

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN
 FORT BEND COUNTY DRAINAGE DISTRICT AND
 BYPASS BESS LLC
 TOWN OF THOMPSONS REINVESTMENT ZONE NO.2
 PILOT STYLED ABATEMENT AGREEMENT**

This Tax Abatement Agreement hereinafter referred to as "Agreement," is executed by and between FORT BEND COUNTY DRAINAGE DISTRICT (a taxing entity, hereinafter referred to as "District,") acting by and through its Board of Directors and **Bypass BESS LLC** a current Owner of Eligible Property (as hereinafter defined) located in Fort Bend County Precinct 2 within the boundaries of Town of Thompsons Reinvestment Zone NO. 2.

I. Authorization and Findings:

- A. Fort Bend County Drainage District is authorized to provide Tax Abatement benefits in accordance with the State of Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.
- B. Fort Bend County Drainage District has adopted GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY DRAINAGE DISTRICT and determined that this Owner's request for Tax Abatement conforms with those current Guidelines and Criteria;
- C. Owner first made Application for Abatement with District on or about May 24, 2023, for which the current Guidelines and Criteria specify such Application shall be controlled by the Guidelines and Criteria adopted on May 9, 2023 (which is incorporated by reference), except as may otherwise be noted;
- D. Town of Thompsons Reinvestment Zone NO. 2 was created on July 20, 2023 by the Town of Thompsons in accordance with Texas Tax Code, Chapter 312, and the Property subject to Tax Abatement under this Agreement is located within said Zone;
- E. Fort Bend County Drainage District is authorized under Section 312.402 to execute a Tax Abatement agreement with the owner of Eligible Property located on real property in a municipal created reinvestment zone;
- F. No official of Drainage District has an interest in the property subject to this Agreement;

- G. That the public notice required by Texas Tax Code Section 312.207 has been satisfied prior to the submission of this Agreement for consideration by this taxing entity and is attached as Exhibit 1 to this Agreement;
- H. Proper notice of the Drainage District's intent to enter into this Agreement has been provided to the presiding officers of each of the other taxing units levying taxes in the Reinvestment Zone not less than 7 days prior to the date on which this Agreement was approved by the District; and
- I. Though this Agreement abates Drainage District ad valorem taxes on property, during the Term of this Agreement, the following benefits will result, and which would not be secured without this Agreement:
 - 1. Owner will locate this substantial capital investment in Fort Bend County Drainage District, rather than another District;
 - 2. Current (and any future) taxing units levying taxes in the Reinvestment Zone (namely Lamar CISD) will receive new tax revenue that would not be available if Owner chose another location for this Project;
 - 3. The facility will remain operational for a minimum of 15 years in Fort Bend County Drainage District, for which District will assess taxes beginning with the first year following the end of the Abatement Period;
 - 4. District's receipt of a Payment In Lieu of Taxes from Owner results in a stable revenue stream for Drainage District that is not subject to appeal by Owner; and
 - 5. At the end of the Project's life, Owner will be required to ensure that the Real Property is returned to its original state.

II. Definitions:

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

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property located in a reinvestment zone designated for economic development purposes.
- B. "Abatement Period" means the 10-year period beginning on the earlier of (1) January 1 of the first Calendar Year after the Owner certifies that the Project has achieved Commercial Operations under Section V(B)(1)(c) or (2) if Owner elects for the Abatement Period to begin sooner, January 1 of the Calendar Year identified in a notice delivered by Owner to Fort Bend County Drainage District that recites "Owner elects for the Abatement Period to begin on January 1, 20__." The Abatement Period shall end upon the conclusion of 10 full Calendar Years thereafter

and in no case shall exceed the statutory limits stated in Texas Tax Code Chapter 312.

- C. "Base Year" means the Calendar Year in which the Effective Date occurs.
- D. "Commercial Operations" means that the facility has become commercially operational and placed into service for the purpose of storing electricity for sale in one or more commercial markets
- E. "District Property Taxes" means any and all current and future ad valorem taxes on property imposed by District that are eligible for abatement under Texas Tax Code Chapter 312.
- F. "Drainage District" means the Commissioners Court of Fort Bend County Drainage District.
- G. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- H. "Force Majeure" includes events not reasonably within Owner's control, including the following causes and events: acts of God and the public enemy, strikes, lockouts or other industrial disturbances, inability to obtain material or equipment or labor due to an event that meets the definition of Force Majeure, wars, blockades, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather, arrests and restraints of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body, civil disturbances, explosions, breakage or accident to machinery or lines, freezing of lines, any laws, orders, acts or restraint of government or governmental body or court, or the partial or entire failure of electricity supply or any other event that is beyond Owner's reasonable control.
- I. "Improvements" are as identified in the Texas Tax Code Chapter One.
- J. "Owner" means the owner of Real Property on which an Eligible Facility is or will be located, who may also be the Lessor. Where the context requires, "Owner" means the owner of the Eligible Facility, who is the Lessee of Real Property on which the Eligible Facility is or will be located; provided that a specific definition or other provision to the contrary in an Agreement controls over this sentence. Owner includes Owner's successors and assigns; however this definition does not supersede the assignment requirements of Section XIII(A).
- K. "Personal Property" means property that is not Real Property and consists of intangible and tangible personal property. Intangible Personal Property means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share, account, share certificate account, share deposit

account, insurance policy, annuity, pension, cause of action, contract, and goodwill. Tangible Personal Property means Personal Property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

