

AMENDMENT NO. 1
TO AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES
BETWEEN PAINT CREEK INDEPENDENT SCHOOL DISTRICT AND IP QUANTUM,
LLC
(Comptroller Application No. 1756)

This **AMENDMENT NO. 1 TO THE AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES** (this “**AMENDMENT NO. 1**”) is entered into by and between **PAINT CREEK INDEPENDENT SCHOOL DISTRICT** (the “**District**”), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code, and **IP QUANTUM, LLC**, a Texas limited liability company, Texas Taxpayer Identification Number 32068726739 (“**Applicant**”). The Applicant and the District may hereafter be referred together as the “**Parties**” and individually as a “**Party**.” Undefined capitalized terms herein shall have the meaning given to them in the Agreement (as defined below).

WHEREAS, on or about March 21, 2022, pursuant to Chapter 313 of the Texas Tax Code, after conducting a public hearing on the matter, the District made factual findings (the “**Findings of Fact**”), and passed, approved, and executed that certain Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes dated March 21, 2022, by and between the District and Applicant (the “**Original Agreement**”); and

WHEREAS, on April 9th, 2025, pursuant to Section 10.2 of the Agreement, the Applicant requested to update District and Applicant contact information; modify the Limitation start year to 01/01/2026; update the commencement of construction to Q3 2025; update the start of commercial operations to December 2025; update the taxing authority tax rates; and, update schedules A1 – C; and

WHEREAS, the Parties notified the Texas Comptroller of Public Accounts (the “**Comptroller**”) of the Amended Application and the request for this **AMENDMENT NO. 1**, and the Comptroller issued its notice of completeness, issued its amended certification of the Amended Application, and approved the form of this **AMENDMENT NO. 1** on May 9, 2025; and

WHEREAS, on May 19, 2025, the Board of Trustees determined that this **AMENDMENT NO. 1** is in the best interest of the District and the State of Texas and is consistent with and authorized by Chapter 313 of the Texas Tax Code, and hereby approves this **AMENDMENT NO. 1** and authorizes the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President, to execute and deliver such Agreement to the Applicant.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual benefits to be derived by the Parties and other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged, and in compliance with Section 10.2 of the Agreement, the undersigned Parties agree to amend the Agreement as follows:

1. **Amendments.** The Agreement is hereby amended as follows:

A. **Section 2.3. TERM OF THE AGREEMENT.**

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is March 25, 2022, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is November 16, 2022.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 2, 2025, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the Texas Tax Code; and

ii. Ends on December 31, 2027, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

i. Starts on January 1, 2026, the first complete Tax Year that begins after the date of the commencement of Commercial Operations; and

ii. Ends on December 31, 2035.

E. The Final Termination Date for this Agreement is December 31, 2040.

B. **Section 4.3. SCHEDULE OF MINIMUM PROPERTY VALUES FOR DEBT TAX PURPOSES.**

Applicant agrees, for each of the years set forth below in this Section, to ensure that Applicant's Qualified Property shall have at least the taxable value for debt service taxation purposes as listed on the following chart, net of any loss of value attributable to a Major Property Loss during a calendar year preceding the date of appraisal for the Tax Year for which values are being guaranteed by the chart below, but only to the extent that Applicant is pursuing the repairs of such Major Casualty Loss with reasonable diligence, and to the extent that appraised values for the repair of such Major Property Loss are subtracted from the amount of such loss calculation.

The following minimum property values, listed for each Tax Year, represent 90% of the values set forth by the Applicant in Schedule B of the Application.

Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Guaranteed Minimum Taxable Value
1	January 1, 2026	2026-2027	2026	\$ 211,330,800
2	January 1, 2027	2027-2028	2027	\$ 194,407,020
3	January 1, 2028	2028-2029	2028	\$ 176,145,210
4	January 1, 2029	2029-2030	2029	\$ 156,409,290
5	January 1, 2030	2030-2031	2030	\$ 135,108,630
6	January 1, 2031	2031-2032	2031	\$ 112,107,060
7	January 1, 2032	2032-2033	2032	\$ 87,268,500
8	January 1, 2033	2033-2034	2033	\$ 60,434,190
9	January 1, 2034	2034-2035	2034	\$ 45,506,970
10	January 1, 2035	2035-2036	2035	\$ 45,503,280

- C. Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES CAUSED BY APPLICANT'S FAILURE TO MAINTAIN MINIMUM PROPERTY VALUES.** In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, beginning with Tax Year 2026 and continuing thereafter through Tax Year 2035, shall also indemnify and reimburse the District for any loss of District Debt Service Tax revenues to its Interest and Sinking (I&S) Fund, arising from Applicant's failure to maintain at least the taxable values set forth in Section 4.3 on the Qualified Property that is the subject of this Agreement for Debt Service Tax purposes.

