the extent Abatements are applied and received by Developer as provided herein, Developer agrees to make an annual Payment in Lieu of Taxes, "PILOT," to the County of \$1,080,000 per year plus \$1,500 per MW, or portion thereof, for each MW of Nameplate Capacity of Generation in excess of 720 MW, for each year of the Abatement Period. Each PILOT described in this Paragraph (F) shall be due on January 31 of the Calendar Year following the Calendar Year for which the Abatement applies. By way of illustration, if Year 1 of the Abatement Period is 2029, then the PILOT Payment owed for 2029 shall be due and payable on January 31, 2030. There shall be a total of ten (10) annual PILOT Payments under this Agreement unless the Agreement is earlier terminated. The method for calculation for each PILOT Payment for each year of the Abatement Period shall be performed in the same manner for each year; that is, $\$1,080,000 + (\$1,500 \times (\text{Nameplate Capacity of Generation (expressed as MW) minus 720 MW})$).

- G. Decommissioning. The County and Developer agree that decommissioning of the Project is governed by Texas law and through separate agreements as between Developer, or its Affiliate(s), and Site landowners. Developer warrants and represents that Developer's decommissioning (restoration, soil stabilization, revegetation, and security assuring same, if any) shall comply with the requirements of the laws of the State of Texas.

V. Covenants

During the term of this Agreement, Developer shall:

- A. Operation of Project. Developer agrees that the Project shall remain in operation for period of not less than ten (10) years from the expiration of the Abatement Period (the “**Extended Operation Period**”), as the same may from time to time be expanded, upgraded, improvement, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and or reengineered. Developer further agrees retain the three employees described in Article III (H) above for the Extended Operation Period.
- B. Local Sales and Use Tax. Make a good faith effort to require all contractors and vendors of materials to be used in the construction of the Project to make municipalities in Duval County, Texas, the situs of sales and use taxes; provided, however, Developer's commitments related to the selection of contractors and vendors is governed solely by the Local Outreach Plan.
- C. Additional Information. At time of delivery of the Notice of Commencement of Site Construction, Developer shall provide to the Duval County Emergency Manager (the County Judge) the following information regarding the Site and Project:
1. Engineering drawings illustrating Site topographic information.
 2. Hydrology studies.
 3. Documentation of Developer's plans to construct access to accommodate the provision of emergency services, including fire protection.
 4. Geotechnical Report.
 5. Phase 1 Environmental Site Assessment.
 6. Stormwater Pollution Prevention Plan.
 7. Material Safety Data Sheets (“MSDS”) or similar documentation on key Project Improvements that are relevant to the emergency response to the Site.
- D. Employment of Undocumented Workers. During the Term, the Company will not knowingly employ any undocumented workers as defined in Section 2264.001, Texas Government Code. If convicted of a violation under 8 U.S.C. Section 1324a(f), (i) the County may, by written notice to the Developer, terminate this Agreement, and (ii) the Developer will repay to the County the amount of taxes abated under this Agreement as of the date of such violation, less any PILOT Payment. A repayment under this provision must be made with ninety (90) days of the date the Developer receives notice from the County of a violation of this section. Pursuant to Section 2264.101(c), Texas Government Code, a

business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchise of the business, or by a person with whom the business contracts. This Section V(D) is the County's sole remedy under this Agreement for the employment of undocumented workers for the Project.

VI. Representations

The County and Developer make the following respective representations:

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

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

- A. Inspection Rights. Developer shall allow the designated employees and consultants of the County and County Appraisal District access to the Site after receipt of the Notice of Commencement of Site Construction within the Development Period and during the Abatement Period for the purpose of inspecting the Project Improvements erected to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Developer fourteen (14) days' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Project and Project Improvements. All such inspections shall be made with one (1) or

more representatives of Developer present and in accordance with all applicable safety and security requirements imposed by Developer in its sole discretion including provision of a signed waiver of liability and confidentiality agreement by each individual prior to any Site access.