- L. "Payment In Lieu of Taxes" or "PILOT" means the ten year series of payments by Owner which is intended to replace a portion of the of the ad valorem tax that District would have received had County Property Taxes not been abated pursuant to this Agreement and is a negotiated value between the Parties based on financial contribution and consideration of Owner's substantial investment in the Drainage District.
- M. "Project and Improvements" means Eligible Property meeting the definition for improvements provided by Chapter I of the Texas Tax Code and includes, but is not limited to, electric power generation, transmission equipment, and any building, structure, or fixture erected on or affixed to the land.
- N. "Real Property" means land or an improvement, or both, or other property classified as such under state law.
- O. "Reinvestment Zone" means a geographic area of the District designated as such for the purpose of Tax Abatement as authorized by Chapter 312 of the Texas Tax Code for purposes of this Agreement, the Reinvestment Zone shall be Town of Thompsons Reinvestment Zone NO. 2, attached as Exhibit 2.

III. Project and Improvements in Reinvestment Zone

- A. Owner is proposing to construct a Battery Energy Storage Facility, on an approximate 12.7 acre tract of land located within the boundaries of Town of Thompsons Reinvestment Zone NO. 2 described in Exhibit 2, attached hereto and incorporated herein for all purposes. The facility is expected to have a total capacity of up to approximately 200MW upon completion of construction. The facility will include but is not limited to the following components: foundations, batteries, containers, transformers, inverters, and cabling.
- B. The Eligible Property to be Abated under this Agreement shall mean and refer to the improvements, fixtures and equipment which are more particularly described in Owner's detailed application for abatement which is attached to this Agreement as Exhibit 3 that are installed in the District. The kind, number and location of all contemplated Improvements are described in Exhibit 3.
- C. The Project and Improvements will also include any other property in the Reinvestment Zone(s) owned or leased by Owner meeting the definition of "Eligible Property" that is used to store electricity and perform other functions

related to the storage, generation, distribution, or transmission of electrical power, or that is otherwise related to the facility or its operations, including specifically the equipment listed in Exhibit 3 to this Agreement.

- D. Eligible Property must all meet the following General Requirements:
1. Property must be located within the Reinvestment Zone
 2. Property must be eligible for Tax Abatement pursuant to Chapter 312 of the Texas Tax Code; and
 3. Property must be constructed or installed after the date this Agreement is approved by the Drainage District.

IV. Term and Portion of Tax Abatement; Taxability of Property

- A. This Agreement is effective as of the date of execution hereof and shall continue through December 31 of the Calendar Year that is five (5) years after the Abatement Period ends, unless terminated earlier, as provided elsewhere herein. In no event shall this term of the abatement exceed 10 years.
- B. Notwithstanding the foregoing, the Owner's obligations upon default to pay Drainage District any taxes abated under this Agreement, and penalty and interest thereon, as herein provided shall not terminate until the abated taxes, plus penalty and interest, are paid.
- C. The FBCAD has established the base year values for all the proposed Eligible Property as of 2023 ("Base Year") which the Parties agree to be zero.
- D. The Drainage District and Owner specifically agree and acknowledge that Owner's property in the Reinvestment Zone(s) shall be taxable in the following ways before, during, and after the Term of this Agreement:
1. Property not eligible for Abatement, if any, shall be fully taxable at all times, unless otherwise exempt or excluded from tax;
 2. The Certified Appraised Value of property existing in the Reinvestment Zones prior to execution of this Agreement shall be fully taxable at all times, unless otherwise exempt or excluded from tax;
 3. Prior to commencement of the Abatement Period, the Certified Appraised Value of real and personal property owned by Owner and already located in the Reinvestment Zones (if any) shall be fully taxable at all times, unless otherwise exempt or excluded from tax;
 4. During the Abatement Period, 100% of County Property Taxes on the Certified Appraised Value of the Eligible Property shall be abated in accordance with this Agreement; and
 5. After expiration of the Abatement Period, 100% the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zones shall be fully taxable at all times, including during

the performance of any post Abatement Period obligations, unless otherwise exempt or excluded from tax.