In the event that Applicant fails to maintain the minimum annual taxable value for Debt Service Tax purposes as set forth in Section 4.3, above, Applicant shall reimburse the District for such revenue shortfall in accordance with the following formula:

Guaranteed Local Debt Service Tax Value (as listed in Section 4.3) for the applicable Tax Year

Minus

Actual Taxable Value for Debt Service Tax purposes for the applicable year (net of any loss of value attributable to a Major Property Loss)

Multiplied by

District's adopted Debt Service Tax rate for the applicable year.

If, for any year of this Agreement, the calculation set forth in this Section results in a negative number, the negative number will be considered to be zero.

The District specifically agrees that all payments to the District made under this Subsection shall only be deposited into the District's Interest and Sinking Fund account and may be used for no other purpose.

Section 6.1. SUPPLEMENTAL PAYMENTS.

Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

TAX YEAR	PAYMENT DUE DATE	AMOUNT OF ANNUAL PAYMENT LIMIT
2024	January 31, 2026	\$50,000
2025	January 31, 2026	\$50,000
2026	January 31, 2027	\$50,000
2027	January 31, 2028	\$50,000
2028	January 31, 2029	\$50,000
2029	January 31, 2030	\$50,000
2030	January 31, 2031	\$50,000
2031	January 31, 2032	\$50,000
2032	January 31, 2033	\$50,000
2033	January 31, 2034	\$50,000
2034	January 1, 2035	\$50,000
2035	January 1, 2036	\$50,000
2036	January 1, 2037	\$50,000
2037	January 1, 2038	\$50,000
2038	December 31, 2038	\$50,000

D. **Section 10.1** of the Agreement will be updated as follows:

To the District:

Name: Glen Hill
Title: Superintendent
Organization: Paint Creek Independent School District
Mailing: 4485 FM 600
Haskell, Texas 79521
Phone: (940) 864-2868
Email: ghill@paintcreek.esc14.net

To the Applicant:

Name: Simon Ross
Title: Chief Commercial Officer
Organization: IP QUANTUM, LLC
c/o Intersect Power, LLC
Mailing: 9450 SW Gemini Drive PMB#68743
Beaverton, OR 97008
Phone: 415-971-0130
Email: simon@intersectpower.com

With Copy To:

Name: Corporate Legal
IP QUANTUM, LLC
c/o Intersect Power, LLC
9450 SW Gemini Drive
PMB#68743
Beaverton, OR 97008
Email: legal@intersectpower.com

2. **Effect.** Except as modified and amended by the terms of this AMENDMENT NO. 1, all of the terms, conditions, provisions and covenants of the Findings of Fact and Agreement are ratified and shall remain in full force and effect, and the Agreement and this AMENDMENT NO. 1 shall be deemed to constitute a single instrument or document and the Findings of Fact and this AMENDMENT NO. 1 shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this AMENDMENT NO. 1 and the Agreement or this AMENDMENT NO. 1 and the Findings of Fact; the terms of this AMENDMENT NO. 1 shall prevail. A copy of this AMENDMENT NO. 1 shall be delivered to the Texas Comptroller to be posted to the Texas Comptroller's internet website. A copy of this AMENDMENT NO. 1 shall be recorded with the official Minutes of the meeting at which it has been approved on May 19, 2025.

3. **Binding on Successors and Assigns.** The Agreement, as amended by this AMENDMENT NO. 1, shall be binding upon and inure to the benefit of the Parties and each other person and entity having any interest therein during their ownership thereof, and their respective successors and assigns.

4. **Counterparts.** This AMENDMENT NO. 1 may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document.

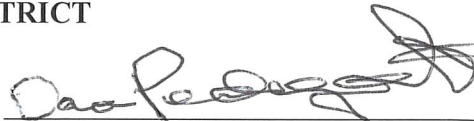
IN WITNESS WHEREOF, the District and Applicant have caused this AMENDMENT NO. 1 to be executed and delivered by their duly authorized representatives on this 19th day of May 2025.

IP QUANTUM, LLC

By: 

SIMON ROSS
CHIEF COMMERCIAL OFFICER

PAINT CREEK INDEPENDENT SCHOOL DISTRICT

By: 

PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: _____
SECRETARY, BOARD OF TRUSTEES

OR IN THE EVENT OF A CONFLICT OF INTEREST

By: 

VICE PRESIDENT, BOARD OF TRUSTEES