

**AMENDMENT NO. 1
TO AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES BETWEEN THE
CENTRAL INDEPENDENT SCHOOL DISTRICT
AND AZALEA SPRINGS SOLAR PARK LLC
(Comptroller Application No. 1582)**

STATE OF TEXAS §
 §
COUNTY OF ANGELINA §

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 **CENTRAL 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 **AZALEA SPRINGS SOLAR PARK LLC**, a Texas limited liability company, Texas Taxpayer Identification Number 32075265754 (the “**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.

WHEREAS, on or about September 13, 2021, 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 September 13, 2021, by and between the District and Applicant (the “**Agreement**”);

WHEREAS, pursuant to Section 10.2 of the Agreement, the Applicant has provided notice to the District that the Applicant seeks to amend the start of the Tax Limitation Period in the Agreement to January 1, 2025, hereinafter referred to as the “**Amended Application**”;

WHEREAS, the Parties notified the Texas Comptroller of Public Accounts (the “**Comptroller**”) of the Amended Application and the request for this Amendment No. 1 on March 4, 2022, and the Comptroller issued its notice of completeness letter on April 14, 2022; issued its amended certification of the Amended Application on April 14, 2022; and approved the form of this Amendment No. 1 on April 14, 2022; and

WHEREAS, on May 12, 2022, after conducting a public hearing and providing interested persons an opportunity to be heard on the matter, 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 District’s representative, whose signature appears below, to execute and deliver such Amendment No. 1 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 intending to be legally bound, do hereby covenant and agree to amend the Agreement as follows:

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

a. **Sections 2.3.D and 2.3.E.** Sections 2.3.D and 2.3.E of the Agreement are deleted in their entirety and replaced with the following:

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2025, which is the first complete Tax Year that begins after the end of Qualifying Time Period; and
- ii. Ends on December 31, 2034, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i. plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2039, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

b. **Section 4.2.C.** Section 4.2.C of the Agreement is deleted in its entirety and replaced with the following:

C. The Parties agree that any resulting Lost M&O Revenue calculated for the first year of the Tax Limitation Period shall be disbursed to the District by the Applicant in six (6) equal, annual installments. Each installment payment is due on or before January 31 of any given year following the tax levy, with the first installment due and payable on or before January 31, 2026, and the final installment due, and payable on or before January 31, 2031.

c. **Section 6.3.** Section 6.3 of the Agreement is deleted in its entirety and replaced with the following:

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The District shall receive Supplemental Payments on the dates set forth in the following schedule.

Agreement Year	School Year	Tax Year	Payment Due Date	Supplemental Payment
Stub	2022 – 2023	2022	January 31, 2023	\$146,200
QTP1	2023 – 2024	2023	January 31, 2024	\$146,200
QTP2	2024 – 2025	2024	January 31, 2025	\$146,200
L1	2025 – 2026	2025	January 31, 2026	\$146,200
L2	2026 – 2027	2026	January 31, 2027	\$146,200
L3	2027 – 2028	2027	January 31, 2028	\$146,200
L4	2028 – 2029	2028	January 31, 2029	\$146,200
L5	2029 – 2030	2029	January 31, 2030	\$146,200
L6	2030 – 2031	2030	January 31, 2031	\$146,200
L7	2031 – 2032	2031	January 31, 2032	\$146,200
L8	2032 – 2033	2032	January 31, 2033	\$146,200
L9	2033 – 2034	2033	January 31, 2034	\$146,200
L10	2034 – 2035	2034	January 31, 2035	\$146,200
MVP1	2035 – 2036	2035	January 31, 2036	\$146,200

MVP2	2036 – 2037	2036	January 31, 2037	\$146,200
MVP3	2037 – 2038	2037	December 31, 2037	\$146,200

Subject to Section 4.10, any limitations imposed by this Article VI, and the other terms of this Agreement, Applicant expressly agrees and warrants that Applicant will be obligated to have made Supplemental payments to the District in an amount equal to One Hundred Forty-Six Thousand, Two Hundred Dollars (\$146,200) per year for each Tax Year of this Agreement beginning with Tax Year 2022 and ending with Tax Year 2037. Failure to make such payments shall be treated as a Material Breach of the Agreement and be subject to the provisions of Article IX, below.


- d. **Exhibit 5. EXHIBIT 5** to the Agreement is deleted in its entirety and replaced with the attached **EXHIBIT 5**.
1. **Effect.** Except as modified and amended by the terms of this Amendment No. 1, all of the terms, conditions, provisions and covenants of the 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. Should there be any inconsistency between the terms of this Amendment No. 1 and the Agreement; 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, and a copy of this Amendment No. 1 shall also be recorded with the Findings of Fact in the official minutes of the meeting of September 13, 2021.
 2. **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.
 3. **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.
 4. **Electronic Delivery.** This Amendment No. 1 may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by email). The executing Party agrees to promptly deliver a complete, executed original or counterpart of this Amendment to the other executing Parties. This Amendment No. 1 shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

[Signatures follow on the next page]


IN WITNESS HEREOF, the District and Applicant have caused this Amendment No. 1 to be executed and delivered by their duly authorized representatives as of the Effective Date below.

APPROVED AND EFFECTIVE as of the 12th day of May, 2022.

AZALEA SPRINGS SOLAR PARK LLC

By: 
Kris Cheney
Executive Vice President

**CENTRAL
INDEPENDENT SCHOOL DISTRICT**

By: 
Brant Lee
Board President

ATTEST:


By: 
Jeff Cordova
Board Secretary

EXHIBIT 5
AGREEMENT SCHEDULE

	Agreement Year	School Year	Tax Year	Date of Appraisal	Summary Description
Qualifying Time Period	STUB (0)	2022 – 2023	2022	January 1, 2022	No Limitation
	QTP1	2023 – 2024	2023	January 1, 2022	No Limitation
	QTP2	2024 – 2025	2024	January 1, 2024	No Limitation
Value Limitation Period (10 Years)	L1	2025 – 2026	2025	January 1, 2025	\$20M Limitation
	L2	2026 – 2027	2026	January 1, 2026	\$20M Limitation
	L3	2027 – 2028	2027	January 1, 2027	\$20M Limitation
	L4	2028 – 2029	2028	January 1, 2028	\$20M Limitation
	L5	2029 – 2030	2029	January 1, 2029	\$20M Limitation
	L6	2030 – 2031	2030	January 1, 2030	\$20M Limitation
	L7	2031 – 2032	2031	January 1, 2031	\$20M Limitation
	L8	2032 – 2033	2032	January 1, 2032	\$20M Limitation
	L9	2033 – 2034	2033	January 1, 2033	\$20M Limitation
	L10	2034 – 2035	2034	January 1, 2034	\$20M Limitation
Maintain Viable Presence (5 Years)	MVP1	2035 – 2036	2035	January 1, 2035	No Limitation
	MVP2	2036 – 2037	2036	January 1, 2036	No Limitation
	MVP3	2037 – 2038	2037	January 1, 2037	No Limitation
	MVP4	2038 – 2039	2038	January 1, 2038	No Limitation
	MVP5	2039 – 2040	2039	January 1, 2039	No Limitation

Amendment No. 1 to Agreement
Between Central ISD and Azalea Springs Solar Park LLC, #1582
May 12, 2022
Exhibit 5

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE
OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES**

by and between

CENTRAL INDEPENDENT SCHOOL DISTRICT

and

AZALEA SPRINGS SOLAR PARK LLC

(Texas Taxpayer ID #32075265754)

Comptroller Application #1582

Dated

September 13, 2021

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller’s Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on September 13, 2021, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on September 13, 2021, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant’s Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District’s maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on September 13, 2021, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on September 1, 2021 the Texas Comptroller’s Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on September 13, 2021, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means Azalea Springs Solar Park LLC (Texas Taxpayer ID #32075265754), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on April 12, 2021. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Angelina County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Central Independent School District.

“Commercial Operation” means the date on which the Project becomes commercially operational and placed into service such that all of the following events have occurred and remain simultaneously true and accurate:

- A. The Project has been constructed, tested, and is fully capable of operating for the purpose of generating electricity for sale on one or more commercial markets;
- B. The Project has received written authorization from the grid operator for

interconnection, integration, and synchronization of the plant with the grid; and,
C. The Project has obtained all permits, required approvals, and has met all requirements necessary for safely and reliably generating electricity and delivering electricity onto the grid.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Angelina County, Texas.

“District” or “School District” means the Central Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means acts of God, war, fires, explosions, hurricanes, floods, pandemic, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller’s Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Applicable School Finance Law” means Chapters 41, 42, 48, and 49 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code),

Chapter 403, Subchapter M, of the Texas Government Code applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rule and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the Applicable School Finance Law shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"Lost M&O Revenue" shall have the meaning set forth in Section 4.2 of this Agreement.

"Maintenance and Operations Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the Texas Education Code, and Article VII § 3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 or 48 of the Texas Education Code, or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's Maintenance and Operations Revenue lost as a result of such similar agreements, minus (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 or 49 of the Texas Education Code, in each case, as any of the items in clauses (i), (ii), and (iv) above may be amended by Applicable School Finance Law from time to time, and plus or minus, as applicable, any other revenues, payments or amounts received or required to be reimbursed by the District from State and local funding for maintenance and operations purposes under Applicable School Finance Law, such that Maintenance and Operations Revenue shall be the net amount of all such revenues, payments, or other amounts which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

"New M&O Revenue" means, with respect to any school year, the total State and local Maintenance and Operations Revenue that the District received, after all adjustments have been made to such Maintenance and Operations Revenue in accordance with the provisions of the Applicable School Finance Law for such school year.

"Original M&O Revenue" means, with respect to any school year, the total State and local Maintenance and Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the ad valorem maintenance and operations tax at the tax rate actually adopted by the District for the applicable Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District, except that with respect to the Applicant's Qualified Property during the Tax Limitation Period, such calculations shall use the Taxable Value for each applicable Tax Year of the Applicant's

Qualified Property which is used for the calculation of the District’s tax levy for debt service (interest and sinking fund) ad valorem tax purposes. For the calculation of Original M&O Revenue, the Taxable Value for Applicant’s Qualified Property for maintenance and operations ad valorem tax purposes will not be used during the Tax Limitation Period.

“*Third Party*” shall have the meaning set forth in Section 4.3 of this Agreement.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is May 28, 2021, 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 September 13, 2021.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 2, 2022, 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, 2024, 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, 2024, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and

ii. Ends on December 31, 2033, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2038, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Twenty Million Dollars (\$20,000,000.00) based on Section 313.054 of the TEXAS TAX CODE.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$813.00 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. Provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. Provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. Provide such Supplemental Payments as more fully specified in Article VI;
- D. Create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a producing cause, resulting, at least in part because of or on account of, the execution of this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. Subject only to the limitations contained in this Agreement, it is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, to which the execution of this Agreement contributed in any matter, will be borne solely by Applicant and not by the District.

The Parties hereto expressly understand and agree that, for all Tax Years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable

Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; (ii) are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and (iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING LOST M&O REVENUE. The Parties agree that notwithstanding anything to the contrary in this Article IV, Applicant shall satisfy its obligation to the District for Lost M&O Revenue with respect to any years under this Agreement in which the provisions of Applicable School Finance Law applicable to the calculation of Original M&O Revenue and New M&O Revenue are materially similar to those enacted by House Bill 3, 86th Texas Legislature by paying the District (A) for the first year of the Tax Limitation Period, an amount equal to (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for the first year of the Tax Limitation Period if this Agreement had not been entered into by the Parties; *minus*, (ii) the amount of maintenance and operations ad valorem school taxes actually paid by Applicant for such year; and (B) for the remaining years of the Tax Limitation Period, years second through the tenth, should the value of Applicant's Qualified Property exceed the appraised value of Applicant's Qualified Property in the year prior, an amount equal to (i) the amount of maintenance and operations ad valorem school taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; minus (ii) the amount of maintenance and operations ad valorem school taxes that would have been paid by Applicant for the prior year if this Agreement had not been entered into by the Parties. The Parties agree that such amounts are revenue protection payments based on the District's taxable value of property for the preceding tax year in satisfaction of TEXAS EDUCATION CODE Section 48.256(d). Furthermore, the Parties agree that the revenue protection payment calculated for the first year of the Tax Limitation Period shall be paid to the District in accordance with Section 4.2(C) below. All other amounts for the remaining years of the Tax Limitation Period shall be due and payable pursuant to Section 4.8 by January 31 following the first year of the Tax Limitation Period.