V. Responsibilities:

- A. The Tax Abatement granted by this Agreement is expressly conditioned upon the following requirements, which must be satisfied throughout the entire term of this Agreement and with which Owner agrees to comply with at all times, subject, however, to the notice and cure rights of Owner as set forth herein. For the avoidance of doubt, Owner is not required to maintain a minimum number of jobs.
- B. Performance Criteria
 1. Construction and Completion
 - a. Owner shall commence construction of the Project no later than December 31, 2024, complete the construction and commence Commercial Operations not later than December 31, 2026.
 - b. Owner can request an automatic extension of 1 year of the deadlines described above in Section V(B)(1)(a) (through 12/31/2025 for the construction commencement deadline and through 12/31/2027 for the construction completion and Commercial Operations commencement deadline) in writing for which the Director of Economic Opportunity and Development is authorized to grant for good cause shown.
 - c. Owner shall provide a letter to the Director of Economic Opportunity and Development certifying the date that the Project has achieved Commercial Operations.
 2. Minimum capital investment
 - a. Owner shall make a minimum capital investment with respect to the Eligible Property at completion of construction of not less than \$100,000,000.00.
 - b. Owner shall provide the Director of Economic Opportunity and Development a certified statement for the total project costs with respect to the Eligible Property (excluding the cost of the Real Property) within thirty (30) days after the Project achieves Commercial Operations.
 - c. The certification of minimal capital costs is subject to audit by the District, its agents or consultants, and Owner agrees to cooperate with such an audit.
 3. Payment In Lieu Of Taxes (PILOT)

- a. Owner agrees to issue 10 annual payment in lieu of taxes (the "Annual PILOT") in to the Drainage District for each year during the Abatement Period in the amounts shown in the table below:

PILOT TABLE

Tax Year	Amount of PILOT
Year 1	5,175.00
Year 2	5,175.00
Year 3	5,175.00
Year 4	5,175.00
Year 5	5,175.00
Year 6	5,175.00
Year 7	5,175.00
Year 8	5,175.00
Year 9	5,175.00
Year 10	5,175.00

- b. Owner shall issue the PILOT to the County Treasurer not later than December 1 of the year for which abatement is granted. By way of illustration only, if the Abatement Period begins January 1, 2026, then the PILOT for the first year of the Abatement Period must be paid not later than December 1, 2026.
- c. The Director of Economic Opportunity and Development will issue an invoice to Owner for the PILOT on or around October 1 prior to the date the PILOT is due. However, failure to invoice is not a breach of this Agreement and will not relieve Owner from the PILOT obligation due.
- d. Annual PILOT remittances shall be made payable to Fort Bend Drainage District and shall note the Project's name and corresponding PILOT year, and be mailed as follows:

Fort Bend County
Attn: Treasurer
301 Jackson Street, Suite 514
Richmond, TX 77469

C. General Requirements

1. Owner shall ensure that construction on or at the Property is in conformity with all applicable Regulations, Ordinances, Restriction and Permits. Failure to comply or cure non-compliance with those requirements shall be a breach of this Agreement.
2. Owner shall ensure that use of the property is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; namely that the use will be as described in Exhibit 2.
3. 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.
4. On or before September 1 of each year of this Agreement, Owner shall certify in writing to the Fort Bend County Economic Development Office compliance with each term of this Agreement by submission of the Annual Compliance Statement attached as Exhibit 4.
5. Owner shall ensure that taxes on all property owned by it in Fort Bend County Drainage District are current. Delinquent taxes for any Fort Bend County Drainage District property of Owner is a default of Owner and Owner's obligations hereunder and will be grounds for termination of this Agreement, regardless of whether the delinquent property is subject to an abatement under this Agreement. Notwithstanding the foregoing, Owner shall have the right to contest and protest its property taxes and appraisals of its property, including any portion thereof.
6. Owner shall annually furnish information necessary for Fort Bend Drainage District evaluation of Applicant's compliance with the terms and conditions of the Tax Abatement Agreement and these guidelines and criteria (in the form of an annual report/statement of compliance).

D. Owner Obligations after Abatement Period

- A. Continued Operations following Abatement. Owner and its successors or assigns agree to continue routine commercial operation of the facility, including all outages for repair, maintenance and refurbishment, for a total period of fifteen (15) years after the Project achieves Commercial Operations. In addition to any other remedies available to the Drainage

District pursuant to this Agreement or applicable law, upon any breach of this covenant as determined by a final judgment by a court of competent jurisdiction, the Drainage District shall be entitled to recapture the ad valorem taxes abated under the terms of this Agreement as provided herein.

- B. Owner shall return and restore the Real Property to its previous state. Remediation of the property to its former state is anticipated, and such remediation will not result in the imposition of recovery costs upon the District or underlying land owners where the project is based upon a leasehold interest. To the extent practicable for this Project, the provisions of Section 301.0003 of the Texas Utilities Code will be followed regarding remediation of the property at the end of the project's useful life.