- B. Developer Annual Certificate. Developer shall, on or before May 1 of each Calendar Year after COD, certify annually to the County its compliance with this Agreement by providing a written statement of compliance to the County Judge and a copy to the Duval County Appraiser. If the Developer reports its Minimum Investment upon COD is less than the amount provided in Article III(F) above and remains below the Minimum Investment over the Abatement Period, or during the Abatement Period the number of full-time jobs is less than three, the County may by written notice to the Developer recapture the equivalent percentage of abated taxes for that Tax Year equal to the average of (i) the percentage of the required Minimum Capital Investment the Developer did not report, and (ii) the percentage of the required employee count the Developer did not report. The fact that an employment position is open and pending hiring for a reasonable period of time does not reduce the number of full-time jobs for purposes of the annual certification. This Section VII(B) is the County's sole remedy under this Agreement for any failure to meet the Minimum Investment requirement or number of full-time jobs required under this Agreement.

VIII. Termination, Default, Remedies, Recapture, and Limitation of Liability

The following provisions apply to allow for termination of this Agreement, the rights of a defaulting and a non-defaulting party, recapture in the event of a default by Developer, and the County's limitation of liability. This Agreement may be terminated upon (i) written agreement by the Parties, (ii) expiration of the Term, or (iii) by written notice of the Developer for any reason or no reason. Additionally, the Parties agree as follows:

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

the fourth (4th) anniversary of Notice of Commencement of Site Construction, then County may elect, in its sole discretion, to terminate this Agreement within sixty (60) days after the fourth (4th) anniversary of Notice of Commencement of Site Construction upon thirty (30) days written notice to Developer.

- B. Termination for Default. If a Party is in breach or default of this Agreement, then the non-defaulting Party may terminate this Agreement by: (i) providing the defaulting Party written notice (“**Default Notice**”) specifying a material breach or default of the Agreement that is not excused by occurrence of an event of Force Majeure; and (ii) allowing a cure period of no less than sixty (60) days after the delivery and receipt of the Default Notice, or if such breach/default cannot be cured within such sixty (60) day period, the defaulting party shall provide notice and written justification to have such additional time, up to ninety (90) additional days, to cure such default as is reasonably necessary as long as such defaulting Party has commenced remedial action to cure and continues to diligently and timely pursue the completion of such remedial action before the expiration of the maximum one hundred fifty (150) day cure period. If a Party provides a Default Notice to a defaulting Party and there is no occurrence of Force Majeure, and the defaulting Party fails or refuses to timely cure as permitted herein, then the Party providing the Default Notice may declare the Agreement terminated.
- C. Termination for Developer Bankruptcy. If Developer files a petition in bankruptcy, or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against Developer, or if a receiver is appointed for the benefit of Developer, or if Developer makes or attempts to make assignment of this Agreement to a creditor, then this Agreement is automatically terminated.
- D. Change in Law. Notwithstanding any provisions of this paragraph, if any default arises from a violation of law resulting from a change in law or a change in the interpretation or enforcement of law by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting Party acts in accordance with a commercially reasonable plan of action to minimize the effect of such default prepared by the defaulting Party and delivered to the other Party.
- E. No Default for Force Majeure. 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, considering, among other things, the availability of materials and labor. The Party prevented or hindered from performing shall give prompt (but in no event later than twenty (20) business days after the occurrence of such event) notice and reasonably full particulars of such event to the other Party and shall take all reasonable actions within its power to remove the basis for nonperformance (including securing alternative labor or supply sources) and after doing so shall resume performance as soon as

possible.

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

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

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

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

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

IX.

Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Developer to comply with any order, rule, statute, or regulation of Duval County or the State of Texas. In accordance with State law, the Developer has provided the required disclosures attached hereto as "Attachment F".

X.

Assignment of Agreement

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

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

construction. Developer's encumbering its interest in this Agreement may include an assignment of Developer's rights and obligations under this Agreement for purposes of granting a security interest in this Agreement. In the event Developer takes any of the actions permitted by this subparagraph, it may provide written notice of such action to the County with such notice to include the name and notice information of the Lender. If Developer provides the name and notice information of a Lender to the County, then the County shall be required to provide a copy to such Lender of all Notices delivered to Developer at the same time that the Notice is delivered to Developer. If Developer does not provide the name and notice information of a Lender to the County, then such Lender shall not have the notice rights or other rights of a Lender under this Agreement. The County agrees to reasonably cooperate with Developer and Lenders in the execution of any financing consents, estoppels or amendments requested by the Lenders as a condition of their financing.

