

STATE OF TEXAS §  
COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY DRAINAGE DISTRICT AND AP SOLAR 2, LLC**

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY DRAINAGE DISTRICT, TEXAS**, hereinafter referred to as "District," acting by and through its Board and **AP SOLAR 2, LLC** hereinafter referred to as "Owner," of the tangible personal property, located within Fort Bend DRAINAGE District Reinvestment Zone No. 24 to be effective as of the date of the District signs this Agreement (the "Effective Date").

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the Effective Date of this Agreement and concerns Property subject to Texas Tax Code Section 23.26, and;
- b. The Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, were approved by the District on February 26, 2019. District has determined that the request for Tax Abatement presented by Owner conforms to the criteria established in the Guidelines for Tax Abatement.
- c. No official of District has an interest in the property subject to this Agreement.

2. **Definition:**

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

- a. "Certified Appraised Value" means the value certified as of January 1 of each year of this Agreement regarding the property within Reinvestment Zone No. 24 by the FBCAD (as hereinafter defined).
- b. "Real Property" means the approximately 3,696.72 acres on which Owner's tangible personal property is proposed to be located as described in Exhibit "A" attached hereto and incorporated herein for all purposes, which tract of land is located within the Reinvestment Zone 24.
- c. "Abatement" means the full or partial exemption from ad valorem taxes of Owner's Eligible property in the Fort Bend County Reinvestment Zone No. 24 designated for economic development purposes.
- d. "Eligible Property" means the buildings, structures, and tangible personal property acquired by Owner and installed in Reinvestment Zone 24. Abatement may be extended to fixed machinery, site improvements, and equipment necessary to the operation and administration of the facility. Eligible Property is subject to abatement only as included in Section 5(c).
- e. "Ineligible Property" means land, existing improvements, tangible personal property that the FBCAD classifies as inventory or supplies, real property

used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of this Agreement, real property with a productive life of less than 10 years, and any other property for which abatement is not allowed by state law.

- f. "Owner" means AP Solar 2, LLC the company which submitted the Economic Impact Statement attached as Exhibit B to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the District.
- g. "County" means the County of Fort Bend, Texas.
- h. "FBCAD" means Fort Bend Central Appraisal District.
- i. "Project" means the photovoltaic solar powered electricity generation facility that Owner proposes to construct on the Real Property in Fort Bend County Reinvestment Zone No. 24.
- j. "Certificate" means a letter, provided by the Owner to the District that certifies that the Project has achieved Commercial Operations (as defined below) and outlines the Eligible Property included in the Project (including those facilities at the Project that are still under construction). Upon receipt of a Certificate, the District may inspect the Eligible Property in accordance with the terms of this Agreement in order to verify that the Eligible Property is constructed as certified in such Certificate. If the Certificate indicates that certain ancillary facilities not required for Commercial Operations are still under construction on the date that the Certificate is delivered, Owner will deliver an amended Certificate to the District within thirty (30) days after all Project construction is complete.
- k. "Commercial Operations" means that the Project has become commercially operational and placed into service for the purpose of generating electricity for sale on one or more commercial markets.
- l. "Lender" means any entity or person providing, directly or indirectly, with respect to the Project any of (a) senior or subordinated construction, interim or long-term debt financing or refinancing, whether that financing or refinancing takes the form of private debt, public debt, or any other form of debt (including debt financing or refinancing), (b) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (c) tax equity financing, (d) any interest rate protection agreements to hedge any of the foregoing obligations, and/or (e) any energy hedge provider. There may be more than one Lender. Owner, at its election, may send written notice to the District with the name and notice information for any Lender.
- m. "Term" shall mean the period beginning with the Effective Date and ending on the December 31st of the final year of the ten-year term of the Abatement.

**3. Subject Property:**

- a. The Fort Bend County Reinvestment Zone No. 24\_ is an area located in the District being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

- b. The FBCAD will establish the base year values for the subject property as of January 1, 2020.