With respect to any years in which the preceding paragraph does not apply, then subject to the limitations contained in this Agreement, the amount to be paid by Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, or for which this Agreement was the producing cause or substantial factor for each year starting in the first year of the Tax Limitation Period and ending on December 31st of the last year of the Tax Limitation Period, (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. Subject to the limitations contained in this Section 4.2, the Lost M&O Revenue owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

B. In making the calculations required by this Section 4.2 of this Agreement:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.

iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, New M&O Revenue will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 4.2 shall be made by a methodology which isolates only the full Maintenance and Operations Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District on account of or otherwise arising out of any other factors not contained in this Agreement.

C. The Parties agree that any resulting Lost M&O Revenue calculated for the first year of the Tax Limitation Period shall be disbursed to the District by the Applicant in six (6) equal, annual installments. Each installment payment is due on or before January 31 of any given year following the tax levy, with the first installment due and payable on or before January 31, 2025, and the final installment due, and payable on or before January 31, 2030.

D. All such payments owed and made by the Applicant to the District under this Section IV shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected and appointed each year by the District, subject to approval by Applicant in writing, which approval shall not be unreasonably withheld.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Property, by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to TEXAS TAX CODE § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected and appointed under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below. In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article IV of this agreement shall be recalculated by the Third Party at Applicant's sole expense using the revised property values.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.6. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, Article VI, of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her, or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE. Notwithstanding any other provision in this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District's Maintenance and Operation Revenue as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current

fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article IV, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.8. PAYMENT BY APPLICANT. Subject to Section 4.9 below, and not including the Lost M&O Revenue payment calculated for the first year of the Tax Limitation Period, which shall be paid to the District in accordance with Section 4.2(C) above, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective; provided that Applicant shall have the option – in its sole discretion – to make prepayments to the District at any time toward Applicant’s future liabilities under this Agreement. Any such prepayments shall be deducted from amounts due and owing by Applicant on the next bill or bills issued by the Third Party until the full amount of such prepayments have been credited to Applicant . Subject to the limitation set forth in this Section 4.8 below, by such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.4, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor’s Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. The Applicant shall only be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 not to exceed Fifteen Thousand Dollars (\$15,000.00) for any Tax Year during the Tax Limitation Period, and for any Tax Year during the term of this Agreement for which the Comptroller’s Biennial Report is required. For any Tax Year outside of the Tax Limitation Period and for which the Comptroller’s Biennial Report is not required, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 which exceeds Seven Thousand, Five Hundred Dollars (\$7,500.00).

Section 4.9. DISPUTE RESOLUTION PERTAINING TO THIRD PARTY CALCULATIONS. Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV of this Agreement, the Applicant may dispute the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.4 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant’s dispute in writing, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may further dispute the final determination, in writing, of the certification containing the calculations to the District’s Board of Trustees within thirty (30) days after receipt of the final determination of the calculations from the Third Party. Applicant shall be responsible for ensuring timely submission of all payments calculated under Article IV by the Third Party owed to the District even if Applicant disputes the Third-Party calculations and is appealing the Third Party’s determination. Any overage in payment as determined by the Third Party and/or Board of Trustees,

if any, shall be reimbursed to the Applicant, within 30 days, upon resolution of the dispute. Any dispute by the Applicant of the final determination of calculations shall in no way limit the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. OPTION TO TERMINATE AGREEMENT. In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the commencement of the Tax Limitation Period, to terminate this Agreement pursuant to Section 7.1 by notifying the District in writing of its exercise of such option. Applicant shall pay any payments due and not yet paid as of termination under Articles IV, V, or Supplemental Payments payable under Article VI for the year of termination, including payments deferred from prior years pursuant to Section 6.3, within thirty (30) days after Applicant delivers its termination election. Any termination of this Agreement under the foregoing provision of this Section 4.10 shall be effective immediately.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES. In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, the Applicant on an annual basis shall also indemnify and reimburse the District for the following: all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses arising out of, through and from, the execution of this Agreement and/or related to this project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment caused directly by such project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 above.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS. In interpreting the provisions of this Article VI, the Parties agree that, in addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; and that all payments under Article VI are subject to the separate limitations contained in Section 6.2 and Section 6.3. Each Supplemental Payment shall be due and payable on January 31st of the year following that in which such Supplemental Payment accrued.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s 2019-2020 Average Daily Attendance of 1,462 rounded to the nearest whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The District shall receive Supplemental Payments on the dates set forth in the following schedule:

Agreement Year	School Year	Tax Year	Payment Due Date	Supplemental Payment
Stub	2022 – 2023	2022	January 31, 2023	\$146,200
QTP1	2023 – 2024	2023	January 31, 2024	\$146,200
QTP2/L1	2024 – 2025	2024	January 31, 2025	\$146,200
L2	2025 – 2026	2025	January 31, 2026	\$146,200
L3	2026 – 2027	2026	January 31, 2027	\$146,200
L4	2027 – 2028	2027	January 31, 2028	\$146,200
L5	2028 – 2029	2028	January 31, 2029	\$146,200
L6	2029 – 2030	2029	January 31, 2030	\$146,200
L7	2030 – 2031	2030	January 31, 2031	\$146,200
L8	2031 – 2032	2031	January 31, 2032	\$146,200
L9	2032 – 2033	2032	January 31, 2033	\$146,200
L10	2033 – 2034	2033	January 31, 2034	\$146,200
MVP1	2034 – 2035	2034	January 31, 2035	\$146,200
MVP2	2035 – 2036	2035	January 31, 2036	\$146,200
MVP3	2036 – 2037	2036	December 31, 2036	\$146,200

Subject to Section 4.10, any limitations imposed by this Article VI, and the other terms of this Agreement, Applicant expressly agrees and warrants that Applicant will be obligated to have made Supplemental payments to the District in an amount equal to One Hundred Forty-Six Thousand, Two Hundred Dollars (\$146,200) per year for each Tax Year of this Agreement beginning with Tax Year 2022 and ending with Tax Year 2036. Failure to make such payments shall be treated as a Material Breach of the Agreement and be subject to the provisions of Article IX, below.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement,

the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together

with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a “Determination of Breach and Notice of Contract Termination”) and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within thirty (30) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Angelina County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Angelina County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS

TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the thirty (30) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the

amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make Ten Million Dollars (\$10,000,000) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS.

Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Mr. Justin Risner
Superintendent of Schools
Central ISD
7622 US Hwy 69 N
Pollok, Texas 75969
Phone: (936) 853-2216
Email: risnerj@centralisd.com

With Copy To:
Mr. Rick Lambert, Attorney
Powell Law Group, LLP
108 Wild Basin Road, Suite 100
Austin, Texas 78746
Phone: (512) 494-1177
Email: rlambert@plg-law.com
cc: sleung@plg-law.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Mr. Kris Cheney
Executive Vice President
EDP Renewables North America
Post Office Box 3827
Houston, Texas 77010
Phone: (713) 356-2576
Email: Kristofer.Cheney@edpr.com

With Copy To:
Ms. Danielle Thurber
Tax Manager
EDP Renewables North America
Post Office Box 3827
Houston, Texas 77010
Phone: (713) 356-2576
Email: Danielle.Thurber@edpr.com

With Copy To:
EDP Renewables North America LLC
1501 McKinney, Suite 1300
Houston, Texas 77010
Attention: General Counsel

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits,

obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. GOVERNING LAW. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with 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 in any legal proceeding shall be in a state district court in Angelina County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. 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.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this

Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words “include,” “includes,” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase, “but not limited to”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller’s Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller’s website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller’s office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.

Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified

U.S. mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

[Signature Page to Follow]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 13th day of September, 2021.

AZALEA SPRINGS SOLAR PARK LLC

CENTRAL INDEPENDENT SCHOOL DISTRICT

By:



Kris Cheney
Executive Vice President

By:



Brant Lee
Board President

ATTEST:

By:



Jeff Cordova
Vice President

EXHIBIT 1
DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Attached below is the Angelina County Commissioners' Court order designating the Azalea Springs Reinvestment Zone, including maps and legal description of the same.

COUNTY OF ANGELINA §

STATE OF TEXAS §

**ORDER OF THE COMMISSIONERS COURT
OF ANGELINA COUNTY, TEXAS
DESIGNATING AZALEA SPRINGS REINVESTMENT ZONE
FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT**

WHEREAS Section 312.401 of the Texas Tax Code provides that the commissioners court of a county by order may designate as a reinvestment zone an area of the county that does not include area in the taxing jurisdiction of a municipality;

WHEREAS the Angelina County Commissioners Court desires to designate, as a reinvestment zone for tax abatement, the area of the county described in the attached Exhibits "A-1" (Map of Zone) and "A-2" (Metes & Bounds Property Description), both of which are incorporated herein by reference;

WHEREAS the area of the county described in Exhibits "A-1" and "A-2" does not include an area in the taxing jurisdiction of a municipality;

WHEREAS the Angelina County Commissioners Court, in accordance with the requirements of Section 312.002(a) of the Texas Tax Code, has previously established guidelines and criteria governing tax abatement agreements and has passed a resolution stating that the county elects to become eligible to participate in tax abatement;

WHEREAS a public hearing on the proposed designation has been held by the Angelina County Commissioners Court, in accordance with the requirements of Section 312.401 of the Texas Tax Code, with notice of the hearing having been provided as required by law and with interested persons being allowed at the hearing to speak and present evidence for or against the designation;

WHEREAS the Angelina County Commissioners Court has also determined and hereby finds that the designation will attract major investment in the zone that will be a benefit to the property to be included in the zone and that will contribute to the economic development of the county;

NOW, THEREFORE, IT IS ORDERED AND DECREED that the area of Angelina County, Texas described in the attached Exhibits "A-1" (Map of Zone) and "A-2" (Metes & Bounds Property Description) is hereby designated as a reinvestment zone for commercial-industrial tax abatement in accordance with the provisions of Section 312.401 of the Texas Tax Code.

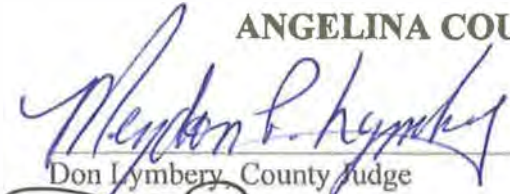
IT IS FURTHER ORDERED that this designated reinvestment zone, constituting Angelina County Reinvestment Zone Number One, shall be known as the Azalea Springs Reinvestment Zone.

IT IS FURTHER ORDERED that this designation shall take place immediately and shall be in full force and effect from the date hereof.

IT IS FURTHER ORDERED that this designation will expire five years after the date hereof, subject to the right of the commissioners court to renew the designation for additional periods not to exceed five years each, as allowed by Section 312.203 of the Texas Tax Code.

Passed, approved and adopted on this ^{22nd} 21st day of June 2021 at a regular meeting of the Commissioners Court of Angelina County, Texas, held in compliance with the Open Meetings Act, at which meeting a quorum was present and voting.