XI. Notices

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

To the Developer: Cielo Vista Power, LLC
2516 W. Freddy Gonzalez Dr., Ste. E
Edinburg, TX 78539
Attn: Jeff Ferguson
Phone:
Facsimile:
Email: jferguson@tituslcv.com

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

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

XII. Severability

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

XIII. Applicable Law and Venue

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

XIV. Amendment

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

XV. Policies and Guidelines

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

XVI. Entire Agreement

This Agreement contains the entire and integrated Agreement between the County and Developer regarding the subject matter herein, and supersedes all other negotiations and agreements, whether

written or oral, between the Parties. This Agreement has not been executed in reliance upon any representation or promise, except those contained herein.

XVII.
Relationship of the Parties

This Agreement will not be construed as establishing a partnership, joint venture, joint enterprise, or express or implied agency between the Parties. Developer enters into this Agreement as, and shall continue to be, an independent party. Under no circumstances shall Developer, or any of Developer's employees, look to Duval County as his/her employer, or as a partner, agent or principal. Neither Developer nor any of Developer's employees shall be entitled to any benefits accorded to Duval County's employees, including without limitation worker's compensation, disability insurance, or vacation or sick pay.

XVIII.
Local Outreach Plan

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

XIX.
Community Engagement

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

XX.
Terminology and Definitions

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

XXI.
Rule of Construction

The Parties hereto acknowledge that each Party and its legal counsel have reviewed and revised drafts of this Agreement, and the Parties hereby agree that the language in all parts of this

Error! Unknown document property name.

Agreement shall be in all cases construed according to its fair meaning and shall not be strictly construed for or against any Party.

**XXII.
Immunity**

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

**XXIII.
No Rights Created**

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

**XXIV.
Headings**

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

**XXV
Waiver**

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

**XXVI.
No Third-Party Beneficiaries**

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

**XXVII.
Counterparts**

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

XXVIII.
Authorization

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

XXIX.
Binding Effect

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

XXX.
Execution and Delivery

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

XXXI.
Incorporation of Recitals and Attachments

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

XXXII.
No Obligation to Construct

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

XXXIII.
Anti-Corruption

For the purposes of this Section only, “Anti-Corruption Laws” shall mean, only to the extent applicable to United States and state and local governmental entities and political subdivisions thereof, (i) the United States Foreign Corrupt Practices Act of 1977; and (ii) all applicable national, regional, provincial, state, municipal or local laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities,

facilitation payments, or other benefits to, any government official or any other person. Each Party represents, warrants, and covenants that in connection with this Agreement and the business resulting therefrom: (i) it is aware of and will comply with Anti-Corruption Laws; (ii) whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws; (iii) it has maintained and will maintain adequate written policies and procedures to comply with Anti-Corruption Laws; (iv) it has maintained and will maintain adequate internal controls, including but not limited to using reasonable efforts to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain, such as the purpose of each transaction, with whom it was entered into, for whom it was undertaken, or what was exchanged; (v) it will, to its knowledge, retain such books and records for the period required by applicable law or a Party's own retention policies, whichever is longer; (vi) in the event a Party becomes aware it has breached an obligation in this paragraph, it will promptly notify the other Party, subject to the preservation of legal privilege; (vii) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this paragraph; and (viii) only a Party (and not its affiliates or a third party) shall make payments to the other Party, except with that other Party's prior written consent. Subject to the preservation of legal privilege, for a period of seven (7) years following the termination date and on reasonable notice, each party shall have a right, at its expense, and the other Party shall take reasonable steps to enable this right, to audit the other Party's relevant books and records with respect to compliance with this paragraph. Nothing in this Agreement shall require a Party to perform any part of this Agreement or take any actions if, by doing so, the Party would not comply with the Anti-Corruption Laws. The obligations in this Section shall survive the termination as described above.

[remainder of this page intentionally blank]

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

DUVAL COUNTY, TEXAS

By: _____
_____, County Judge

Date: _____

Attest:

County Clerk

DEVELOPER:
Cielo Vista Power, LLC

By: _____

Title: _____

Date: _____

Print Name: _____

Print Title: _____

Attachment A

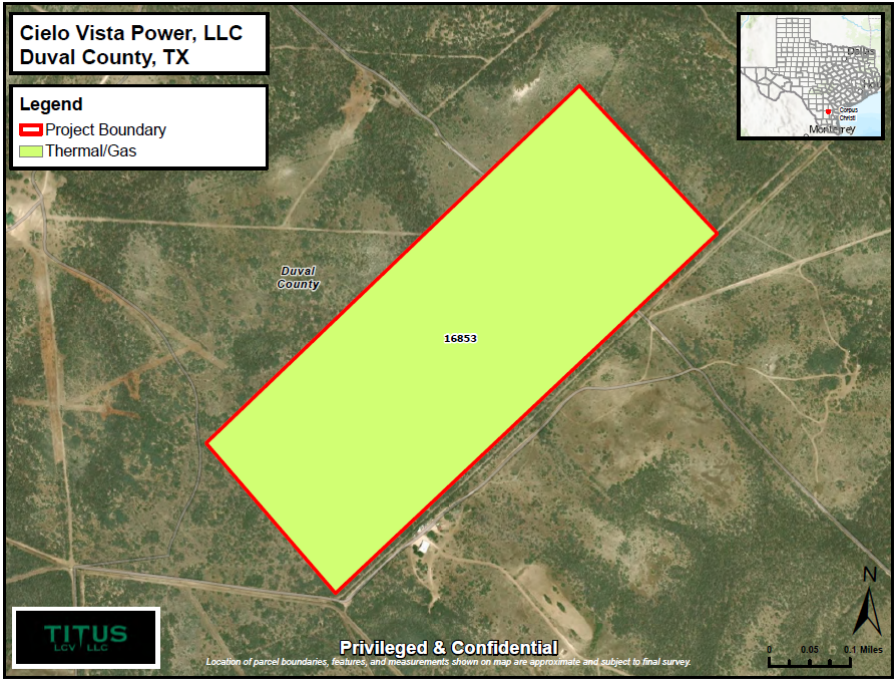
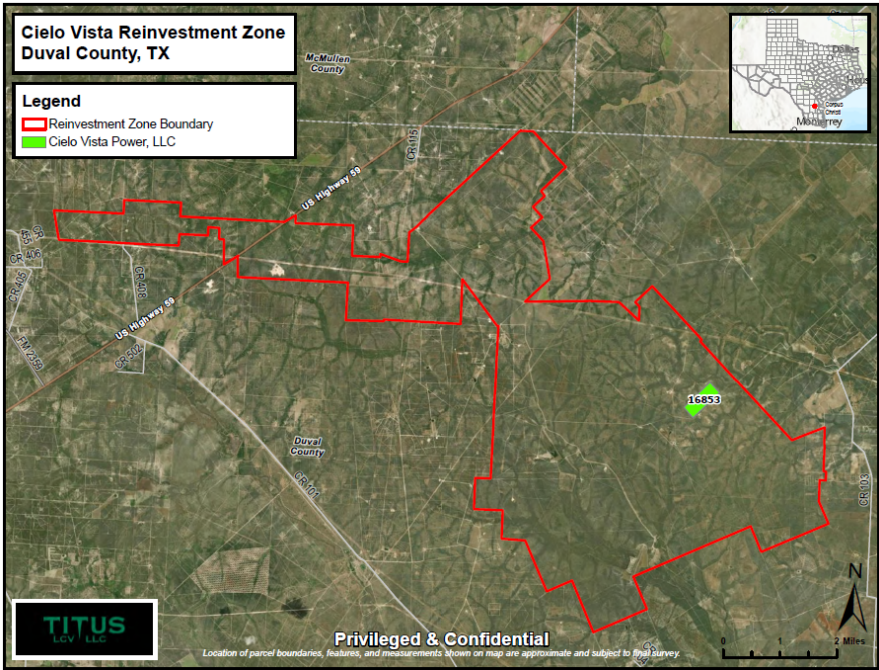
Order Designating the Cielo Vista Reinvestment Zone

Attachment B

Duval County's Tax Abatement Policies and Guidelines

Attachment C

Site



DESCRIPTION OF THE PROPERTY

The Property is a tract or tracts of land situated in Duval County, Texas, and containing approximately 4,285.57 acres, and being more particularly described as follows:

TRACT ONE:

Being a total of **4,068.21 ACRES** of land, and being that same tract of land described in Volume 287, Pages 771-800 of the Deed Records of Duval County, Texas, and being 13.3 miles north of San Diego, in Duval County, Texas, being all of the original surveys, **THE G H & R R SURVEY, ABSTRACT 259, THE R.H CORBETT, ABSTRACT 775 and THE S A & M G R R, ABSTRACT 542** and being part of the original surveys, **THE ROBERT H. CORBETT, ABSTRACT 1712; THE ROBERT H. CORBETT, ABSTRACT 1713; THE ROBERT H. CORBETT, ABSTRACT 1458; THE ROBERT H. CORBETT, ABSTRACT 775; THE ROBERT H. CORBETT, ABSTRACT 788, THE BRYANT A J, ABSTRACT 51; THE J POITEVENT, ABSTRACT 28; THE G H & H R R, ABSTRACT 261; THE G. HUGGINS, ABSTRACT 322, THE P. DE LA ZERDA, ABSTRACT 535; THE S A & M G R R, ABSTRACT 542; THE R H CORBETT, ABSTRACT 1681; THE S A & M G R R, ABSTRACT 832; THE S A & M G R R, ABSTRACT 542; THE J POITEVENT, ABSTRACT 803; THE J POITEVENT, ABSTRACT 392; THE J POITEVENT, ABSTRACT 394**, all in Duval County, Texas, and being more particularly described by metes and bounds as follows;

BEGINNING at a 5/8 inch iron rod found for the most easterly corner of this tract;

THENCE S 01° 32' 25" W a distance of 7995.01 feet to a fence corner post found for the southeast corner of this tract;

THENCE S 77° 48' 48" W a distance of 3485.70 feet to a fence corner found for a corner of this tract;

THENCE N 25° 24' 09" W a distance of 568.15 feet to a fence corner found for an interior corner of this tract;

THENCE S 64° 41' 11" W a distance of 6717.92 feet to a 5/8 inch iron rod with a plastic cap stamp 2028, and being a corner of this tract;

THENCE S 64° 57' 32" W a distance of 800.46 feet to a 5/8 inch iron rod with a plastic cap stamp 2028, and being the most southerly corner of this tract;

THENCE N 36° 50' 53" W a distance of 1586.71 feet to a one-inch iron pipe found for a corner of this tract;

THENCE N 40° 37' 29" W a distance of 987.02 feet to a one-inch iron pipe found for a corner of this tract;

THENCE N 34° 00' 22" W a distance of 6286.25 feet to a 5/8 inch iron rod found for an interior corner of this tract;

THENCE S 87° 20' 13" W a distance of 622.55 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE with the following meanders of a fence;

Vol	Ps
787	455

N 31° 30' 09" W ---- 388.97 feet to a fence corner post;
N 44° 04' 30" W ---- 1191.17 feet to a fence corner post;
N 61° 10' 12" W ---- 181.52 feet to a fence corner post;
N 80° 57' 02" W ---- 1368.20 feet to a fence corner post;
N 89° 13' 53" W ---- 265.40 feet to a fence corner post;
N 71° 49' 54" W ---- 251.05 feet to a fence corner post;
N 61° 50' 36" W ---- 210.75 feet to a fence corner post;
N 37° 17' 05" W ---- 248.17 feet to a fence corner post;
N 25° 08' 52" W ---- 398.66 feet to a fence corner post;
N 41° 01' 32" W ---- 270.81 feet to a fence corner post;
N 26° 10' 56" W ---- 389.34 feet to a fence corner post;
N 60° 06' 52" W ---- 245.79 feet to a fence corner post;
N 79° 00' 19" W ---- 279.94 feet to a fence corner post;
N 70° 34' 57" W ---- 479.86 feet to a fence corner post;
N 52° 39' 23" W ---- 201.14 feet to a fence corner post;
N 43° 25' 44" W ---- 554.78 feet to a fence corner post;
N 50° 00' 26" W ---- 247.34 feet to a fence corner post;
N 67° 00' 00" W ---- 549.59 feet to a fence corner post;
N 72° 39' 48" W ---- 565.23 feet to a fence corner post;
N 55° 34' 12" W ---- 174.16 feet to a fence corner post;
N 36° 49' 25" W ---- 193.62 feet to a fence corner post;
N 12° 17' 42" W ---- 721.03 feet to a fence corner post;
N 24° 05' 52" W ---- 434.43 feet to a fence corner post;
N 20° 35' 12" W ---- 376.78 feet to a fence corner post;
N 36° 06' 51" W ---- 514.47 feet to a fence corner post;
N 21° 02' 33" W ---- 382.10 feet to a fence corner post;
N 01° 13' 23" W ---- 352.78 feet to a fence corner post;

THENCE N 20° 56' 42" W a distance of 965.24 feet to a fence corner post and being the northwest corner of this tract;

THENCE S 85° 20' 35" W a distance of 10338.94 feet to a 5/8 inch iron rod found with a cap stamp 2028, and being a corner of this tract;