**4. Responsibility of Owner:**

In consideration of receiving the tax Abatement granted herein, Owner represents and agrees:

- a. That construction of the Eligible Property will commence on or before December 31, 2020.
- b. That Owner shall have delivered the Certificate to the District certifying that the Project has achieved Commercial Operations no later than December 31, 2021.
- c. That simultaneous with the delivery of the Certificate, Owner shall provide the District's Tax Assessor/Collector a certified statement evidencing Project costs with respect to the Eligible Property. Owner's current and best estimate of the Project Costs with respect to Eligible Property is \$335,000,000, and Owner shall update and provide the final cost estimates for the Eligible Property to District within 30 days of receipt of final design. Owner acknowledges and agrees that in no case shall actual Project Costs be less than \$250,000,000.00. The parties agree that the Certified Appraised Value of the Eligible Property on January 1 of the first year after the Certificate is delivered, and on each and every January 1 thereafter during the Term of this Agreement, will be the FBCAD Certified Appraised Value as provided for in Texas Tax Code Section 23.26 (but only for the Eligible Property to which Texas Tax Code Section 23.26 applies). Values which have been hypothetically calculated in attached Exhibit C: Hypothetical Calculations Illustration are for reference only. Owner may from time to time during the Term of this Agreement install additional Eligible Property, and modify, remove or replace Eligible Property as Owner may determine in its discretion. Failure to meet the requirements of this Section will invalidate the tax abatement for any year this requirement is not satisfied if such failure remains uncured after the notice and cure periods specified in Section 7 below.
- d. THAT OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE FBCAD OF THE ABATEMENT, INCLUDING FILING WITH THE FBCAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.
- e. THAT OWNER SHALL BE RESPONSIBLE FOR REQUESTING FROM DISTRICT AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE ELIGIBLE PROPERTY THAT IS THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY DISTRICT.
- f. That Owner shall, as of December 31, 2020 have the financial resources to implement the above representations.
- g. That Owner shall ensure that taxes on all property owned by it in Fort Bend District are current. Delinquent taxes for any Fort Bend District property owned by Owner is a default of Owner's obligations hereunder and will be grounds for exercising the District's default remedies regardless of whether

the delinquent property is subject to Abatement; provided however that this Agreement does not abrogate Owner’s right to timely protest property tax assessments in compliance with the Texas Tax Code and applicable law.

**5. Value and Term of Abatement:**

- a. In no event shall this Agreement extend beyond the expiration of the ten-year term of the Abatement.
- b. In each year that this Agreement is in effect, the amount of Abatement shall be an amount equal to the percentage indicated below of all ad valorem taxes assessed by the District on the Eligible Property.
- c. Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax Abatement for the following years and in the following amounts on the value of the Eligible Property for all ad valorem taxes assessed by the District:

<b>Tax Year</b>	<b>Percentage Abatement of the value calculated under Tax Code 23.26</b>
Year 1	85%
Year 2	85%
Year 3	85%
Year 4	75%
Year 5	65%
Year 6	55%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	10%

“Year 1” in the table above shall correspond to the calendar year commencing on the first January 1 after Owner delivers the Certificate.

In the chart above, the total percentage of abatement granted for 10 years is 550%, or an average of 55% per year based upon a final cost estimate of \$335 million. However, should the final cost estimates with respect to Eligible Property be less than \$335 million, the total percentage of abatement granted for the ten year term would be reduced as follows: Between \$334 million and \$300 million—450%; between \$299 million and \$250 million—350%. Also, in the event that the final cost estimate equals or exceeds \$460 million, the total percentage of abatement granted for the ten year term would be increased to a maximum of 650%.

The FBCAD Certified Appraised Value of the Eligible Property each year of the abatement term will conform to the most recent provisions

of Texas Tax Code 23.26 which, at the time of this Agreement, provides for (i) a ten year depreciation schedule on Eligible Property that meets the definition of “solar energy property” contained in Texas Tax Code 23.26, and (ii) a residual value of such Eligible Property in the tenth year of the abatement term to be not less than 20% of the certified cost of such Eligible Property provided to the District at completion of initial construction. An exact schedule of the resultant annual minimum annual amounts to qualify for the abatement cannot be stated as those commonly accepted cost and other index factors shall not be available to the FBCAD until each successive tax year. An example of these calculations can be viewed in Exhibit C: HYPOTHETICAL CALCULATIONS ILLUSTRATION.

- 1) The Abatement granted shall not apply to the value of the Real Property (as land only), increases in the value of the Real Property (as land only), or Ineligible Property.
  - 2) All Eligible Property shall be placed and/or installed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Eligible Property is placed and/or installed.
  - 3) The FBCAD’s determination of the Certified Appraised Value of the Eligible Property shall be used to determine the value of the Eligible Property subject to this Agreement. If Owner protests the FBCAD’s valuation of the property, the valuation placed on the Eligible Property after the protest is resolved under State law shall be used.
- d. It is possible that not all of the Eligible Property will fall within the definition of “solar energy property” in Texas Tax Code 23.26. Any such Eligible Property shall receive the same percentage abatement as the solar energy property but without the value reduction of Texas Tax Code 23.26.