VI. Administration

- A. This Agreement shall be administered in accordance with the GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND DRAINAGE DISTRICT.
- B. Fort Bend Central Appraisal District annually determines an assessment of the real and personal property comprising the reinvestment zone. Each year, Owner shall furnish the FBCAD with such information as may be necessary for the Abatement. After value has been established, Fort Bend County Drainage District receives the certified appraised value from the FBCAD.
- C. During the Abatement Period, Drainage District shall request that the County Appraisal District annually determine both (i) the Certified Appraised Value of the Eligible Property owned by Owner in the Reinvestment Zone(s) and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of the Eligible Property owned by Owner in the Reinvestment Zone(s). The County Appraisal District shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records. The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the District in the event that the District is entitled to recapture abated taxes under this Agreement.
- D. 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 Director of Economic Opportunity and

Development in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement

- E. Upon completion of the construction, placement and/or installation of the Eligible Property, District shall annually evaluate the Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.
- F. Owner shall allow employees or other representatives of District who have been designated by Drainage District to have reasonable access to the Real Property to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
 - i. Inspection shall be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility and in accordance with its safety standards;
 - ii. Twenty-four (24) hours prior notice shall be given; and
 - iii. One or more representatives of the Owner or individual is present

VII. Recapture/Default

- A. The Drainage District may declare a default if the Owner violates any material term of this Agreement. If the Drainage District declares a default of this Agreement, this Agreement shall terminate, after notice and opportunity to cure as provided below, in accordance with the following provisions and Section V(D)(A), as applicable, or the Parties may modify the Agreement upon mutual agreement.
- B. Failure to Commence Operation During Term of Agreement: In the event that the facility is not completed and does not begin operation by the January 1st following the completion of construction, no Tax Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the owner of such a facility fails to begin operation by the next January 1st, then the Tax Abatement Agreement shall terminate and all abated taxes shall be recaptured and paid within sixty (60) days of such termination. If the Drainage District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- C. Discontinuance of Operations During Term of Agreement: In the event the facility is completed and begins operation, but subsequently discontinues operations on any January 1st during the term of the Agreement after the completion of construction, the Agreement may be terminated by the Fort Bend County Drainage District and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within sixty (60) days from the

date of termination. If the Drainage District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.

- D. Delinquent Taxes: In the event that the owner allows any ad valorem taxes to become delinquent on any property in Fort Bend County Drainage District (whether abated or not) and fails to timely and properly follow the legal procedures for their protest and/or contest, the Tax Abatement Agreement shall terminate and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the Drainage District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- E. Performance Criteria: In the event that the owner fails to meet any other performance criteria provided by the Tax Abatement Agreement, the Tax Abatement Agreement may terminate and so shall the Abatement of the taxes for the tax year of the non-performance. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the Drainage District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- F. Actual Capital Investment: If the total level of capital investment in the Eligible Property is lower than required by Section V(B)(2)(a), the Drainage District, at its sole discretion, reserves the right to adjust the Tax Abatement percentage to reflect the actual capital investment.
- G. Undocumented Workers. 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 30th day after the date of the notice of default from District to Owner. In the event of termination under this paragraph (G), Owner shall repay to District the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes.
- H. Procedure for "other" default, not specified herein:
 - 1. For a default of any other requirement of this Agreement not specifically identified in this Section "Recapture and Default" Drainage

District will notify Owner of the default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure the default.

2. If Owner fails to cure the default, Drainage District may terminate this Agreement by written notice. Any default notice issued in accordance this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE DISTRICT. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN CANCELLATION OF THE TAX ABATEMENT AGREEMENT AND ACTION TO RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT.

- I. Owner's obligations upon termination to pay Drainage District monies owed for taxes abated, interest and penalties thereon shall survive termination of this Agreement, and the Drainage District shall have a lien against the Owner's Property and any improvements or tangible personal property located thereon for the monies owed until paid.
- J. Notwithstanding any other provision of this Agreement to the contrary, in the event Owner is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, Owner's obligations, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any condition or event of Force Majeure, and failure to perform such obligations shall not be a breach or default. Owner shall give prompt notice and a description of such event to the District and shall take all reasonable actions within its powers to remove the basis for nonperformance and, after doing so, shall resume performance as soon as possible, provided that Owner shall not be required to settle any strike, lockout, or disturbance when such course is inadvisable in Owner's reasonably exercised discretion.
- K. Notwithstanding any other provision in this Agreement to the contrary, in the event Owner is required to pay County Property Taxes with respect to one or more tax years in the Abatement Period as a result of breach, default, or any other reason, the amount of such taxes shall be less any and all PILOTs paid by Owner for such tax year or years.