THENCE S 69° 01' 15" E a distance of 3059.27 feet to a 5/8 inch iron rod found for a corner this tract;

THENCE S 05° 37' 17" E a distance of 1768.38 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE N 81° 14' 28" E a distance of 606.33 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE N 81° 21' 59" E a distance of 601.40 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE S 07° 31' 32" E a distance of 249.44 feet to a fence corner post found for a corner of this tract;

THENCE N 82° 15' 18" E a distance of 20.48 feet to a fence corner post found for a corner of this tract;

THENCE S 22° 29' 09" E a distance of 510.48 feet to a fence corner post found for a corner of this tract;

THENCE S 69° 57' 58" E a distance of 19.62 feet to a fence corner post found for a corner of this tract;

THENCE S 22° 54' 06" E a distance of 355.60 feet to a fence corner post found for a corner of this tract;

Vol 1 Ps
787 456

THENCE S 83° 32' 34" W a distance of 606.62 feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE S 05° 12' 35" E a distance of 593.75 feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE N 89° 05' 34" E a distance of 799.68: feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE S 00° 40' 04" E a distance of 301.12 feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE S 83° 19' 21" E a distance of 1983.68 feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE N 88° 29' 16" E a distance of 1443.67 feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE N 68° 48' 51" E a distance of 5831.00 feet to the **POINT OF BEGINNING** and containing **4,068.21 acres**, more or less.

TRACT TWO:

Being a total of **217.36 acres** out of a called **4,284.92 acres** of land, described in Volume 287, Pages 771-800 of the Deed Records of Duval County, Texas, and being 13.3 miles north of San Diego, in Duval County, Texas, being all of the original survey **THE RH CORBETT, ABSTRACT 776** and being part of the original surveys, **THE RH CORBETT, ABSTRACT 1468**, **THE S A & M G R R, ABSTRACT 542**, **THE RH CORBETT, ABSTRACT 788**, and **THE BRYANT A J, ABSTRACT 51**, all in Duval County, Texas, and being more particularly described by metes and bounds as follows;

BEGINNING at a 5/8 inch iron rod found for the west corner of **THE B. ALMARAS SURVEY, ABSTRACT 637**, same being the northeast corner of said **THE R.H CORBETT, ABSTRACT 775** and being the southeast line of **THE BRYANT A J, ABSTRACT 51**, said 5/8 inch iron rod found being the northeast corner of this tract;

THENCE S 45° 53' 50" E a distance of 5215.67 feet to a 5/8 inch iron rod found for the southeast corner of this tract;

THENCE S 53° 16' 35" W a distance of 16.21 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE S 88° 51' 43" W a distance of 1430.46 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE N 83° 19' 21" W a distance of 1983.68 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE N 00° 40' 04" W a distance of 301.12 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE S 89° 05' 34" W a distance of 799.68 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE N 05° 12' 35" W a distance of 593.75 feet to a 5/8 inch iron rod found for a corner of this tract;

THENCE N 35° 57' 26" W a distance of 19.26 feet 10 a 5/8 inch iron rod found for a corner of this tract;

THENCE N 83° 31' 28" E a distance of 606.75 feet to a fence comer post found for a corner of this tract;

THENCE N 23° 02' 50" W a distance of 355.67 feet to a fence corner post found for a corner of this tract;

THENCE N 70° 01' 33" E a distance of 20.52 feet to a fence corner post found for a corner of this tract;
THENCE N 22° 29' 09" W a distance of 510.48 feet to a fence corner post found for a corner of this tract;
THENCE S 82° 15' 18" W a distance of 20.48 feet to a fence corner post found for a corner of this tract;
THENCE N 07° 31' 21" W a distance of 249.44 feet to a fence corner post found for a corner of this tract;
THENCE N 81° 21' 59" W a distance of 601.40 feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE S 81° 14' 28" W a distance of 606.33 feet to a 5/8 inch iron rod found for a corner of this tract;
THENCE N 05° 37' 17" W a distance of 1768.38 feet to a 5/8 inch iron rod set for a corner of this tract;
THENCE S 84° 43' 33" E a distance of 1675.90 feet **POINT OF BEGINNING** and containing **217.36 acres**, more or less.