**6. Taxability:**

During the period that this Agreement is effective, taxes shall be payable by the Owner as follows:

- a. The value of Real Property (as land only) and Ineligible Property shall be fully taxable at all times.
- b. The value of existing improvements, if any, and any Eligible Property existing in the reinvestment zone prior to the Effective Date of this Agreement, if any, shall be fully taxable based on their determined Certified Appraised Value.
- c. Prior to commencement of the ten-year Abatement period, the Certified Appraised Value of all property owned by Owner located in the District shall be fully taxable at all times.
- d. Beginning on January 1 of the first calendar year after the Certificate is delivered, the percentage of property taxes set forth in the table above on the Certified Appraised Value of all Eligible Property shall be abated for the entire ten-year abatement period.

- e. After expiration of the ten-year abatement period, 100% of the Certified Appraised Value of all property owned by Owner located in the District shall be fully taxable at all times.

**7. Event of Default:**

- a. District may declare Owner in default of this Agreement if: (1) Owner fails to comply with any Term of this Agreement or (2) Owner allows District ad valorem taxes on any property owned by it in Fort Bend District to become delinquent during the Term of this Agreement, even if the delinquent taxes are for a property not subject to an Abatement.
- b. District shall notify Owner of any default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure any default. If Owner fails to cure the default within ninety (90) days from receipt of notice, District may terminate this Agreement by written notice.
- c. If this Agreement is terminated by District, as District's sole and exclusive remedy, Owner agrees that it is liable for and will pay to District within thirty (30) days of the termination of this Agreement:
  - i. The amount of all taxes abated for the entire period the uncured default existed during the Term of this Agreement; and
  - ii. Penalties and interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes.
  - iii. The District's reasonable attorneys' fees incurred in connection such termination and in connection with its efforts to collect such penalties and interest.
- d. District shall have a lien against the Eligible Property for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date is paid, subject to the terms and conditions provided in the Texas Tax Code for the District's lien for property taxes.
- e. This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30<sup>th</sup> day after the date of the notice of default from District to Owner. In the event of termination under this paragraph, Owner shall repay the amounts specific in subparagraph c. above.
- f. **LIMITATION OF LIABILITY: TERMINATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE TERMINATION DATE) AND RECAPTURE OF PROPERTY TAXES ABATED SHALL BE THE DISTRICT'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY**

AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND DISTRICT AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

8. **Administration and Inspection:**

- a. This Agreement shall be administered on behalf of the Fort Bend District Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of District who have been designated by the Tax Assessor/Collector to have access to the Real Property (during normal business hours) during the Term of the Agreement. All regular inspections shall be made only after two (2) business days prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction or operation of the Project. A representative of Owner may accompany the inspector. District shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner's security, safety and operational rules.
- b. Upon completion of the placement and/or installation of the Eligible Property, District shall annually evaluate any Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.
- c. The Chief Appraiser of the FBCAD shall annually determine (1) the taxable Certified Appraised Value under the terms of the tax Abatement of the Eligible Property located on the Real Property provided for in this Agreement and (2) the full taxable Certified Appraised Value without the Abatement. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes subject to recapture when this Agreement is terminated in a manner that results in recapture of abated taxes.
- d. On or before September 1 of each year of this Agreement, Owner shall certify in writing to the Fort Bend County Tax Assessor/Collector Owner's compliance with each term of this Agreement by completion and submission of the form attached as Exhibit D to this Agreement. No substitutions are allowed.
- e. Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the Texas Tax Code, as may be necessary for the administration of this Agreement. Such information, shall also be provided annually to the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. **Assignment:**

- a. Owner may not assign this Agreement without the prior written consent of District, which consent shall not be unreasonably withheld. No assignment shall be effective or approved if District has declared a default hereunder which has not been cured or the assignee is delinquent in the payment of any ad valorem taxes owed to District.
- b. Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original Agreement only.
- c. The parties agree that a transfer of all or a portion of the corporate ownership interests in Owner shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the District. If the name of the Owner is changed, Owner will promptly notify District in writing of such change of name; this sentence is not intended to diminish the requirements of Section 9.a. above in the event of an actual assignment of the Agreement. The “ownership interests” for purposes of this Section 9.c. include limited liability company, corporation, or partnership ownership interests.
- d. Notwithstanding the provisions of subparagraph a. above, Owner may, without obtaining the District’s consent, mortgage, pledge, or otherwise encumber (a “Mortgage”) its interest in this Agreement or the Project to a Lender for the purpose of financing the operations of the Project or constructing the Project or acquiring additional equipment following any initial phase of construction. Owner’s encumbering its interest in this Agreement may include an assignment of Owner’s rights and obligations under this Agreement for purposes of granting a security interest in this Agreement (a “Security Agreement”) to a Lender. In the event Owner takes any of the actions permitted by this subparagraph to grant a Mortgage or a Security Agreement in this Agreement, it shall promptly provide written notice of such action to the District with such notice to include the name and notice information of the Lender. If Owner provides the name and contact information of a Lender to the District, then the District shall be required to provide a copy to such Lender of all notices (including default notices) delivered to Owner at the same time that the Notice is delivered to Owner. If Owner does not provide the name and contact information of a Lender to the District, then such Lender shall not have the notice rights nor any other rights of a Lender under this Agreement. If a Lender forecloses its Mortgage or Security Agreement rights in this Agreement, such Lender shall promptly notify the District of such foreclosure and promptly provide the District with the name and notice information for the company that succeeded to the rights of Owner under the Agreement pursuant to such foreclosure. Nothing in any Mortgage or Security Agreement shall be construed or interpreted to have the effect of changing any of the terms and conditions of this Agreement.