VIII. Notice

- 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 and 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. Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that any notice required to be given under the provisions of this Agreement may be made by e-mail, alone or in addition to other methods for giving notice provided for herein.
- C. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or Drainage District at the following addresses:

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

With a copy to: Fort Bend County
Attn: Director of Economic
Opportunity & Development
301 Jackson
Richmond, Texas 77469

Owner: Bypass BESS LLC
Attn: Jordan Tinsley
11801 Domain Blvd. Suite 450
Austin, TX 78758
Jtinsley@aypa.com

With a Copy to: Legal@aypa.com

- D. Any party may designate a different physical mailing or e-mail address by giving the other parties sixty (60) days prior written notice thereof.

XI. Indemnity

- A. 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. 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. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION.
- B. The Parties expressly acknowledge that the Drainage District's authority to indemnify and hold harmless any third party is governed by Article XI, Section 7 of the Texas Constitution, and any provision that purports to require indemnification by the Drainage District is invalid. Nothing in this Agreement requires that the District incur debt, assess or collect funds, or create a sinking fund.

XII. Representations

- A. The Drainage District hereby warrants and represents that (i) this Agreement was authorized by an order of the District adopted on the date recited above authorizing the County Judge to execute this Agreement on behalf of the Drainage District, and (ii) The Drainage District has made and will continue to make all required filing with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.
- B. Owner hereby warrants and represents to the Drainage District:
 - 1. That Owner is a limited liability company in good standing under the laws of its state of organization and authorized to do business in the State of Texas; or in the case of a permitted assignee of this Agreement, that such assignee is authorized to do business in the State of Texas.

2. That Owner is not in default in the payment of any taxes owing to the federal, state or any local governmental units.
3. That the officer of Owner signing this Agreement is properly authorized to enter into this Agreement and bind Owner to the terms thereof and Owner is thereby authorized to perform all covenants undertaken by Owner pursuant to this Agreement.
4. That there is no operating agreement, certificate of formation provision, or agreement between Owner and any third party which in any way limits Owner's authority to enter into this Agreement and perform all covenants and agreements set forth herein.
5. That none of the tangible personal property that is intended to be a part of the Improvements located within the Reinvestment Zone is located within the Reinvestment Zone as of the effective date of this Agreement.

XIII. General Provisions:

- A. Assignments- The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may be transferred or assigned by Owner only by an agreed, written amendment to this Agreement after written permission by District, which permission shall not be unreasonably withheld. No assignment shall be approved if the assignor or assignee is indebted to the City for ad valorem taxes or other obligations.
- B. Changes in Tax Laws. 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.
- C. Compliance with State and Local Regulations. Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any ordinance, rule, or regulation or law.
- D. Public Information. This Agreement is public information. To the extent, if any, that any provision of this Agreement is in conflict with the Texas Government Code Chapter 552, as amended (the "Texas Public Information Act"), such provision shall be void and have no force or effect.
- E. Severability and Reformation.
 1. Unless the court applies subsection (2), if any provision of this Agreement or the application thereof to any person or circumstance is ever judicially declared invalid, such provision shall be deemed severed from this Agreement, and the remaining portions of this Agreement shall remain in effect.

- 2. If any provision of this Agreement or the application thereof to any person or circumstance is prohibited by or invalid under applicable law, it shall be deemed modified to conform with the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any such other provision being prohibited or invalid.
- F. Venue: 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 Drainage District.
- G. Expenses of Negotiation and Compliance. Upon full execution of this Agreement, Owner agrees to pay the District's reasonable expenses incurred as a result of the negotiation, including all costs of publication or other required procedures under applicable statutes, of this Agreement including all reasonable and necessary attorney fees incurred during the negotiation and preparation of this Agreement. Payment is to be made within 60 days of receipt by Owner of invoice from Fort Bend County Drainage District, with supporting documentation sufficient to enable the Owner to verify such expenses. Notwithstanding anything in this paragraph, the maximum reimbursement to be paid by Owner is \$7,500.00.

XIV. Entire Agreement.

This executed instrument is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this agreement. Any oral representations or modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by all the parties hereto.

Attached hereto are:

Exhibit 1	Required Notice
Exhibit 2	RZ ORDER and legal description of Real Property (land) comprising the

	Reinvestment Zone (including Attachment A to this Exhibit);
Exhibit 3	Application
Exhibit 4	The Annual Compliance Certificate

All of which are made part of this Agreement.

XV. Conflict

Conflicts among documents shall be resolved in favor of:

First	Exhibit 1	RZ ORDER and legal description of Real Property (land) comprising the Reinvestment Zone (including Attachment A to this Exhibit);
Second	N/A	This document titled TAX ABATEMENT AGREEMENT between FORT BEND COUNTY DRAINAGE DISTRICT and Bypass BESS, LLC Town of Thompsons Reinvestment Zone NO. 2
Third	Exhibit 3	Application
Reference Only	Exhibit 1	Required Notice

Reference Only	Exhibit 4	Annual Compliance Certificate (attached as form document)
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XVI. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by Drainage 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.