ANGELINA COUNTY COMMISSIONERS COURT


Don Lymbery, County Judge


Rodney Paulette, Commissioner, Pct. #1


Kermit Kennedy, Commissioner, Pct. #2


Terry Pitts, Commissioner, Pct. #3


Bobby Cheshire, Commissioner, Pct. #4

Attest: 
Amy Fincher, County Clerk



FILED
AT 1 O'CLOCK PM

JUN 22 2021

AMY FINCHER
County Clerk, County Court at Law
Angelina County, Texas
By 


STATE OF TEXAS
COUNTY OF ANGELINA
I hereby certify that this instrument was FILED on
the date and at the time stamped hereon by me
and was duly RECORDED in the CCM
RECORDS of Angelina County, Texas

COUNTY CLERK
ANGELINA COUNTY TEXAS

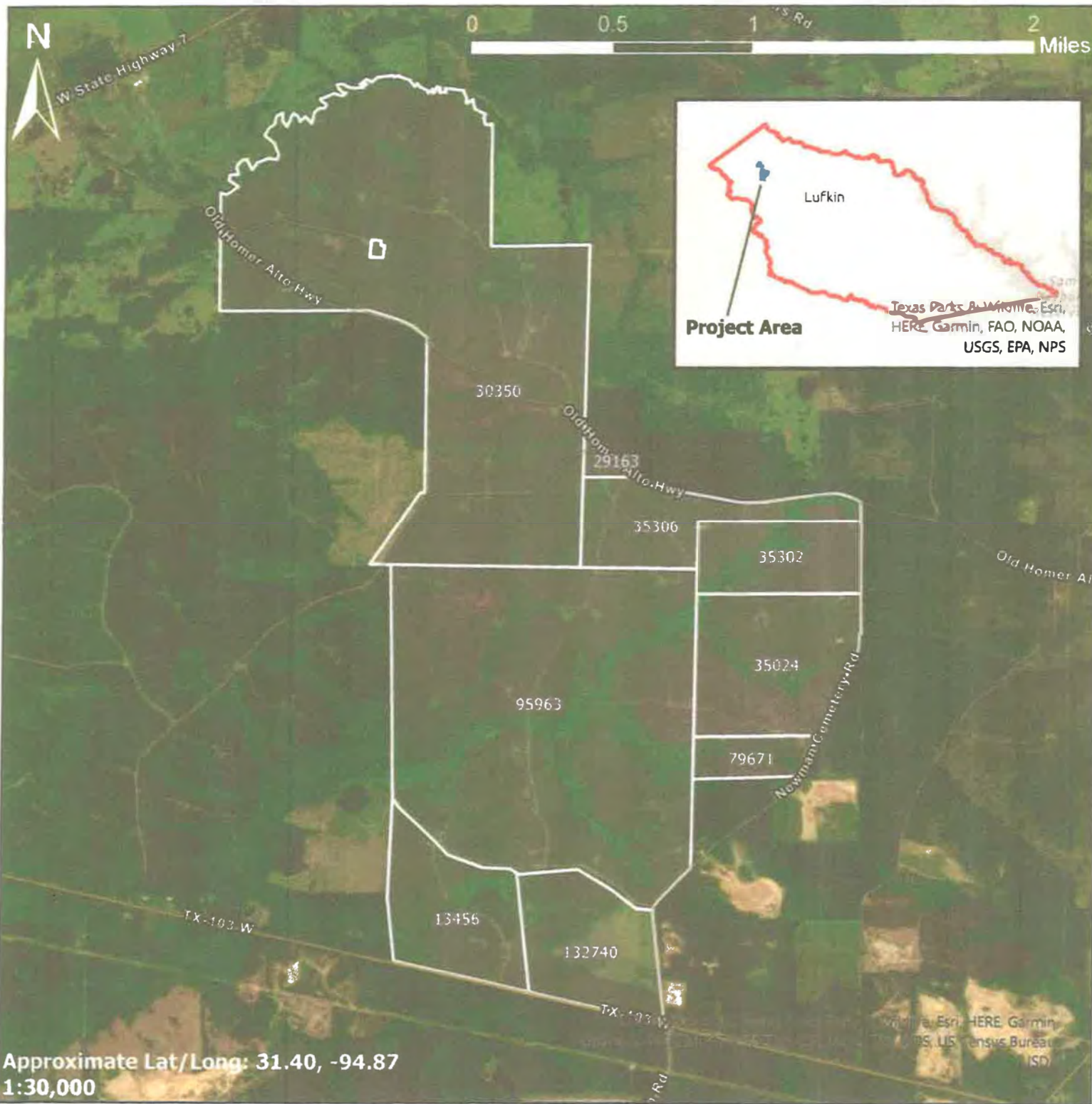
EXHIBIT "A-1"

PROPERTY DESCRIPTION

MAP OF ZONE

AZALEA SPRINGS REINVESTMENT ZONE

(ANGELINA COUNTY REINVESTMENT ZONE NUMBER ONE)



Azalea Springs Solar Park Project Parcels and Proposed Reinvestment Zone

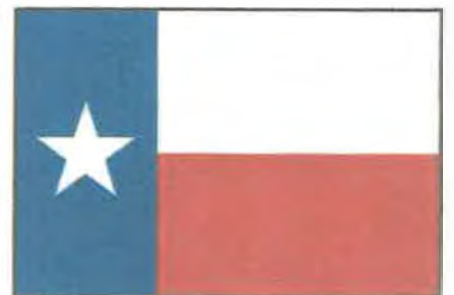
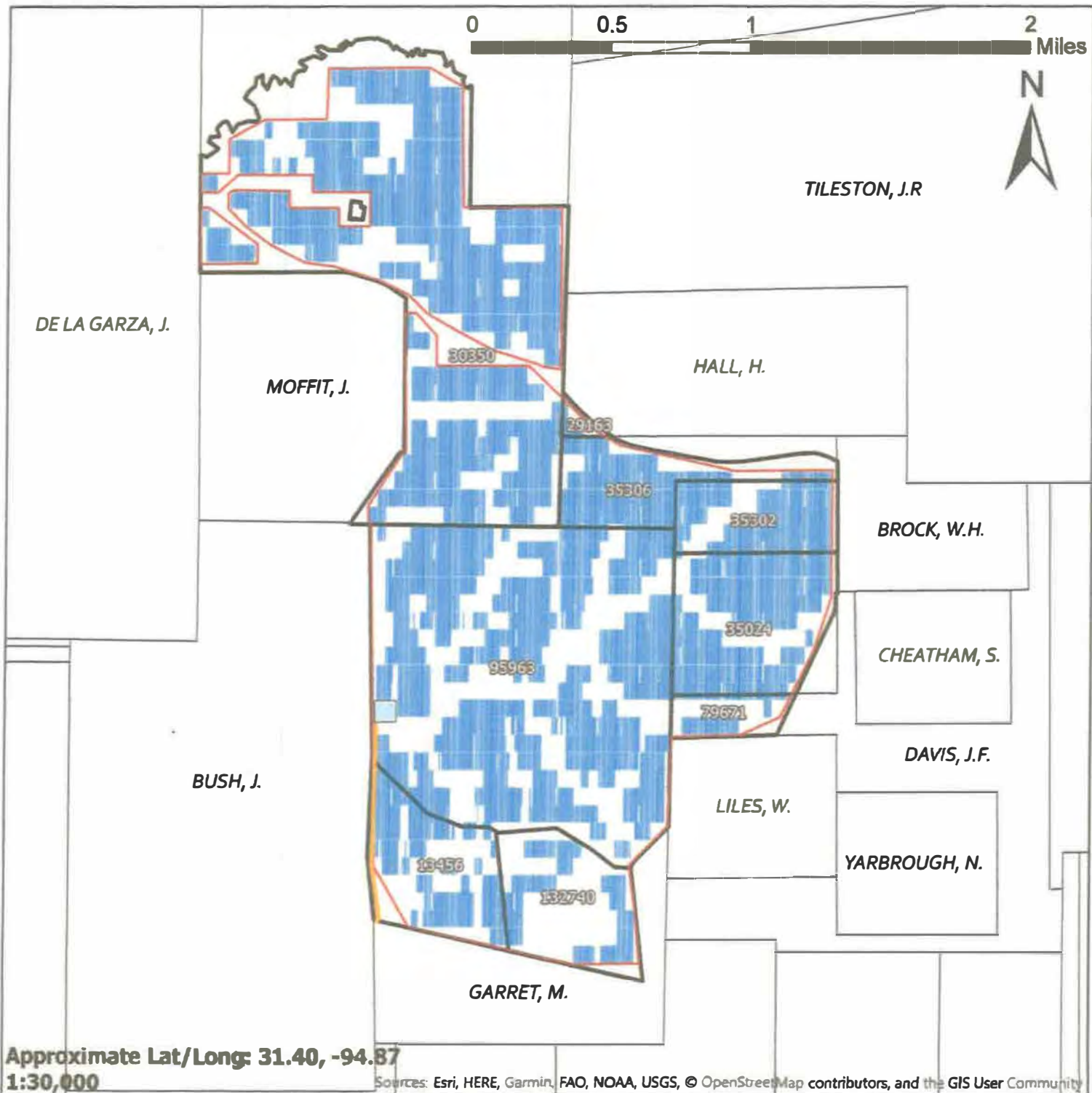


Angelina County, TX

Legend

Project Parcels and Proposed Reinvestment Zone





Azalea Springs Solar Park Proposed Improvements



Angelina County, TX

Legend

- Texas Abstracts - Labeled by Name
- Property Parcels - Labeled by PIN
- Proposed New Solar Project Layout
- Proposed New Fencing
- Proposed New Project Substation
- Proposed New Generator Lead Line

Note: Generator lead line would continue to new interconnection switchyard owned by Oncor (utility company)



Approximate Lat/Long: 31.40, -94.87
1:30,000

Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

EXHIBIT "A-2"

PROPERTY DESCRIPTION

METES & BOUNDS

AZALEA SPRINGS REINVESTMENT ZONE

(ANGELINA COUNTY REINVESTMENT ZONE NUMBER ONE)

Description of Proposed Reinvestment

Zone

Angelina County

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF ANGELINA, STATE OF TEXAS:

All that certain lot, tract or parcel of land situated in Angelina County, State of Texas, on the James Moffit Survey, A-422, Henry Hall Survey, A-324, B. F. Cloyd Survey, A-708, J. H. Bowman Survey, A-706, James M. Cook Survey, A-688, J. F. Davis Survey, A-1117, and the Milton Garrett Survey, A-14, and being all of Tract 41 called 60.00 acres, all of Tract 42 called 200.00 acres, a part of Tract 43 called 902.536 acres, all of Tract 44 called 112.20 acres, all of Tract 45 called 160.00 acres, all of Tract 46 called 79.79 acres, all of Tract 47 called 39.487 acres, all of Tract 48 called 60.31 acres, all of Tract 49 called 53.116 acres, all of Tract 50 called 46.984 acres, all of Tract 51 called 204.50 acres, and all of Tract 52 called 98.00 acres conveyed to Blue Sky Timber Properties, LLC, by International Paper Company, by Special Warranty Deed dated February 14, 2003, and recorded in Volume 1771, Page 144 of the Angelina County Official Records. Said lot, tract or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a 4"X 4" concrete monument found with cap for corner at the Southwest corner of Tract 51, at the Northwest corner of the residue of the Temple-Inland Forest Products Corp. 284.460 acre tract recorded in Volume 768, Page 541 of the Angelina County Real Property Records, in the East line of the Linwood D. Hinson 160.00 acre tract recorded in Volume 399, Page 297 of the Angelina County Deed Records, in the East line of the Jesus De La Garza Survey, A-15, and in the West line of the James Moffit Survey, A-422, from WHENCE a 26" Pine bears South 77 degrees East 54.00 feet, a 30" Pine bears South 27 degrees East 35.60 feet and a 10" Hackberry bears South 57 degrees East 46.40 feet;

THENCE NORTH 03 degrees 19 minutes 31 seconds West along a marked and painted line, 2213.19 feet to corner in Bodan Creek, from WHENCE a 3" round concrete monument found on the South bank of the said creek bears South 03 degrees 19 minutes 31 seconds East 22.28 feet, and from said concrete monument a 14" Birch bears South 89 degrees 33 minutes East 24.60 feet, a 16" Water Oak bears South 61 degrees 42 minutes East 35.50 feet, and a 10" Elm bears South 42 degrees West 16.10 feet;

THENCE along the center line of the said creek with its meanders as follows:

South 70 degrees 50 minutes 15 seconds East 98.57 feet;
North 50 degrees 44 minutes 36 seconds East 101.72 feet,
North 47 degrees 04 minutes 45 seconds East 140.58 feet,
North 54 degrees 37 minutes 57 seconds West 201.72 feet,
North 26 degrees 48 minutes 49 seconds East 37.09 feet;
North 02 degrees 29 minutes 21 seconds East 57.88 feet,
North 82 degrees 36 minutes 04 seconds East 142.89 feet,
North 19 degrees 49 minutes 04 seconds West 126.19 feet,
North 11 degrees 14 minutes 08 seconds East 74.22 feet,
North 42 degrees 38 minutes 51 seconds East 117.45 feet,
North 82 degrees 22 minutes 05 seconds East 60.35 feet,
South 26 degrees 48 minutes 55 seconds East 212.56 feet,