10. **Indemnity:**

It is understood and agreed between the parties that Owner, in performing obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE FBCAD FROM ANY AND ALL NON-OWNER CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S BREACH OF ITS OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION WHICH ARE NOT DUE TO DISTRICT'S, THE DISTRICT'S OR THEIR REPRESENTATIVES' INTENTIONAL CONDUCT OR NEGLIGENCE. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING INDEPENDENT REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION; PROVIDED, HOWEVER, THAT OWNER SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.**

11. **Force Majeure:**

If by reason of force majeure, Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within thirty (30) calendar days after Owner first becomes aware or should have become aware of the occurrence relied upon. By doing so, the obligation of Owner, to the extent and for the period of time affected by the force majeure, shall be suspended. The District shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of force majeure. Owner shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal or state government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure or lack of capacity of the wastewater system or water supply system; governmental delays in granting approvals or issuance of permits; or any other cause not reasonably within the control of the Owner.

12. **District Approval:**  
This Agreement is conditioned entirely upon the approval of the District by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Board.
13. **Compliance with State and Local Regulations:**  
This Agreement shall not be construed to alter or affect the obligations of Owner to comply with any city ordinance or federal or state law or regulation.
14. **Changes in Laws/Vested Rights:**  
The tax Abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the Term of this Agreement, but only the extent required by law to be enforceable and after giving Owner all vesting, non-conforming and/or “grandfather” rights, contained in and applicable to this Agreement and allowed by law.
15. **Representations and Warranties of the District:**  
The District represents that (i) the District has formally elected to be eligible to grant property tax abatements under Chapter 312 of the Tax Code; (ii) Fort Bend County Reinvestment Zone No. 24 has been designated and this Agreement has been approved in accordance with Chapter 312 of the Texas Tax Code and the Guidelines and Criteria as both exist on the Effective Date of this Agreement; (iii) the District’s execution of this Agreement has been duly authorized by a vote of the District and (iv) that the property within the Reinvestment Zone and the Real Property is located within the legal boundaries of the District.
16. **Miscellaneous:**
- a. This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.
  - b. In the event of one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
  - c. The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.
  - d. Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.
17. **Notices:**
- a. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been hand delivered, deposited with a nationally recognized overnight courier or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and certified, return receipt requested, in a United States Post Office,

addressed to District and Owner at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail.

- b. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or District at the following addresses:

To the Tax Assessor/Collector:      The Honorable Carrie Surratt  
Fort Bend County Tax Assessor-Collector  
1317 Eugene Heimann Circle  
Richmond, Texas 77469

To District:                              Fort Bend Drainage District  
401 Jackson  
Richmond, Texas 77469  
Attention: County Judge

Copy to:                                  Fort Bend County Attorney  
401 Jackson  
Richmond, Texas 77469

To Owner:                                AP Solar 2, LLC  
4309 Yoakum Blvd. Suite 500  
Houston, TX 77006  
Attn: Lisa Murphy

- c. Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. Failure of Owner to provide County Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.

**18. Entire Agreement:**

This Agreement contains the entire Agreement among the parties and supersedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit A – Fort Bend County Commissioners Court Order designating Reinvestment Zone No. 24 and legal descriptions of Real Property (land) comprising the Reinvestment Zone; (b) Exhibit B –Economic Impact Statement; c) Exhibit C – Hypothetical Calculations Illustration (reference only), and (d) Exhibit D Annual Compliance Certificate– all of which are made part of this Agreement

**19. Execution:**

**IN TESTIMONY OF WHICH, THIS AGREEMENT** has been executed by District and Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Owner have full authority to execute this Agreement and bind Owner to the same.