**FORT BEND COUNTY
DRAINAGE DISTRICT**



By: *KP George*
County Judge KP George
KP George, County Judge

Date: September 26, 2023

ATTEST:

Laura Richard
Laura Richard, County Clerk

OWNER

Bypass BESS LLC

By: *Sam Littlefield*

Printed Name: Sam Littlefield

Title: EVP Development

Date: Sep 20, 2023

APPROVED AS TO LEGAL FORM:

Michelle E Turner

Michelle L. Turner
First Assistant County Attorney
County Attorney Office*

*By law, the County Attorney's Office may only advise or approve contracts or legal documents on behalf of the County. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of the County. Our approval of this document was offered solely for the benefit of the County. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney.

District's Original executed document
to be returned to:

Economic Development Office
ATTN: Director of Economic Opportunity and Development
Address:

i:\michelle\econ develop office\abatements\2023\ bypass BESS\bypass BESS draft mlt 8.13 return from jdc 8.14
mlt.docx

GF-23-EDC-100982

Exhibit 1
Required Notice

PUBLIC NOTICE OF A MEETING AT WHICH THE FORT BEND COUNTY DRAINAGE DISTRICT WILL CONSIDER THE APPROVAL OF A TAX ABATEMENT AGREEMENT OR MODIFICATION OF AN AGREEMENT WITH A PROPERTY OWNER

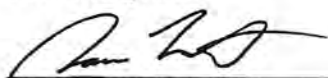
NOTICE IS HEREBY GIVEN THAT A TAX ABATEMENT AGREEMENT WILL BE PRESENTED TO THE FORT BEND COUNTY DRAINAGE DISTRICT FOR APPROVAL AT AN UPCOMING REGULAR MEETING OF THE FORT BEND COUNTY DRAINAGE DISTRICT WHICH WILL BE HELD NO SOONER THAN 30 DAYS FROM THE DATE THIS NOTICE WAS FILED WITH COUNTY CLERK.

THE MEETING LOCATION WILL BE AS FOLLOWS: FORT BEND COUNTY COMMISSIONERS COURT SECOND FLOOR, FORT BEND COUNTY COURTHOUSE 401 JACKSON STREET, RICHMOND, TEXAS

INFORMATION REQUIRED PER TEXAS TAX CODE SECTION 312.207 (C) (1) – (4): FOR THE TAX ABATEMENT AGREEMENT TO BE PRESENTED APPEARS BELOW:

The name of the property owner and the name of the applicant for the new or modified tax abatement agreement:	Applicant: Bypass BESS LLC Landowners: W. & T. Ullrich, F. Villela, S. Knoepfel, T. & J. Thibodeaux
Agreement Type (New or Amended)	New
The name and location of the reinvestment zone in which the property subject to the agreement is located:	2201 Y U Jones Rd. Richmond, TX 77469, Town of Thompsons Reinvestment Zone No. 2 in Precinct 2, Fort Bend County
A general description of the nature of the improvements or repairs included in the agreement:	Electric Battery Storage System facility comprised of all control apparatus and multiple steel battery units, approximately each the size of a medium size bus sitting on concrete pads on an approximate 12.7-acre site.
The estimated cost of the improvements or repairs:	\$13,400,000
Additional significant Project Details or Values/Costs:	\$114,000,000 of Equipment and Machinery

**Reviewed by:
Sam Littlefield**



Signed by County Judge



KP George, County Judge

Notice of meeting/agenda was filed with the _____ on _____, at least 30 days prior to the regular notice required by Texas Government Code 551. An electronic version of this notice is also posted on the Fort Bend County website: <https://www.fortbendcountytexas.gov/government/departments/county-clerk/legalnotices>

RECEIVED

TIME 3:06 PM A.M.
P.M.

August 8, 2023


County Clerk Fort Bend Co. Texas

Exhibit 2

RZ ORDER and legal description of Real Property (land)
comprising the Reinvestment Zone
(including Attachment A to this Exhibit)

ORDINANCE NO. 181

AN ORDINANCE OF THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS, CREATING AND DESIGNATING A REINVESTMENT ZONE TO BE NAMED THE "TOWN OF THOMPSONS REINVESTMENT ZONE NUMBER 2" PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE; MAKING CERTAIN FINDINGS RELATED TO THE REINVESTMENT ZONE; DIRECTING THE CITY SECRETARY TO FILE ALL REQUIRED DOCUMENTS RELATED TO THE REINVESTMENT ZONE WITH THE TEXAS COMPTROLLER'S OFFICE; PROVIDING FOR SEVERABILITY; AND, PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, the Board of Aldermen (the "Board") of the Town of Thompsons, Texas (the "Town") desires to promote commercial-industrial development within the municipal boundaries of the Town; and