North 26 degrees 29 minutes 54 seconds East 158.59 feet,
 North 65 degrees 23 minutes 08 seconds East 187.05 feet,
 South 86 degrees 24 minutes 25 seconds East 136.13 feet,
 North 20 degrees 42 minutes 59 seconds East 86.51 feet,
 North 22 degrees 33 minutes 44 seconds West 164.30 feet,
 North 21 degrees 47 minutes 53 seconds West 74.13 feet,
 North 50 degrees 36 minutes 50 seconds West 136.43 feet,
 North 49 degrees 27 minutes 42 seconds West 74.37 feet,
 North 22 degrees 09 minutes 51 seconds East 142.69 feet,
 North 45 degrees 25 minutes 29 seconds East 125.54 feet,
 North 07 degrees 31 minutes 08 seconds East 155.60 feet,
 North 53 degrees 06 minutes 15 seconds East 119.45 feet,
 South 03 degrees 09 minutes 56 seconds East 156.21 feet,
 South 37 degrees 50 minutes 43 seconds East 130.14 feet,
 North 16 degrees 08 minutes 51 seconds East 144.62 feet,
 North 11 degrees 35 minutes 30 seconds East 40.12 feet,
 North 25 degrees 35 minutes 23 seconds East 82.13 feet,
 South 59 degrees 30 minutes 26 seconds East 83.49 feet,
 South 25 degrees 14 minutes 03 seconds East 111.31 feet,
 North 34 degrees 59 minutes 52 seconds East 122.09 feet,
 South 42 degrees 13 minutes 51 seconds East 173.04 feet,
 North 07 degrees 36 minutes 24 seconds East 214.67 feet,
 North 36 degrees 31 minutes 07 seconds East 87.58 feet,
 North 79 degrees 07 minutes 04 seconds East 106.98 feet,
 North 20 degrees 10 minutes 23 seconds East 67.07 feet,
 North 54 degrees 25 minutes 22 seconds West 133.94 feet,
 North 15 degrees 58 minutes 08 seconds East 29.46 feet,
 North 70 degrees 42 minutes 46 seconds East 61.83 feet,
 North 59 degrees 05 minutes 16 seconds East 169.35 feet,
 South 73 degrees 59 minutes 00 seconds East 148.80 feet,
 North 44 degrees 45 minutes 07 seconds East 71.59 feet,
 North 65 degrees 41 minutes 55 seconds West 64.89 feet,
 North 48 degrees 24 minutes 09 seconds West 91.74 feet,
 North 20 degrees 24 minutes 08 seconds West 70.41 feet,
 North 71 degrees 34 minutes 44 seconds East 77.52 feet,
 South 62 degrees 56 minutes 53 seconds East 145.32 feet,
 North 89 degrees 56 minutes 06 seconds East 64.10 feet,
 North 84 degrees 46 minutes 13 seconds East 148.75 feet,
 North 33 degrees 00 minutes 57 seconds East 48.22 feet,
 North 44 degrees 15 minutes 28 seconds East 46.95 feet,
 South 84 degrees 20 minutes 20 seconds West 114.29 feet,
 North 45 degrees 54 minutes 28 seconds East 147.60 feet,
 South 57 degrees 00 minutes 39 seconds East 102.19 feet, and
 North 36 degrees 43 minutes 47 seconds East 34.70 feet

to the intersection of Bodan Creek with Long Branch;

THENCE along the center line of Long Branch with its meanders as follows:

North 38 degrees 40 minutes 56 seconds East 84.14 feet,
 North 78 degrees 17 minutes 33 seconds East 251.85 feet,
 South 50 degrees 12 minutes 59 seconds East 34.68 feet,
 North 72 degrees 45 minutes 35 seconds East 84.47 feet,

South 33 degrees 47 minutes 51 seconds East 26.69 feet,
 South 71 degrees 50 minutes 35 seconds East 165.52 feet,
 South 35 degrees 24 minutes 58 seconds East 147.84 feet,
 North 27 degrees 51 minutes 56 seconds East 73.29 feet,
 South 40 degrees 05 minutes 26 seconds East 79.80 feet,
 South 63 degrees 57 minutes 06 seconds East 134.21 feet,
 South 19 degrees 26 minutes 41 seconds East 59.20 feet,
 North 35 degrees 59 minutes 45 seconds East 110.00 feet,
 South 10 degrees 21 minutes 08 seconds East 85.65 feet,
 North 37 degrees 15 minutes 25 seconds East 39.25 feet,
 North 21 degrees 36 minutes 20 seconds East 43.81 feet,
 North 06 degrees 23 minutes 19 seconds East 59.67 feet,
 South 83 degrees 57 minutes 38 seconds East 57.01 feet,
 South 04 degrees 10 minutes 00 seconds East 54.70 feet,
 South 01 degree 37 minutes 32 seconds East 45.44 feet,
 North 78 degrees 36 minutes 58 seconds East 47.34 feet,
 South 88 degrees 13 minutes 53 seconds East 48.00 feet,
 North 11 degrees 39 minutes 17 seconds West 80.00 feet,
 South 84 degrees 59 minutes 02 seconds East 276.58 feet,
 North 43 degrees 03 minutes 37 seconds West 90.50 feet,
 South 58 degrees 35 minutes 46 seconds East 57.71 feet,
 South 80 degrees 20 minutes 00 seconds East 53.20 feet,
 South 35 degrees 10 minutes 02 seconds West 42.57 feet,
 South 25 degrees 06 minutes 45 seconds East 154.74 feet,
 South 05 degrees 38 minutes 36 seconds West 78.48 feet,
 South 45 degrees 41 minutes 52 seconds East 25.12 feet,
 North 45 degrees 39 minutes 03 seconds East 121.64 feet,
 South 12 degrees 24 minutes 40 seconds East 91.23 feet,
 South 18 degrees 04 minutes 37 seconds East 44.00 feet,
 South 07 degrees 58 minutes 14 seconds East 42.18 feet,
 South 47 degrees 35 minutes 40 seconds East 19.30 feet,
 South 63 degrees 31 minutes 12 seconds East 86.63 feet,
 South 37 degrees 49 minutes 30 seconds East 16.17 feet,
 South 70 degrees 24 minutes 55 seconds East 88.48 feet,
 South 25 degrees 27 minutes 46 seconds West 64.57 feet,
 South 18 degrees 19 minutes 11 seconds East 40.18 feet,
 South 07 degrees 22 minutes 48 seconds East 59.62 feet,
 South 21 degrees 19 minutes 48 seconds East 36.33 feet,
 South 78 degrees 51 minutes 41 seconds East 70.19 feet,
 North 23 degrees 28 minutes 05 seconds East 37.00 feet,
 South 75 degrees 41 minutes 39 seconds East 31.40 feet,
 South 36 degrees 55 minutes 39 seconds East 50.61 feet, and
 South 85 degrees 02 minutes 21 seconds East 10.48 feet

to the Northeast corner of Tract 52, from WHENCE a 3" round concrete monument (top off) found for corner on the South bank of creek bears South 03 degrees 00 minutes 45 seconds East 21.58 feet, and from said concrete monument a 14" Sweet Gum bears North 07 degrees 53 minutes West 37.90 feet, a 28" Water Oak (dead) bears South 36 degrees 13 minutes East 23.80 feet, and a 16" Pine bears stump South 61 degrees 17 minutes West 21.40 feet;

THENCE SOUTH 03 degrees 00 minutes 45 seconds East along a marked and painted line, 2234.30 feet to a 4"X 4" concrete monument with cap found for corner at the northerly Northwest corner of Tract 48, in the East line of Tract 52, and at the Southwest corner of the James C. Young 61.217 acre

tract recorded in Volume 377, Page 475 of the Angelina County Deed Records, from WHENCE a 6" Sweet Gum bears North 26 degrees West 4.60 feet, a 7" Sweet Gum bears North 70 degrees West 6.30 feet, a 14" Sweet Gum bears South 48 degrees West 21.70 feet, and a 18" Sweet Gum bears North 77 degrees East 15.40 feet;

THENCE NORTH 86 degrees 42 minutes 13 seconds East along a marked and painted line, 1621.55 feet to a 4"X 4" concrete monument with cap found for corner at the Northeast corner of Tract 48, at the Southeast corner of the said 61.217 acre tract, in the West line of the Temple Inland 831.337 acre tract recorded in Volume 768, Page 541 of the Angelina County Real Property Records, in the East line of the James Moffit Survey, A-422, and in the West line of the James R. Tileston Survey, A-604, from WHENCE a 18" Pine bears North 88 degrees East 25.90 feet, a 16" Post Oak bears South 76 degrees West 23.20 feet, and a 8" Pine bears North 20 degrees East 5.90 feet;

THENCE SOUTH 03 degrees 04 minutes 37 seconds East along a marked and painted line, 1079.23 feet to a 3" round concrete monument found for corner at the Southeast corner of Tract 48, and at the Northeast corner of Tract 42, from WHENCE a 24" Post Oak bears North 25 degrees 31 minutes East 37.30 feet, a 31" Pine stump bears North 77 degrees 41 minutes East 19.60 feet, a 26" Pine bears South 40 degrees 57 minutes West 25.90 feet, and a 9" Pine bears South 58 degrees 12 minutes West 49.65 feet;

THENCE SOUTH 02 degrees 30 minutes 59 seconds East along a marked and painted line, 1649.66 feet to a 3" round concrete monument with cap found for corner at the Northwest corner of Tract 41, and at the westerly Southwest corner of the Jim Gordon Bell 100.00 acre tract recorded in Volume 1180, Page 888 of the Angelina County Real Property Records, from WHENCE a 20" Pine bears South 81 degrees 56 minutes East 21.30 feet, a 24" Pine bears South 86 degrees 57 minutes West 26.30 feet, a 12" Sweet Gum bears North 52 degrees 50 minutes West 22.80 feet, and a 17" Pine bears South 43 degrees 58 minutes West 34.64 feet;

THENCE NORTH 86 degrees 21 minutes 30 seconds East along a marked and painted line, 855.89 feet to a 3" round concrete monument found for corner at the northerly Northeast corner of Tract 41, and at an ELL corner of the said 100.00 acre tract, from WHENCE a 7" Sweet Gum bears South 52 degrees 36 minutes East 7.20 feet, a 28" Pine bears South 39 degrees 26 minutes West 15.70 feet, a 15" Sweet Gum bears South 76 degrees 02 minutes West 26.00 feet, and a 12" Pine bears South 17 degrees 11 minutes West 19.30 feet;

THENCE SOUTH 03 degrees 43 minutes 59 seconds East along a marked and painted line, 801.39 feet to a 3" round concrete monument found for corner at an ELL corner of Tract 41, and at the southerly Southwest corner of the said 100.00 acre tract, from WHENCE a 24" Pine bears North 54 degrees 27 minutes East 22.80 feet, a 19" double Post Oak bears South 49 degrees 20 minutes East 11.10 feet, a 18" Pine bears South 40 degrees 18 minutes West 21.10 feet, and a 12" Pine bears North 55 degrees 09 minutes West 14.68 feet;

THENCE NORTH 86 degrees 15 minutes 49 seconds East along a marked and painted line, 1887.16 feet to a 5/8" iron rod set for corner at the Northeast corner of Tract 41, at the Southeast corner of the said 100.00 acre tract, and in the West line of the Edgar Louis Fry 111.58 acre Tract 2 recorded in Volume 375, Page 570 of the Angelina County Deed Records, from WHENCE a 18" Sweet Gum bears South 45 degrees 36 minutes West 43.56 feet, and a 15" Sweet Gum bears South 65 degrees 29 minutes West 43.84 feet;

THENCE SOUTH 04 degrees 53 minutes 22 seconds East along a marked and painted line, 904.89 feet to a 6" round concrete monument found for corner at the Southeast corner of Tract 41, at the Southwest corner of the said 111.58 acre Tract 2, in the South line of the Henry Hall Survey, A-324, and in the North line of the B. F. Cloyd Survey, A-708, from WHENCE a 17" Sweet Gum bears South 89 degrees 50 minutes West 11.40 feet, a 12" White Oak bears South 36 degrees 01 minute East 13.60 feet, a

14" Pine stump bears South 86 degrees 32 minutes West 3.68 feet, and a 14" Pine bears North 56 degrees 01 minute West 37.84 feet;

THENCE NORTH 86 degrees 40 minutes 24 seconds East along a marked and painted line, 951.69 feet to a 3" round concrete monument found at the Southeast corner of the said 111.58 acre Tract 2, and at the Southwest corner of the Edgar Louis Fry 12.396 acre tract recorded in Volume 675, Page 608 of the Angelina County Real Property Records, from WHENCE a 20" Pine bears North 73 degrees 27 minutes East 21.80 feet, a 10" Sweet Gum bears South 19 degrees 37 minutes East 31.80 feet, and a 24" Pine bears South 38 degrees 10 minutes West 19.10 feet;