**“DISTRICT:”  
FORT BEND  
DRAINAGE DISTRICT**

By: \_\_\_\_\_  
K. P. George, County Judge

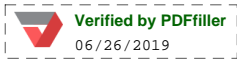
**ATTEST:**

Date: \_\_\_\_\_

\_\_\_\_\_  
Laura Richard, County Clerk

**‘OWNER’  
AP SOLAR 2, LLC**

By: T. Christopher Elrod \_\_\_\_\_



Printed: Name: Christopher Elrod  
Title: Manager

Date: 06/26/2019

**ATTEST:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Exhibits:

- Exhibit A: Fort Bend County Commissioners Court Order designating Reinvestment Zone No. 24 including Legal descriptions of Real Property (land) comprising the Reinvestment Zone.
- Exhibit B: Economic Impact Statement.
- Exhibit C: Hypothetical Calculations Illustration (reference only)
- Exhibit D: Annual Compliance Certificate

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Exhibit A  
Order Creating Fort Bend District Reinvestment Zone No. 24

THE STATE OF TEXAS           §  
   §  
 COUNTY OF FORT BEND       §

The Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), acting for and on behalf of Fort Bend County, Texas, convened in regular session at a regular term of said Court, open to the public, on the 28th day of May, 2019, in the Commissioners Courtroom, 401 Jackson St., 2nd Floor, Richmond, Texas.

**WHEREUPON**, among other business, the following was transacted at said meeting:

**ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 24**

The Order was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried by the following vote:

AYES:   5  

NAYES:   0  

The County Judge thereupon announced that the Motion had duly and lawfully carried and that the Order had been duly and lawfully adopted. The Order thus adopted follows:

**ORDER DESIGNATING FORT BEND COUNTY**  
**REINVESTMENT ZONE NO. 24**

**WHEREAS**, the County Commissioners Court passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created in Fort Bend County, Texas, on February 26, 2019;

**WHEREAS**, pursuant to the Guidelines, the County has received a request for designation of a Reinvestment Zone and Tax Abatement;

**WHEREAS**, notice was given to all taxing entities where the proposed zone is to be located;

**WHEREAS**, after proper notice had been given in the May 10, 2019 edition of the Fort Bend Herald, the County has held a public hearing on May 26, 2019, where all interested persons were given an opportunity to speak, and evidence for and against the designation of Fort Bend County Reinvestment Zone No. 24 was gathered;

**WHEREAS**, the County Commissioners Court has determined, based on evidence gathered, that the improvements sought to be located in proposed Reinvestment Zone No. 24 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone No. 24 and to the County after the expiration of the Tax Abatement Agreement; and

**WHEREAS**, the designation of Reinvestment Zone No. 24 will reasonably likely contribute to the retention or expansion of primary employment, increase business opportunities in Fort Bend County and contribute to the economic development of both the property in Reinvestment Zone No. 24 and to Fort Bend County;

**NOW THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSIONERS COURT OF FORT BEND COUNTY:**

**SECTION ONE**

That the findings and provisions set out in the preamble of this Order are hereby found to be true and correct, and are made a part of this Order for all purposes.

**SECTION TWO**

That Fort Bend County Reinvestment Zone No. 24 is hereby designated pursuant to the Guidelines for the purpose of encouraging economic development in Fort Bend County through tax abatement.

**SECTION THREE**

This designation shall be effective for five (5) years from the date of passage of this Order and may be renewed for five (5) year periods thereafter.

**SECTION FOUR**

The attached Exhibit A described tract(s) are to be combined and designated as Reinvestment Zone No. 24.

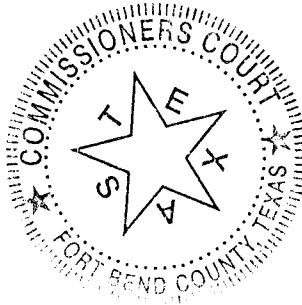
PASSED AND APPROVED this the 28<sup>th</sup> day of May 2019.