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Attachment D

LOCAL OUTREACH PLAN

- A. Coordinator of Local Services. In connection with the preparation, construction and operation of the Project in Duval County, Developer shall (or shall cause its Contractor to) designate a coordinator of local services who will act as a liaison between any individuals, businesses, and contractors residing or doing business in Duval County who are interested in obtaining information about providing goods or services related to the construction of the Project.
- B. Additionally, Developer shall make reasonable attempts to:
1. Local Materials; Local Labor. Utilize Duval County individuals and businesses for materials, labor and services, provided nothing in this paragraph shall require Developer to use services and supplies that are not of similar quality to those provided by residents or businesses outside of Duval County or are not made available on terms and/or at prices comparable to those offered by residents or businesses outside of Duval County; and
 2. Local Hiring. In filling positions of employment connected with the Project and Improvements, Developer and its contractors and agents shall use commercially reasonable efforts to employ individuals who reside within the borders of Duval County, provided nothing in this paragraph shall require Developer or its contractors or agents to employ Duval County residents who are not (i) equally or more qualified than nonresidents; or (ii) are not available for employment on terms and/or at salaries comparable to those required by nonresidents; or (iii) able to become qualified with seventy-two (72) hours training by Developer.
 3. Employees Based Locally. Each person employed in a permanent job identified in the Agreement shall perform a portion, if not all, of their work in Duval County.
- C. Employment Information Sessions. Developer along with construction contractors of the Project, who anticipate the need to hire additional labor and/or services to complete said construction shall hold a job and contracting information session in San Diego, Texas, prior to beginning physical construction of the Project at which information session attendees shall be provided information regarding the construction, development, and operation and hiring needs of the Project. Notice relating to the time, place, and general purpose of the information session shall be published in local and regional newspapers of Duval County and the surrounding counties no less than seven (7) days in advance of the information session.
- D. Goods and Services in Duval County. Developer shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Duval County businesses in the construction, operation, and maintenance of the improvements and the Project; provided, however, there shall be no requirement to use goods and services provided by Duval County residents that are not of similar quality to those provided by nonresidents; or made available on terms and conditions (including pricing) comparable to those offered by non-residents. Comparable price shall be defined as less than or equal to 100% (105% of the nonresident price for equivalent quality, conditions, and terms.

Attachment E

Community Benefits Agreement

Section 1. Duval County Road Access Agreement. The Developer has entered into a Road Access Agreement with the County.

Section 2. San Diego Road Access Agreement. The Developer and the City of San Diego are formalizing a Road Access Agreement.

Section 3. San Diego Municipal Utility District No. 1 Wastewater Agreement. The Developer is working with the San Diego Municipal Utility District No. 1 on a Recycled Water Agreement, which requires a TCEQ permit.

Attachment F

REQUIRED DISCLOSURE AND PROVISIONS

Section 1. DISCLOSURE OF CERTAIN RELATIONSHIPS. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any supplier or person doing business with a local government entity disclose in the Questionnaire Form CIQ, the supplier or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the Records Administrator of the HCRMA not later than the 7th business day after the date the supplier or person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

Section 2. ANTI-BOYCOTT VERIFICATION. Pursuant to Section 2271.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not Boycott Israel and, subject to or as otherwise required by applicable Federal law, Contractor agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section, "Boycott Israel" shall have the meaning given such term in Section 808.001, Texas Government Code. Contractor understands "affiliate" for this Section 4.07 to mean an entity that controls, is controlled by, or is under common control with Contractor and exists to make a profit.

Section 3. PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN ENERGY COMPANIES. Pursuant to Section 2274.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not boycott energy companies, and will not boycott energy companies during the term of the contract. For purposes of this Section, "Boycott Energy Company" shall have the meaning given such term in Section 809.001, Texas Government Code.

Section 4. PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES. Pursuant to Section 2274.003, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the contract against a firearm entity or firearm trade association. For purposes of this Section, "discriminate against a firearm entity or firearm trade association" shall have the meaning given such term in Section 2274.001., Texas Government Code.

Section 5. PROHIBITION ON CONTRACTS WITH CERTAIN COMPANIES. Contractor and the person or persons executing the contract or contract amendment on behalf of Contractor, or representing themselves as executing the contract or contract amendment on behalf of Contractor (collectively, the "Signing Entities"), hereby acknowledge that (i) the Signing Entities do not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) the Signing Entities are not named on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of the Comptroller's website:

- <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

Contractor: _____

Signature: _____

Name: _____

Date: _____