THENCE NORTH 87 degrees 13 minutes 02 seconds East 435.77 feet to a 8" round concrete monument found for corner at the Southeast corner of the said 12.396 acre tract, and at the Southwest corner of the Edgar Louis Fry 85.84 acre Tract 1 recorded in Volume 375, Page 570 of the Angelina County Deed Records, from WHENCE a 12" Elm bears South 66 degrees 20 minutes West 7.66 feet, a 12" Sweet Gum bears North 76 degrees 40 minutes West 9.16 feet, and a 16" Elm bears North 34 degrees 30 minutes East 11.10 feet;

THENCE NORTH 87 degrees 14 minutes 30 seconds East 177.45 feet to a 8" round concrete monument found for corner at the Northeast corner of Tract 44, in the South line of the said 85.84 acre Tract 1, in the South line of the Henry Hall Survey, A-324, at the Northeast corner of the B. F. Cloyd Survey, A-708, and at the Northwest corner of the W. H. Brock Survey, A-887, from WHENCE a 12" Water Oak bears South 21.40 feet, and a 14" Elm bears North 19 degrees East 53.00 feet;

THENCE SOUTH 02 degrees 22 minutes 39 seconds East along a marked and painted line, 825.76 feet to a 5/8" iron rod set for corner in the East ditch of a County Road (called Newman Road), at the easterly Southeast corner of Tract 44, at the Northeast corner of Tract 46, at the easterly Southeast corner of the B. F. Cloyd Survey, A-708, and at the Northeast corner of the J. H. Bowman Survey, A-706, from WHENCE a 22" Pine (on ground) bears North 57 degrees 38 minutes East 6.80 feet, a 16" Pine bears North 12 degrees 17 minutes East 35.96 feet, a 18" Pine stump bears South 64 degrees 47 minutes East 13.42 feet, and a 16" Pine bears South 19 degrees 33 minutes East 23.60 feet;

THENCE SOUTH 03 degrees 00 minutes 02 seconds East along county road 1328.55 feet to a 4"X 4" concrete monument found for corner at the Southeast corner of Tract 46, at the Northeast corner of Tract 45, at the Southeast corner of the J. H. Bowman Survey, A-706, and at the Northeast corner of the J. M. Cook Survey, A-688, from WHENCE a 12" Pine bears North 66 degrees 08 minutes East 14.60 feet, a 16" Pine stump bears North 85 degrees 51 minutes East 22.10 feet, a 14" Pine stump bears North 15 degrees 52 minutes East 38.60 feet and a 12" Pine stump bears North 32 degrees 51 minutes East 33.20 feet;

THENCE SOUTH 04 degrees 21 minutes 37 seconds East along a marked and painted line, 2630.70 feet to a 3" round concrete monument found for corner at the Southeast corner of Tract 45, at the Northeast corner of Tract 50, at the Southeast corner of the J. M. Cook Survey, A-688, and at an ELL corner of the J. F. Davis Survey, A-1117, from WHENCE a 13" Pine stump bears South 11 degrees 26 minutes West 4.83 feet, a 13" Pine stump bears South 69 degrees 39 minutes West 10.69 feet, a 16" Pine stump bears North 52 degrees 01 minute West 1.77 feet, a 20" Pine bears North 34 degrees 11 minutes East 9.77 feet, a 10" Post Oak bears South 40 degrees West 11.80 feet, a 8" Red Oak bears South 36 degrees East 15.70 feet and a 5"X 5" concrete monument found bears South 11 degrees 37 minutes 42 seconds East 2.46 feet;

THENCE SOUTH 02 degrees 03 minutes 44 seconds West 718.39 feet to a 5/8" iron rod found for corner at the easterly Southeast corner of Tract 50, from WHENCE a 4.5"X 5" concrete monument found bears South 02 degrees 02 minutes 29 seconds West 60.50 feet, a 12" pine bears North 47 degrees

01 minute West 38.58 feet, a 14" Pine bears North 02 degrees 06 minutes East 28.10 feet, and a 12" Pine bears North 77 degrees 59 minutes East 30.67 feet;

THENCE SOUTH 86 degrees 14 minutes 15 seconds West along a marked and painted line, 877.06 feet to a 5/8" iron rod found for corner in the East ROW line of a County Road (called Newman Road) at an angle corner of Tract 50, from WHENCE a 12" Pine bears North 59 degrees 21 minutes West 13.10 feet, a 10" Pine bears North 60 degrees 55 minutes East 4.40 feet, and a 5" Sweet Gum bears North 63 degrees 51 minutes East 16.40 feet;

THENCE SOUTH 18 degrees 25 minutes 42 seconds West along a marked and painted line, the East ROW line of the said road 64.84 feet to a 5/8" iron rod found for corner at the southerly Southeast corner of Tract 50, from WHENCE a 3.5"x 4" concrete monument found bears North 85 degrees 39 minutes 48 seconds East 155.11 feet, a 7" Sweet Gum bears South 34 degrees 30 minutes East 10.28 feet, a 12" Pine bears South 70 degrees 07 minutes West 10.21 feet, and a 7" Pine bears North 73 degrees 27 minutes West 5.30 feet;

THENCE SOUTH 85 degrees 40 minutes 41 seconds West along a marked and painted line, 492.39 feet to a 3.5"x 4" concrete monument found for corner at an angle corner in the South line of Tract 50, at the Northwest corner of the Carl F. Rode 18.244 acre tract recorded in Volume 269, Page 507 of the Angelina County Deed Records, and at the Northeast corner of the B. V. Johnson 26.98 acre tract recorded in Volume 1272, Page 87 of the Angelina County Real Property Records, from WHENCE a 12" Post Oak stump hole bears North 16 degrees 30 minutes East 2.86 feet, a 12" Sweet Gum bears South 53 degrees West 12.40 feet and a 12" Pine bears South 45 degrees East 4.65 feet;

THENCE SOUTH 85 degrees 36 minutes 13 seconds West along a marked and painted line, 1261.29 feet to a 3" round concrete monument found for corner at the Southwest corner of Tract 50, at the Northwest corner of the said 26.98 acre tract, at the westerly Southwest corner of the J. P. Davis Survey, A-1117, at the Northwest corner of the Martin Newman Survey, A-696, and in the East line of the Milton Garrett Survey, A-14, from WHENCE a 12" Elm bears South 30 degrees West 19.90 feet, a 5" Dogwood bears North 16 degrees 49 minutes East 18.10 feet, a 5" Sweet Gum bears North 18 degrees 06 minutes East 22.70 feet, a 14" Red Oak (snag) bears North 30 degrees 16 minutes East 23.90 feet, and a 13" Hickory (leaning West) bears North 07 degrees 33 minutes West 51.10 feet;

THENCE SOUTH 01 degree 47 minutes 19 seconds East along a marked and painted line, 1317.66 feet to a 3" round concrete monument found for corner at the Southwest corner of the Newman Cemetery Association 2.00 acre tract recorded in Volume 493, Page 439 of the Angelina County Deed Records, from WHENCE a 10" Post Oak bears South 30 degrees 09 minutes East 20.61 feet, a 10" Sweet Gum bears South 19 degrees 10 minutes East 17.60 feet, a 7" Sweet Gum bears South 06 degrees 21 minutes East 24.30 feet, and a 17" Sweet Gum bears South 26 degrees 45 minutes West 28.30 feet;

THENCE SOUTH 01 degree 47 minutes 13 seconds East along a marked and painted line, 327.89 feet to a 1/2" iron pipe found for corner in the South ROW line of a County Road (called Newman Road), and at the North corner of the Jim R. Alexander 27.64 acre tract recorded in Volume 1479, Page 53 of the Angelina County Official Records, from WHENCE a 1/2" iron rod found bears North 01 degree 37 minutes 43 seconds West 57.81 feet, and a 1/2" iron rod found bears South 00 degrees 59 minutes 02 seconds East 21.84 feet;

THENCE along the Northwest line of the said 27.64 acre tract and the Southeast line of the said county road, South 37 degrees 42 minutes 16 seconds West 429.25 feet to a 5/8" iron rod set for corner, South 38 degrees 02 minutes 49 seconds West 194.04 feet to a 1/2" iron pipe found for corner, South 37 degrees 45 minutes 33 seconds West 134.20 feet to a 5/8" iron rod set for corner, South 31 degrees 27 minutes 38 seconds West 104.04 feet to a 1/2" iron pipe found for corner, and South 19 degrees 57 minutes 03 seconds West 62.37 feet to a 1/2" iron pipe found for corner;

WHENCE in a northwesterly direction along and with a timber haul road:

North 87 degrees 23 minutes 41 seconds West 238.17 feet to a 5/8" iron rod set for corner,
 North 51 degrees 20 minutes 00 seconds West 520.00 feet to a 5/8" iron rod set for corner,
 North 58 degrees 44 minutes 00 seconds West 665.00 feet to a 5/8" iron rod set for corner,
 South 81 degrees 15 minutes 00 seconds West 935.00 feet to a 5/8" iron rod set for corner,
 North 60 degrees 38 minutes 00 seconds West 185.00 feet to a 5/8" iron rod set for corner,
 South 88 degrees 40 minutes 00 seconds West 435.00 feet to a 5/8" iron rod set for corner,
 North 69 degrees 27 minutes 00 seconds West 610.00 feet to a 5/8" iron rod set for corner,
 North 42 degrees 16 minutes 00 seconds West 300.00 feet to a 5/8" iron rod set for corner,
 North 45 degrees 57 minutes 00 seconds West 860.00 feet to a 5/8" iron rod set for corner, and

- North 35 degrees 52 minutes 00 seconds West 314.40 feet to a 5/8" iron rod set for corner with cap stamped Carter 1935 in the West line of Tract 43, in the West line of the Milton Garrett Survey, A-14, in the East line of the Temple Industries Inc. 160.00 acre first tract recorded in Volume 320, Page 597 of the Angelina County Deed Records, and in the East line of the John Bush Survey, A-7, from WHENCE a 4"x 4" concrete monument found bears South 00 degrees 08 minutes 02 seconds East 1898.90 feet, a 10" Pine bears North 43 degrees West 26.45 feet, a 10" Pine bears North 85 degrees West 19.30 feet, and a 6" Pine bears South 33 degrees West 5.60 feet;

WHENCE NORTH 00 degrees 08 minutes 02 seconds West along a marked and painted line, 769.10 feet to a 4"x 4" concrete monument found for corner at the Northeast corner of the said 160.00 acre first tract, and at the Southeast corner of the Temple-Eastex, Inc., 414.43 acre tract recorded in Volume 652, Page 6 of the Angelina County Real Property Records, from WHENCE a 28" Post Oak bears South 46 degrees 22 minutes West 37.50 feet, a 30" Pine bears South 11 degrees 20 minutes West 35.00 feet, a 24" Black Gum bears South 76 degrees 02 minutes East 7.70 feet, and a 17" Elm stump hole bears North 60 degrees 09 minutes East 4.85 feet;

WHENCE NORTH 04 degrees 38 minutes 14 seconds West along a marked and painted line, 3454.90 feet to a 4" round concrete monument found for corner at the Northwest corner of Tract 43, in the South line of Tract 49, at the Northeast corner of the said 414.43 acre tract, at the Northwest corner of the Milton Garrett Survey, A-14, in the South line of the James Moffitt Survey, A-422, and at the Northeast corner of the John Bush Survey, A-7, from WHENCE a 10" Pine bears South 64 degrees 20 minutes East 2.75 feet, a 24" Pine bears North 02 degrees 02 minutes West 33.60 feet, and a 24" Pine bears South 45 degrees 55 minutes East 24.80 feet;

WHENCE SOUTH 86 degrees 46 minutes 03 seconds West along a marked and painted line, 114.44 feet to a 1/2" iron rod found for corner at the Southwest corner of Tract 49, and at the Southeast corner of the residue of the Southern Pine Lumber Company 269.00 acre tract recorded in Volume 117, Page 119 of the Angelina County Deed Records, from WHENCE a 6" Pine bears North 61 degrees 42 minutes East 17.65 feet, a 7" Pine bears South 27 degrees 24 minutes East 24.10 feet, and a 22" Pine bears North 86 degrees 11 minutes West 9.60 feet;

WHENCE NORTH 24 degrees 52 minutes 57 seconds East 1557.79 feet to a 3" round concrete monument found (top gone) for corner at the Northwest corner of Tract 49, at the Southwest corner of Tract 42, and at an angle corner of the residue of the said 269.00 acre tract, from WHENCE a 10" Post Oak bears North 33 degrees 57 minutes West 27.90 feet, a 14" Pine bears North 75 degrees 42 minutes West 16.70 feet, a 8" Pine stump bears South 04 degrees 33 minutes West 16.62 feet, a 18" Pine bears South 61 degrees 28 minutes West 19.50 feet, and a 10" Post Oak bears North 33 degrees 57 minutes West 27.90 feet;