**FORT BEND COUNTY, TEXAS**

By: *KP George*  
KP George, County Judge

**ATTEST:**

*Laura Richard*  
Laura Richard, County Clerk



Attachment: Exhibit A – Legal Description of All Parcels within the Reinvestment Zone  
Exhibit B - Map of Reinvestment Zone

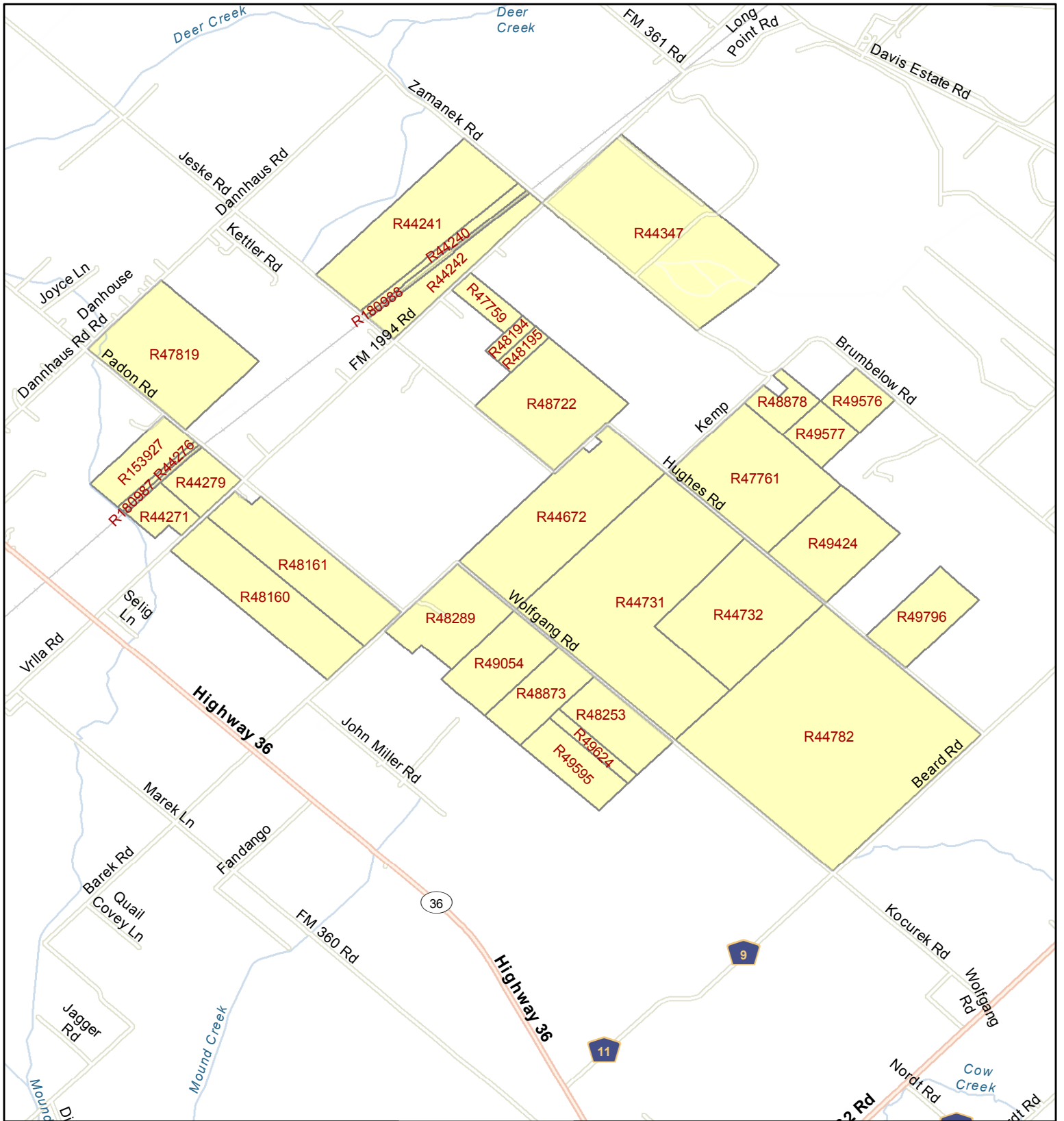


Exhibit A – Legal Description of All Parcels within the Reinvestment Zone

**PROJECT ICARUS**  
**Reinvestment Zone 24 Tracts with Legal Descriptions**

Tract Number	Owner Name (from CAD)	Legal Description	Number of Acres (CAD)
R153927	Landgrant Resources Of TX Ltd	0724 LINA BARTH, ACRES 40.00, SEC 110	40
R180987	Centerpoint Energy Houston Electric LLC	0234 H AND TC RY, ACRES 6.00, ABANDONED RR ROW	6
R180988	Centerpoint Energy Houston Electric LLC	0233 H AND TC RY, ACRES 14.001, Abandoned RR Row	14.001
R44240	Centerpoint Energy Houston Electric LLC	0233 H AND TC RY, ACRES 24.60	24.6
R44241	Landgrant Resources Of TX Ltd	0233 H AND TC RY, ACRES 239.069, LAND NORTH OF RAILROAD	239.069
R44242	Landgrant Resources Of TX Ltd	0233 H AND TC RY, ACRES 43.331, LAND SOUTH OF RAILROAD	43.331
R44271	Landgrant Resources Of TX Ltd	0234 H AND TC RY, ACRES 32.72, PT ON SOUTHSIDE HL&P ROW	32.72
R44276	Centerpoint Energy Houston Electric LLC	0234 H AND TC RY, ACRES 12.04	12.04
R44279	DUPREE DOROTHY	0234 H AND TC RY, ACRES 45.0	45
R44347	14601 Brumbelow RD LLC	0238 H AND TC RY, ACRES 320.00	320
R44672	Landgrant Resources Of TX Ltd	0252 H AND TC RY, ACRES 236.00, SEC 103	236
R44731	Landgrant Resources Of TX Ltd	0255 H AND TC RY, ACRES 440.00, SEC 109	440
R44732	Landgrant Resources Of TX Ltd	0255 H AND TC RY, ACRES 200.00, SEC 109	200
R44782	Yelderman Neil Oscar Banfield etal	0258 H AND TC RY, ACRES 640	640
R47759	Landgrant Resources Of TX Ltd	0467 J M BENNETT, ACRES 26.75	26.75
R47761	Landgrant Resources Of TX Ltd	0468 R V BOARD, ACRES 200.00	200
R47819	Landgrant Resources Of TX Ltd	0471 J G GOTH, ACRES 200.00, SEC 58	200
R48160	Landgrant Resources Of TX Ltd	0724 LINA BARTH, ACRES 40.00, SEC 110	40
R48161	Byrne J P & Robin	0493 GEO WILLIFORD, ACRES 153.64, SEC 64	153.64
R48194	Habarta Investments Ltd	0497 J M BENNETT, ACRES 13.25	13.25
R48195	Davis Trevor T & Collette Lynn	0497 J M BENNETT, ACRES 13.25	13.25
R48253	Landgrant Resources Of TX Ltd	0724 LINA BARTH, ACRES 40.00, SEC 110	40
R48289	Multiple Owners	0528 J E SAMSON, ACRES 108, 104	108
R48722	Landgrant Resources Of TX Ltd	0724 LINA BARTH, ACRES 40.00, SEC 110	40