WHEREAS, on June 15, 2023, the Board adopted "Guidelines & Criteria for Tax Abatement Agreements"; and

WHEREAS, according to Chapter 312 of the Texas Tax Code, the Board desires create a reinvestment zone over a certain area in the taxing jurisdiction of the municipality, with such area being more specifically described and depicted in "Exhibit A" attached to this Ordinance (the "Area"); and

WHEREAS, after publishing notice in a newspaper having general circulation in the Town and after delivering in writing to the presiding officer of the governing body of each taxing unit that includes within its boundaries real property that is to be included in the proposed reinvestment zone, the Board held a public hearing on July 20, 2023 and allowed interested persons to speak and present evidence for or against the designation of the reinvestment zone; and

WHEREAS, it is the belief of the Board that the improvements sought for the Area are feasible and practical and would be a benefit to the land to be included in the reinvestment zone and to the Town after the expiration of any tax abatement agreement that might relate to the Area; and

WHEREAS, it is the belief of the Board that designating a reinvestment zone over the Area would be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the Town; and **NOW, THEREFORE:**

IT IS HEREBY ORDAINED BY THE TOWN OF THOMPSONS, TEXAS:

THAT, the statements contained in the preceding caption and recitals are true and correct and are incorporated into this Ordinance for all intents and purposes.

THAT, after publishing notice in a newspaper having general circulation in the Town of Thompsons, Texas (the "Town") and after delivering in writing to the presiding officer of the governing body of each taxing unit that includes within its boundaries real property that is to be included in the proposed reinvestment zone, the Board of Alderman of the Town (the "Board")

held a public hearing on July 20, 2023 and allowed interested persons to speak and present evidence for or against the designation of the reinvestment zone.

THAT, the Board hereby finds that that certain area of land located within the Town that consists of approximately twenty-five (25) acres of primarily undeveloped land generally located on the northeast corner of the intersection of Lockwood Bypass Road and Lockwood Road, with such area being more specifically described and depicted in “Exhibit A” attached to this Ordinance (the “Area”), would be reasonably likely, as a result of the designation of the reinvestment zone, to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the Town.

THAT, the Board hereby finds that the reinvestment zone proposed for the Area satisfies the requirements of Section 312.201 of the Texas Tax Code.

THAT, the Board hereby finds that the improvements sought for the Area are feasible and practical and would be a benefit to the land to be included in the reinvestment zone and to the Town after the expiration of any tax abatement agreement entered into under Section 312.204 or 312.211 of the Texas Tax Code that might relate to the Area.

THAT, pursuant to Chapter 312 of the Texas Tax Code, the Board hereby creates and designates a reinvestment zone for commercial-industrial tax abatement over the Area, and the reinvestment zone is hereby designated and shall hereafter be designated as the “Town of Thompsons Reinvestment Zone Number 2”.

THAT, the Board hereby declares that, upon designation of the reinvestment zone, the Town may provide, on a case-by-case basis, tax abatement incentives in accordance with Chapter 312 of the Texas Tax Code and the Town’s “Guidelines & Criteria for Tax Abatement Agreements”.

THAT, the Board directs the Town Secretary to file all required documents regarding the reinvestment zone with the Texas Comptroller’s Office and with any other entity required to be notified by law.

THAT, it is the intention of the Board that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, then such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance, since the same would have been enacted by the Board without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

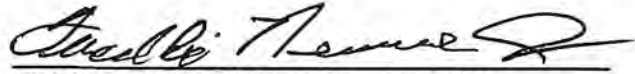
THAT, this Ordinance shall become effective upon its passage by the Board, and the reinvestment zone shall be created on the effective date of this Ordinance and shall remain in effect for five (5) years from that date, unless a longer period is authorized by law.

PASSED, APPROVED, and ORDAINED on this 20th day of July, 2023.

[SIGNATURES AND EXHIBITS ON FOLLOWING PAGES]

SIGNATURES

FOR THE TOWN OF THOMPSONS, TEXAS:



FREDDIE NEWSOME, JR., MAYOR

ATTEST:

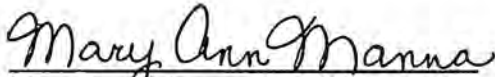

Mary Ann Manna, Town Secretary

EXHIBIT A
DESCRIPTION AND DEPICTION OF THE
TOWN OF THOMPSONS REINVESTMENT ZONE NUMBER 2

Exhibit A.1 – General Description of the Properties Included Within
Town of Thompsons Reinvestment Zone Number 2