THENCE NORTH 03 degrees 09 minutes 25 seconds West along a marked and painted line, 2865.10 feet to a 1/2" iron rod found for corner at the southerly Southeast corner of Tract 48, in the North ROW line of a dirt road, and at the Northeast corner of the residue of the Temple-Inland Forest Products Corp. 284.460 acre tract recorded in Volume 768, Page 541 of the Angelina County Real Property Records, from WHENCE a 8" Post Oak bears South 48 degrees 30 minutes West 2.57 feet, a 16" Post Oak bears South 85 degrees 10 minutes West 6.80 feet, and a 5" Pine bears North 24 degrees 44 minutes West 13.85 feet;

THENCE along the North ROW line of the said dirt road and along a marked and painted line:

North 52 degrees 51 minutes 02 seconds West 184.18 feet to a 5/8" iron rod set for corner,
 North 53 degrees 23 minutes 18 seconds West 125.80 feet to a 5/8" iron rod set for corner,
 North 57 degrees 33 minutes 45 seconds West 63.94 feet to a 5/8" iron rod set for corner,
 North 62 degrees 28 minutes 11 seconds West 54.31 feet to a 5/8" iron rod set for corner,
 North 67 degrees 11 minutes 53 seconds West 102.21 feet to a 5/8" iron rod set for corner,
 North 72 degrees 33 minutes 38 seconds West 91.88 feet to a 5/8" iron rod set for corner,
 North 73 degrees 25 minutes 00 seconds West 88.05 feet to a 5/8" iron rod set for corner,
 North 73 degrees 12 minutes 43 seconds West 432.98 feet to a 5/8" iron rod set for corner, and

North 74 degrees 58 minutes 01 second West 89.75 feet to corner in a 14" Pine tree found at the Southwest corner of Tract 48, in the South line of Tract 51, and at an angle corner of the said 284.460 acre tract, from WHENCE a 8" Pine bears North 43 degrees 24 minutes West 31.22 feet, and a 8" Sweet Gum bears North 76 degrees 47 minutes East 30.44 feet;

THENCE SOUTH 86 degrees 41 minutes 45 seconds West along a marked and painted line, along the South line of Tract 51, and along the North line of the said 284.460 acre tract, 2218.14 feet to the place of beginning and containing 1809.439 acres of land, save and except 1.473 acres of land lying within the Bodan Cemetery described by metes and bounds as follows:

BEGINNING at a chain link fence corner found for corner at the occupied Southeast corner of the said cemetery and being North 14 degrees 06 minutes 39 seconds West 987.53 feet from the Southeast corner of Tract 51, from WHENCE a 7" Sweet Gum bears North 71 degrees 38 minutes East 13.60 feet, a 12" Pine bears South 78 degrees 59 minutes East 20.10 feet, a 12" Pine snag bears South 69 degrees 21 minutes East 18.70 feet, and a 16" Post Oak bears North 03 degrees West 28.40 feet;

THENCE NORTH 86 degrees 51 minutes 38 seconds West 215.46 feet to a chain link fence corner found for corner, from WHENCE a 10" Pine bears South 68 degrees West 26.90 feet, and a 20" Post Oak bears North 29 degrees East 34.70 feet;

THENCE NORTH 07 degrees 05 minutes 00 seconds East 331.59 feet to a chain link fence corner found for corner, from WHENCE a 28" Post Oak bears South 59 degrees 11 minutes West 20.50 feet, a 28" Pine bears South 75 degrees 52 minutes West 39.40 feet, a 12" Hickory bears North 28 degrees 47 minutes West 27.60 feet, and a 28" Pine bears North 07 degrees 16 minutes East 9.90 feet;

THENCE SOUTH 81 degrees 29 minutes 17 seconds East 152.35 feet to a chainlink fence corner found for corner, from WHENCE a 24" Sweet Gum bears North 60 degrees 08 minutes West 50.55 feet, and a 18" Pine bears North 59 degrees 37 minutes East 14.00 feet;

THENCE SOUTH 03 degrees 02 minutes 22 seconds West 91.61 feet to a chainlink fence corner found for corner, from WHENCE a 13" Pine stump bears North 21 degrees 22 minutes East 29.90 feet, a 20" Pine stump bears North 66 degrees 22 minutes East 41.75 feet, a 12" Cedar (unmarked) bears South 57 degrees West 5.70 feet, and a 28" Post Oak (unmarked) bears North 50 degrees West 9.80 feet;

THENCE SOUTH 87 degrees 14 minutes 43 seconds East 59.26 feet to a chainlink fence corner found for corner, from WHENCE a 26" Post Oak (unmarked) bears South 40 degrees West 34.40 feet, and a 18" Post Oak (unmarked) bears South 64 degrees West 42.80 feet;

THENCE SOUTH 07 degrees 49 minutes 12 seconds West 226.08 feet to the place of beginning and containing 1.473 acres of land, leaving a net of 1807.966 acres of land. All trees marked X with two hacks above and below the X, and distance to center unless otherwise noted.

PIN: 0014-020-001-003-00

PIN: 0324-004A-005-000-00

PIN: 0422-004-010-000-00

PIN: 0688-020-001-000-00

PIN: 0706-020-001-000.00

PIN: 0708-020-001-000-00

PIN: 1117-020-001-001-00

SAVE & EXCEPT THE FOLLOWING (see following 4 pages):

BEGINNING at a 8" round concrete monument found for corner at the Easterly Northeast corner of the called 1807.966 acre tract, in the South line of the Edgar Louis Fry 85.84 acre Tract 1 recorded in Volume 375, Page 570 of the Angelina County Deed Records, in the South line of the Henry Hall Survey, A-324, at the Northeast corner of the B. F. Cloyd Survey, A-708, and at the Northwest corner of the W. H Brock Survey, A-887, from **WHENCE** a 12" Water Oak bears South 21 40 feet, and a 14" Elm bears North 19 degrees East 53 00 feet;

THENCE SOUTH 02 degrees 22 minutes 39 seconds East along a marked and painted line, 359.97 feet to a 5/8" iron rod set for corner;

THENCE NORTH 64 degrees 35 minutes 34 seconds West 177.93 feet to a 5/8" iron rod set for corner;

THENCE NORTH 72 degrees 38 minutes 42 seconds West 152.96 feet to a 5/8" iron rod set for corner;

THENCE NORTH 83 degrees 22 minutes 42 seconds West 76 97 feet to a 5/8" iron rod set for corner;

THENCE SOUTH 84 degrees 20 minutes 10 seconds West 188.19 feet to a 5/8" iron rod set for corner;

THENCE SOUTH 78 degrees 06 minutes 10 seconds West 997.00 feet to a 5/8" iron rod set for corner;

THENCE NORTH 04 degrees 53 minutes 22 seconds West 369.35 feet to 6" round concrete monument found for corner at an ELL. corner of the called 1807.966 acre tract, at the Southwest corner of the Edgar Louis Fry 111.58 acre Tract 2 recorded in Volume 375, Page 570 of the Angelina County Deed Records, in the South line of the Henry Hall Survey, A-324, and in the North line of the B. F. Cloyd Survey, A-708, from **WHENCE** a 17" Sweet Gum bears South 89 degrees 50 minutes West 11.40 feet, a 12" White Oak bears South 36 degrees 01 minute East 13.60 feet, a 14" Pine stump bears South 86 degrees 32 minutes West 3.68 feet, and a 14" Pine bears North 56 degrees 01 minute West 37.84 feet;

THENCE NORTH 86 degrees 40 minutes 24 seconds East along a marked and painted line, 951.69 feet to a 3" round concrete monument found for corner at the Southeast corner of the said 111.58 acre Tract 2, and at the Southwest corner of the Edgar Louis Fry 12.396 acre tract recorded in Volume 675, Page 608 of the Angelina County Real Property Records, from **WHENCE** a 20" Pine bears North 73 degrees 27 minutes East 21 80 feet, a 10" Sweet Gum bears South 19 degrees 37 minutes East 31.80 feet, and a 24" Pine bears South 38 degrees 10 minutes West 19.10 feet;

THENCE NORTH 87 degrees 13 minutes 02 seconds East along a marked and painted line 435.77 feet to a 8" round concrete monument found for corner at the Southeast corner of the said 12.396 acre tract, and at the Southwest corner of the said Edgar Louis Fry 85.84 acre Tract 1, from **WHENCE** a 12" Elm bears South 66 degrees 20 minutes West 7 66 feet, a 12" Sweet Gum bears North 76 degrees 40 minutes West 9 16 feet, and a 16" Elm bears North 34 degrees 30 minutes East 11.10 feet;

THENCE NORTH 87 degrees 14 minutes 30 seconds East along a marked and painted line 177.45 feet to the place of beginning and containing 10.001 acres of land.

Containing approximately 10.001 acres of land

AND

All that certain lot, tract or parcel of land situated in Anglin County, State of Texas, on the J. F. Davis Survey, A-1117, and the J. M. Cook Survey, A-688, and being a part of the called 1807.966 acre tract conveyed to Brushy Creek Timber XII, LLC, by Blue Sky Timber Properties, LLC, by Special Warranty Deed dated March 22, 2004 and recorded in Volume 194 7, Page 254, of the Anglin County Real Property Records. Said lot, tract or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8" iron rod found for corner at the easterly Southeast corner of the called 1807.966 acre tract, from **WHENCE** a 4.5"x 5" concrete monument found bears South 02 degrees 02 minutes 29 seconds West 60.50 feet, a 12" pine bears North 47 degrees 01 minute West 38.58 feet, a 14" Pine bears North 02 degrees 06 minutes East 28.10 feet, and a 12" Pine bears North 77 degrees 59 minutes East 30.67 feet;

THENCE SOUTH 86 degrees 14 minutes 15 seconds West along a marked and painted line, 877.06 feet to a 5/8" iron rod found for corner in the East ROW line of a County Road (called Newman Road) and at an angle corner of the called 1807.966 acre tract, from **WHENCE** a 12" Pine bears North 59 degrees 21 minutes West 13.10 feet, a 10" Pine bears North 60 degrees 55 minutes East 4.40 feet, and a 5" Sweet Gum bears North 63 degrees 51 minutes East 16.40 feet;

THENCE SOUTH 18 degrees 25 minutes 42 seconds West along a marked and painted line, the East ROW line of the said county road 64.84 feet to a 5/8" iron rod found for corner at an angle corner of the called 1807.966 acre tract, from **WHENCE** a 3.5"x 4" concrete monument found bears North 85 degrees 39 minutes 48 seconds East 155.11 feet, a 7" Sweet Gum bears South 34 degrees 30 minutes East 10.28 feet, a 12" Pine bears South 70 degrees 07 minutes West 10.21 feet, and a 7" Pine bears North 75 degrees 27 minutes West 5.30 feet;

THENCE SOUTH 85 degrees 40 minutes 41 seconds West along a marked and painted line 32.14 feet to corner in the said county road at the Southwest corner of this tract;

THENCE along the centerline of the said county road, North 22 degrees 12 minutes 08 seconds East 4.48 feet, North 18 degrees 35 minutes 01 seconds East 944.66 feet, North 18 degrees 10 minutes 10 seconds East 1485.64 feet, North 12 degrees 14 minutes 01 seconds East 74.84 feet, North 04 degrees 59 minutes 18 seconds East 74.36 feet, North 00 degrees 70 minutes 09 seconds East 70.85 feet, North 01 degree 33 minutes 04 seconds West 153.66 feet and North 02 degrees 52 minutes 51 seconds West 10.90 feet to the Northwest corner of this tract;

THENCE NORTH 85 degrees 38 minutes 23 seconds East 24.86 feet to a ½" iron rod found for corner in the East line of the called 1807.966 acre tract, at the Northwest corner of the residue of the Temple-Inland 594.99 acre tract recorded in Volume 768, Page 341, of the Angelina County Real Property Records, at the Southwest corner of the Susan Sloan Altman 65.308 acre tract recorded in Volume 996, Page 334, of the Angelina County Real Property Records, at the northerly Northwest corner of the J. F. Davis Survey, A-1117, at the Southwest corner of the W. H. Brock Survey, A-887, and in the East line of the J. M. Cook Survey, A-688, from WHENCE a 20" Pine bears North 02 degrees West 5.60 feet and a 12" Pine bears North 39 degrees West 11.70 feet;

THENCE SOUTH 04 degrees 21 minutes 37 seconds East along a marked and painted line, 1860.45 feet to a 3" round concrete monument found for corner at an angle corner of the called 1807.966 acre tract, at the Southeast corner of the J. M. Cook Survey, A-688, and at an ELL corner of the J. F. Davis Survey, A-1117, from WHENCE a 13" Pine stump bears South 11 degrees 26 minutes West 4.83 feet, a 13" Pine stump bears South 69 degrees 39 minutes West 10.69 feet, a 16" Pine stump bears North 52 degrees 01 minute West 1.77 feet, a 20" Pine bears North 34 degrees 11 minutes East 9.77 feet, a 10" Post Oak bears South 40 degrees West 11.80 feet, a 8" Red Oak bears South 36 degrees East 13.70 feet and a 5"X 5" concrete monument found bears South 11 degrees 37 minutes 42 seconds East 2.46 feet;

THENCE SOUTH 02 degrees 03 minutes 44 seconds West along a marked and painted line, 718.39 feet to the place of beginning and containing 26.372 acres of land. All trees marked X with two backs above and below the X, and distance to center unless otherwise noted.