R48873	Yelderman Neil Oscar Banfield etal	0602 GEO WOLFGANG, ACRES 80, 108	80
R48878	Landgrant Resources Of TX Ltd	0607 GUSTAV BARTH, ACRES 35.725, SEC 110	35.73
R49054	Yelderman Neil Oscar Banfield etal	0640 H A WATSON, ACRES 79.89, 108	79.89
R49424	Landgrant Resources Of TX Ltd	0693 ELLEN F BOARD, ACRES 120.00, SEC 110	120
R49576	Landgrant Resources Of TX Ltd	0724 LINA BARTH, ACRES 40.00, SEC 110	40
R49577	Landgrant Resources Of TX Ltd	0724 LINA BARTH, ACRES 40.00, SEC 110	40
R49595	Multiple Owners	0734 HENRY WASKOW, ACRES 60.00, SEC 108	60
R49624	Anderson Pauline Yelderman etal	0741 J WATSON, ACRES 20.00, SEC 108	20
R49796	Landgrant Resources Of TX Ltd	0760 DAILY AND ROBINOWITZ, ACRES 80.00	80

Exhibit B – Map



Source: ESRI StreetMap North America  
Datum: WGS 1984



Reinvestment Zone 24

**Project Icarus**

Location:  
Fort Bend County, Texas

0 0.275 0.55 1.1 Miles

Date: 4/4/2019 REV 1

## Legal Descriptions of Real Property

As the Real Property comprises many different adjoining and adjacent parcels, the Metes and Bounds included in this Exhibit A best serves as a legal description for the entire property comprising approximately 3,636.43 acres. Any separately owned right of ways, roads, and streets, within the Reinvestment Zone would not be part of the accumulated legal description of each parcel within the Reinvestment Zone.

From RZ 24 Documents: RZ 24 Map and Legal Descriptions of Parcels comprising the RZ 24.

EXHIBIT B:  
ECONOMIC IMPACT STATEMENT

**EXHIBIT C:**  
**HYPOTHETICAL CALCULATIONS ILLUSTRATION**  
**REFERENCE ONLY, NOT TO BE USED FOR ACTUAL VALUES**

The following is provided as an attachment to this Agreement as an example of how the minimum annual certified CAD values might be calculated using a straight line ten year depreciation schedule, but not including the commonly accepted cost and other index factors. This is an example only. Although the annual amounts will be changed after applying the index factors, the resulting difference between a ten year straight line schedule and the schedule with cost index factors applied is expected to not differ materially for taxable property that meets the definition of “solar energy property” in Texas Tax Code 23.26. It is possible that not all of the Eligible Property will fall within the definition of “solar energy property” in Texas Tax Code 23.26.

THIS IS AN EXAMPLE ONLY. NUMBERS AND VALUES USED ARE STRICTLY FOR DEMONSTRATION PURPOSES ONLY.

<b>Tax Year</b>	<b>Percentage Abatement of the value calculated under Tax Code 23.26</b>	<b><i>Demonstration Calculation</i></b>
Year 1	85%	\$335,000,000
Year 2	85%	\$301,500,000
Year 3	85%	\$271,350,000
Year 4	75%	\$244,215,000
Year 5	65%	\$219,793,500
Year 6	55%	\$187,814,150
Year 7	40%	\$178,032,735
Year 8	30%	\$160,229,461
Year 9	20%	\$144,206,515
Year 10	10%	\$144,206,515

EXHIBIT D:  
ANNUAL COMPLIANCE CERTIFICATE



# **FORT BEND COUNTY TAX ABATEMENT ANNUAL COMPLIANCE CERTIFICATE**

**Due by September 1 of current tax year**

**Current Tax Year \_\_\_\_\_**

**This certification is being made on behalf of the OWNER / LESSEE (circle one)  
Each must prepare a separate report**

Per the terms of the tax abatement agreement between Fort Bend County, Fort Bend County Drainage District and

Owner \_\_\_\_\_ and

Lessee (if applicable) \_\_\_\_\_

dated \_\_\_\_\_ we are in compliance with the following terms of the agreement:

1. Construction of the improvements was completed on: \_\_\_\_\_
2. Certified statement regarding project costs was provided to the Fort Bend County Tax Assessor/Collector on: \_\_\_\_\_ (date)
3. Certificate of Occupancy was provided to the Fort Bend County Tax Assessor/Collector on: \_\_\_\_\_ (date)
4. Certified appraised value of the improvements as of January 1 \_\_\_\_\_ (current tax year) was \$\_\_\_\_\_ which meets the required minimum value requirement of \$\_\_\_\_\_.
5. Certified appraised value of the eligible property (if included in abatement agreement) as of January 1 \_\_\_\_\_ (current tax year) was \$\_\_\_\_\_ which meets the required minimum value requirement of \$\_\_\_\_\_.
6. Total number of employees employed at the improvement for current tax year is \_\_\_\_\_ which meets the required minimum value requirement of \_\_\_\_\_.
7. Owner / lessee (circle one) applied for/renewed membership in the Greater Fort Bend Economic Development Council as required in the abatement agreement on \_\_\_\_\_ (date).

8. Owner / lessee (circle one) filed the annual Application(s) for Property Tax Abatement Exemption (Form 50-116) with Fort Bend Central Appraisal District on

\_\_\_\_\_ (date).

9. If there are additional requirements under the specific abatement agreement(s) by and between Fort Bend County, Fort Bend County Drainage District, Owner / Lessee noted above, please list requirement(s) and certify compliance here:

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At this time, Owner/Lessee (circle one) wishes to designate a different mailing address for notices under the terms of this abatement agreement.

NEW NOTIFICATION ADDRESS:

To Owner / Lessee :  
(circle one)

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Please indicate the basis for your authority to represent the property owner in filing this certificate:

\_\_\_\_\_ Officer of the company                      \_\_\_\_\_ General Partner of the company

\_\_\_\_\_ Attorney for property owner

\_\_\_\_\_ Agent for tax matters appointed under Tax Code Section 1.111 (copy of completed Form 50-162 filed with Fort Bend Central Appraisal District)

I \_\_\_\_\_, swear or affirm the following:  
(print name)

- To the best of Company's knowledge and belief, each fact contained in this certificate is true and correct, and that Company is in compliance with the terms of the Agreement.
- Company understands that this Certificate is being relied upon by the County in connection with the tax abatement provided for in the Agreement.
- Company understands the consequences for noncompliance with the abatement agreement.
- The undersigned signatory has the legal and express authority to sign this Certificate on behalf of Company.

Signature of Authorized Representative: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SWORN TO and SUBSCRIBED before me on this the \_\_\_\_\_ day

of \_\_\_\_\_ A.D. \_\_\_\_\_

NOTARY PUBLIC \_\_\_\_\_

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_

MY COMMISSION EXPIRES \_\_\_\_\_