AND

BEGINNING at a 3" round concrete monument with cap found for corner at an angle corner of the called 1807.966 acre tract, at the westerly Southwest corner of the Brushy Creek Timber Company, Inc., called 100.00 acre tract recorded in Volume 2164, Page 5, of the Angelina County Real Property Records, in the East line of the James Moffit Survey, A-422, and in the West line of the Henry Hall Survey, A-324, South 02 degrees 30 minutes 59 seconds East 1028.98 feet from the Northwest corner of same, from WHENCE a 20" Pine bears South 81 degrees 56 minutes East 21.30 feet, a 24" Pine bears South 86 degrees 57 minutes West 26.30 feet, a 12" Sweet Gum bears North 52 degrees 50 minutes West 22.80 feet, and a 17" Pine bears South 43 degrees 58 minutes West 34.64 feet;

THENCE NORTH 86 degrees 21 minutes 30 seconds East along a marked and painted line, 855.89 feet to a 3" round concrete monument found for corner at an ELL corner of the called 1807.966 acre tract, and at an ELL corner of the said 100.00 acre tract, from WHENCE a 7" Sweet Gum bears South 52 degrees 36 minutes East 7.20 feet, a 28" Pine bears South 39 degrees 26 minutes West 15.70 feet, a 15" Sweet Gum bears South 76 degrees 02 minutes West 26.00 feet, and a 12" Pine bears South 17 degrees 11 minutes West 19.30 feet;

THENCE SOUTH 03 degrees 43 minutes 59 seconds East along a marked and painted line, 801.39 feet to a 3" round concrete monument found for corner at an ELL corner of the called 1807.966 acre tract, and at the southerly Southwest corner of the said 100.00 acre tract, from WHENCE a 24" Pine bears North 54 degrees 27 minutes East 22.80 feet, a 19" double Post Oak bears South 49 degrees 20 minutes East 11.10 feet, a 18" Pine bears South 40 degrees 18 minutes West 21.10 feet, and a 12" Pine bears North 55 degrees 09 minutes West 14.68 feet;

THENCE NORTH 86 degrees 15 minutes 49 seconds East along a marked and painted line, 1887.16 feet to a 5/8" iron rod found for corner at an ELL corner of the called 1807.966 acre tract, at the Southeast corner of the said 100.00 acre tract, and in the West line of the Edgar Louis Fry 111.58 acre Tract 2 recorded in Volume 375, Page 570 of the Angelina County Deed Records, from WHENCE a 18" Sweet Gum bears South 45 degrees 36 minutes West 43.56 feet, and a 15" Sweet Gum bears South 65 degrees 29 minutes West 43.84 feet;

THENCE SOUTH 04 degrees 53 minutes 22 seconds East along a marked and painted line, at 904.89 feet pass a 6" round concrete monument found at an ELL corner of the called 1807.966 acre tract, the Southwest corner of the said 111.58 acre Tract 2, the South line of the Henry Hall Survey, A-324, and the North line of the B. F. Cloyd Survey, A-708, from WHENCE a 17" Sweet Gum bears South 89 degrees 50 minutes West 11.40 feet, a 12" White Oak bears South 36 degrees 01 minute East 13.60 feet, a 14" Pine stump bears South 86 degrees 32 minutes West 3.68 feet, and a 14" Pine bears North 56 degrees 01 minute West 37.84 feet and continuing in all 1274.24 feet to a 5/8" iron rod set for corner in the North ROW line of a woods road;

THENCE along the North ROW line of the said woods road, South 80 degrees 27 minutes 59 seconds West 282.22 feet to a 5/8" iron rod set for corner,
 North 89 degrees 13 minutes 07 seconds West 166.97 feet to a 5/8" iron rod set for corner,
 North 81 degrees 56 minutes 21 seconds West 1102.52 feet to a 5/8" iron rod set for corner,
 North 76 degrees 11 minutes 38 seconds West 219.94 feet to a 5/8" iron rod set for corner,
 North 67 degrees 57 minutes 12 seconds West 196.24 feet, to a 5/8" iron rod set for corner,
 North 53 degrees 07 minutes 37 seconds West 478.19 feet to a 5/8" iron rod set for corner,
 North 48 degrees 36 minutes 19 seconds West 329.21 feet to a 5/8" iron rod set for corner,
 North 43 degrees 48 minutes 30 seconds West 221.30 feet to a 5/8" iron rod set for corner, and
 North 41 degrees 19 minutes 24 seconds West 222.31 feet to a 5/8" iron rod set for corner in the West line of the Henry Hall Survey, A-324, and in the East line of the James Moffit Survey, A-422;

THENCE NORTH 02 degrees 30 minutes 59 seconds West along the West line of the Henry Hall Survey, A-324, and the East line of the James Moffit Survey, A-422, 825.19 feet to the place of beginning Containing approximately 76.943 acres of land.

Description of Proposed

Reinvestment Zone Continued

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF ANGELINA, STATE OF TEXAS:

BEING all that certain tract or parcel of land lying and situated in Angelina County, Texas, out of the MILTON GARRETT SURVEY, ABSTRACT NO. 14, being all a part or portion of that certain 234.16 acre tract described in a deed from Red River Nacogdoches TRS LP dated November 3, 2010 and recorded as Document No. 201-00278599 of the Deed Records of Angelina County, Texas, to which reference is hereby made for any and all purposes, and the said tract or parcel being described by metes and bounds as follows, to wit:

BEGINNING at the Southwest corner of the aforesaid referred to 234.16 acre tract and the Southeast corner of that certain 21.81 acre tract described in Contract of Sale and Purchase from The Veterans Land Board of Texas and Larry R. Callison, dated October 31, 1985 and recorded in Volume 609 on Page 371 of the Deed Records of Angelina County, Texas, a concrete monument found for corner in the North right-of-way line of State Highway No. 103 (volume 85, page 233), said monument witnessed by a 14" Hickory (obt) bearing N 42° 40' E 21.14 feet and a concrete monument bearing N 00° 51' 00" W 3.34 feet;

THENCE two calls with the West boundary line of the said 234.16 acre tract as follows:

- (1) N 07° 54' 43" W with the East boundary line of said 21.81 acre tract, at 1190.76 feet the Northeast corner of said 21.81 acre tract and the Southeast corner of that certain 160 acre tract described as ANG-4 in a deed from TIN, Inc., to Crown Pine Timber I LP dated October 30, 2007 and recorded in Document No. 2007-00237018 in the Deed Records of Angelina County, Texas, a concrete monument found for corner witnessed by a 15" Pine (obt) bearing S 09° 02' W 7.31 feet and a 38" Pine (obt) bearing S 74° 17' W 14.35 feet;
- (2) N 00° 05' 38" W with the East boundary line of said 160 acre tract, at 1899.23 feet the Northwest corner of the said 234.16 acre tract and a Southwest corner of that certain 1807.966 acre tract described in a deed from Blue Sky Timber Properties LLC, to Brushy Creek Timber XII, LLC dated March 18, 2004 and recorded in Volume 1947 on Page 254 of the Deed Records of Angelina County, Texas, a 5/8" rod found for corner on the South side of a dirt road (private), said rod witnessed by a 6" Pine (obt) bearing S 33° 24' W 5.53 feet, a 14" Pine (obt) bearing N 85° 46' W 19.35 feet, and a 14" Pine (obt) bearing N 42° 22' W 26.47 feet;

THENCE six calls with the North boundary line of the said 234.16 acre tract, the South boundary line of the said 1807.966 acre tract, and meandering along within and sometimes on the South side of the said dirt road (private) as follows:

- 1) S 35° 49' 08" E 314.45 feet, a 5/8" rod found for corner;
- 2) S 45° 53' 43" E 860.29 feet, a 5/8" rod found for corner;
- 3) S 42° 12' 30" E 300.05 feet, a 5/8" rod found for corner;

- 4) S 69° 23' 48" E 610.07 feet, a 5/8" rod found for corner;
- 5) N 88° 43' 11" E 435.06 feet, a 5/8" rod found for corner;
- 6) S 60° 34' 46" E, at 26.71 feet a 1/2" pipe set for corner witnessed by a 5/8" rod bearing S 60° 34' 46" E 158.37 feet;

THENCE S 08° 09' 02" E severing the said 234.16 acre tract, at 2306.85 feet intersect the South boundary line of the said 234.16 acre tract and the North right-of-way line of the aforesaid State Highway No. 103, a 1/2" pipe set for corner witnessed by a concrete right-of-way monument bearing S 78° 09' 11" E 206.88 feet;

THENCE three calls with the South boundary line of the said 234.16 acre tract and the North right-of-way line of the said State Highway No. 103 as follows:

- 1) N 78° 09' 11" W 1495.57 feet, a concrete right-of-way monument found for corner;
- 2) N 11° 54' 44" E 39.46 feet, a concrete right-of-way monument found for corner;
- 3) N 78° 15' 07" W, at 752.86 feet the point and place of beginning and containing 117.08 acres of land, more or less.

Basis of Bearings: A West boundary line of that certain 234.16 acre tract described in a deed from Red River Nacogdoches TRS LP dated November 3, 2010 and recorded as Document No. 201-00278599 of the Deed Records of Angelina County, Texas (deed call - N 07° 54' 43" W 1190.76 feet - found concrete monuments 1190.76 feet apart).

PIN: 13456

Description of Proposed

Reinvestment Zone Continued

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF ANGELINA, STATE OF TEXAS:

BEING all that certain tract or parcel of land lying and situated in Angelina County, Texas, out of the MILTON GARRETT SURVEY, ABSTRACT NO. 14, being all a part or portion of that certain 234.16 acre tract described in a deed from Red River Nacogdoches TRS LP dated November 3, 2010 and recorded as Document No. 201-00278599 of the Deed Records of Angelina County, Texas, to which reference is hereby made for any and all purposes, and the said tract or parcel being described by metes and bounds as follows, to wit:

BEGINNING S 78° 15' 07" E 752.86 feet, S 11° 54' 44" W 39.46 feet, and S 78° 09' 11" E 1495.57 feet from a concrete monument found for the Southwest corner of the aforesaid referred to 234.16 acre tract and the Southeast corner of that certain 21.81 acre tract described in Contract of Sale and Purchase from The Veterans Land Board of Texas and Larry R. Callison, dated October 31, 1985 and recorded in Volume 609 on Page 371 of the Deed Records of Angelina County, Texas, a 1/2" pipe set for corner in the North right-of-way line of State Highway No. 103 (volume 85, page 233), said pipe witnessed by a concrete right-of-way monument bearing N 78° 09' 11" W 1495.57 feet;

THENCE N 08° 09' 02" W severing the said 234.16 acre tract, at 2306.85 feet intersect the North boundary line of the said 234.16 acre tract and the South boundary line of that certain 1807.966 acre tract described in a deed from Blue Sky Timber Properties LLC, to Brushy Creek Timber XII, LLC dated March 18, 2004 and recorded in Volume 1947 on Page 254 of the Deed Records of Angelina County, Texas, a 1/2" pipe set for corner in a dirt road (private), said pipe witnessed by a 5/8" rod bearing N 60° 34' 46" W 26.71 feet;

THENCE five calls with the North boundary line of the said 234.16 acre tract, the South boundary line of the said 1807.966 acre tract, and meandering along within and sometimes on the South side of the said dirt road (private) as follows:

- 1) S 60° 34' 46" E 158.37 feet, a 5/8" rod found for corner;
- 2) N 81° 17' 39" E 935.10 feet, a 1/2" pipe found for corner;
- 3) S 58° 40' 37" E 665.17 feet, a 5/8" rod found for corner;
- 4) S 51° 17' 01" E 520.03 feet, a 5/8" rod found for corner;
- 5) S 87° 22' 56" E, at 238.38 feet the Northeast corner of the said 234.16 acre tract, a Southeast (or South) corner of said 1807.966 acre tract, and an angle corner in the West boundary line of that certain 24.814 acre tract conveyed in a deed from John R. Winston, III Family Corporation to Jim R. Alexander dated November 1, 2001 and recorded in Volume 1479 on Page 53 of the Deed Records of Angelina County, Texas (see volume 1238, page 489 for description), a 1/2" pipe found for corner on the East side of Newman Road;

THENCE with the East boundary line of the said 234.16 acre tract, the West boundary line of said 24.814 acre tract, the West boundary line of that certain 2.83 acre tract described in a deed from John R. Winston, III, Family Co. I, Ltd. to Lori L. Wijntjes dated July 14, 2003 and recorded in Volume 1801 on Page 228 of the Deed Records of Angelina County, Texas, and the East side of the said Newman Road as follows:

- 1) S 01° 34' 44" W 67.75 feet, a 1/2" pipe found for corner;
- 2) S 08° 08' 43" E 588.31 feet, a 1/2" pipe set for corner;
- 3) S 08° 09' 02" E, at 1497.36 feet the Southeast corner of the said 234.16 acre tract and the Southwest corner of the said 2.83 acre tract, a 1/2" pipe found for corner on the North right-of-way line of the aforesaid State Highway No. 103, said pipe witnessed by a concrete right-of-way monument bearing S 78° 11' 26" E 115.47 feet and a concrete monument bearing S 78° 22' 21" E 345.19 feet;

THENCE five calls with the South boundary line of the said 234.16 acre tract and the North right-of-way line of the said State Highway No. 103 as follows:

- 1) N 78° 11' 26" W, at 1083.85 feet pass on line a concrete right-of-way monument, at 1984.29 feet a concrete right-of-way monument found for corner;
- 2) N 12° 08' 14" E 59.46 feet, a concrete right-of-way monument found for corner;
- 3) N 78° 31' 09" W 99.94 feet, a concrete right-of-way monument found for corner;
- 4) S 10° 21' 49" W 60.58 feet, a concrete right-of-way monument found for corner;
- 5) N 78° 09' 11" W, at 206.88 feet the place of beginning containing 117.08 acres of land, of which total approximately 2.03 acres lie within the right of way of the said Newman Road.

Basis of Bearings: A West boundary line of that certain 234.16 acre tract described in a deed from Red River Nacogdoches TRS LP dated November 3, 2010 and recorded as Document No. 201-00278599 of the Deed Records of Angelina County, Texas (deed call - N 07° 54' 43" W 1190.76 feet - found concrete monuments 1190.76 feet apart).

PIN: 132740

EXHIBIT 2
DESCRIPTION AND LOCATION OF LAND

All qualified property will be located within the Reinvestment Zone described in **Exhibit 1**.

EXHIBIT 3
APPLICANT’S QUALIFIED INVESTMENT

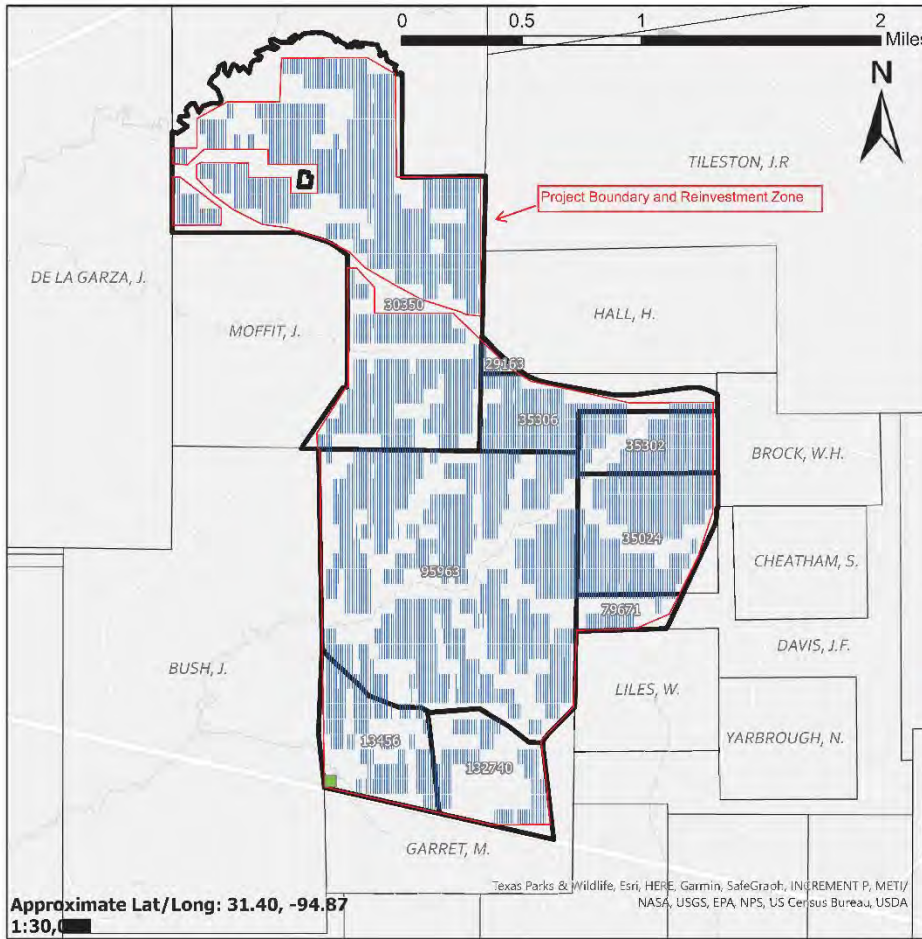
The Applicant, Azalea Spring Solar Park LLC, is requesting an appraised value limitation for all property constructed or placed upon real property located in Central ISD. The Project will be a 180 MW solar powered electric generating facility (the “Facility”) which is expected to be operational by the end of year 2023.

The Facility would include solar modules/panels, pile driven racking system with single axis trackers, inverters, cabling and associated electrical infrastructure, project substation with transformer and associated equipment, and fencing enclosing the project area. The total enclosed project area is estimated to be approximately 1,853 acres. A small Operations and Maintenance (O&M) Building will be sited within or near the Project.

The Facility’s major components would include:

- Solar modules/panels;
- Pile driven racking system with single axis trackers;
- Inverters;
- Cabling and associated electrical infrastructure (includes DC cabling from module to inverter and medium-voltage AC cabling from inverter to project substation);
- Project substation (includes transformer and associated equipment, i.e. disconnects, circuit breakers, etc.);
- Generator lead line (138 kV transmission line to transport electricity from project substation to a new switchyard to be owned by the utility company);
- Meteorological equipment to monitor solar irradiance and weather conditions; and
- Fencing.

The project will be located in the reinvestment zone and project boundary within Central ISD and will be considered qualified investment for this application.



**Azalea Springs Solar Park
Proposed Improvements**



Angelina County, TX

Legend

- Property Parcels and Proposed Reinvestment Zone
- Texas Abstracts - Labeled by Name
- Proposed New Solar Project Layout
- Proposed New Fencing
- Proposed New Project Substation



EXHIBIT 4
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

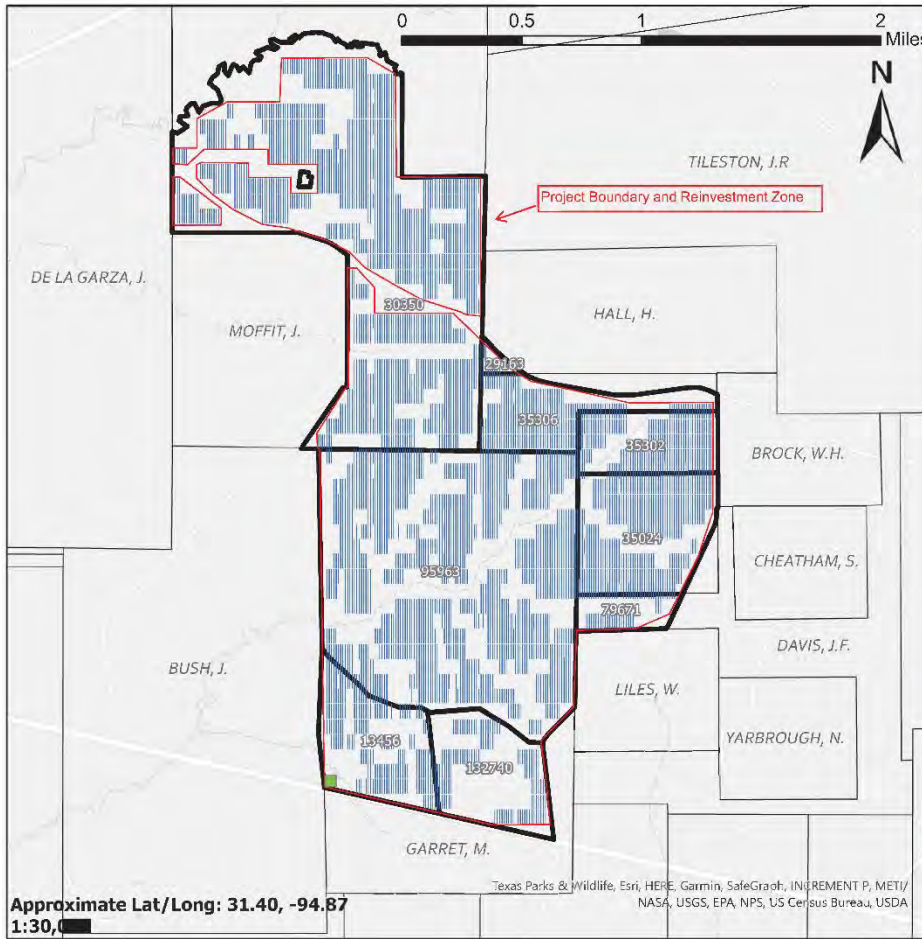
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- Project substation (includes transformer and associated equipment, i.e. disconnects, circuit breakers, etc.);
- Generator lead line (138 kV transmission line to transport electricity from project substation to a new switchyard to be owned by the utility company);
- Meteorological equipment to monitor solar irradiance and weather conditions; and
- Fencing.

The project will be located in the reinvestment zone and project boundary within Central ISD and will be considered qualified property for this application.



**Azalea Springs Solar Park
Proposed Improvements**



Angelina County, TX

Legend

- Property Parcels and Proposed Reinvestment Zone
- Texas Abstracts - Labeled by Name
- Proposed New Solar Project Layout
- Proposed New Fencing
- Proposed New Project Substation



EXHIBIT 5
AGREEMENT SCHEDULE

	Agreement Year	School Year	Tax Year	Date of Appraisal	Summary Description
Qualifying Time Period	STUB (0)	2022 – 2023	2022	January 1, 2022	No Limitation
	QTP1	2023 – 2024	2023	January 1, 2023	No Limitation
Value Limitation Period (10 Years)	QTP2/ L1	2024 – 2025	2024	January 1, 2024	\$20M Limitation
	L2	2025 – 2026	2025	January 1, 2025	\$20M Limitation
	L3	2026 – 2027	2026	January 1, 2026	\$20M Limitation
	L4	2027 – 2028	2027	January 1, 2027	\$20M Limitation
	L5	2028 – 2029	2028	January 1, 2028	\$20M Limitation
	L6	2029 – 2030	2029	January 1, 2029	\$20M Limitation
	L7	2030 – 2031	2030	January 1, 2030	\$20M Limitation
	L8	2031 – 2032	2031	January 1, 2031	\$20M Limitation
	L9	2032 – 2033	2032	January 1, 2032	\$20M Limitation
	L10	2033 – 2034	2033	January 1, 2033	\$20M Limitation
Maintain Viable Presence (5 Years)	MVP1	2034 – 2035	2034	January 1, 2034	No Limitation
	MVP2	2035 – 2036	2035	January 1, 2035	No Limitation
	MVP3	2036 – 2037	2036	January 1, 2036	No Limitation
	MVP4	2037 – 2038	2037	January 1, 2037	No Limitation
	MVP5	2038 – 2039	2038	January 1, 2038	No Limitation