Fort Bend County Appraisal District Property ID Number	Legal Description
R33974	0044 S Kennedy, TRACT 80-82, ACRES 5.636, Tract 81 (105 X 210)
R33972	0044 S Kennedy, TRACT 82, ACRES 0.434
R165507	0044 S KENNEDY, ACRES 5.185
R33967	0044 S KENNEDY, TRACT 78, ACRES .501
R33913	0044 S KENNEDY, TRACT 30 105 X 210 FT, ACRES .5
R127974	0044 S KENNEDY, ACRES 0.193
R33973	0044 S KENNEDY, TRACT 82, ACRES .5
R33965	0044 S KENNEDY, TRACT 77 (PT), ACRES 1.9733

Exhibit A.2 – General Depiction of the Boundaries of
Town of Thompsons Reinvestment Zone Number 2

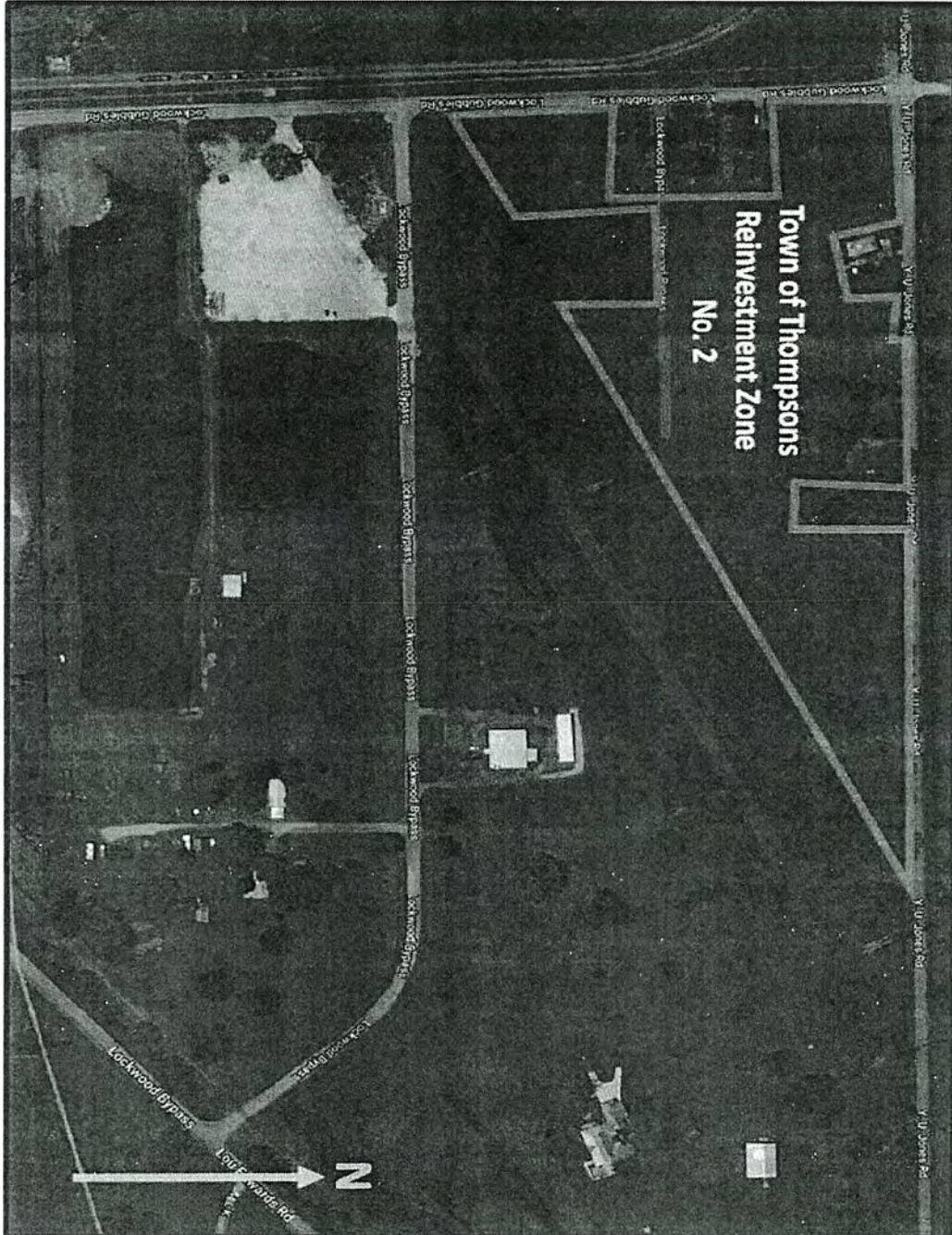


Exhibit 3
Application

Fort Bend County Drainage District Tax Abatement Application

1. Applicant's Business Name and Structure (LLC, LP, Corporation, etc.) that will be operating in Fort Bend County:

Bypass BESS LLC

2. Name of any Parent Company, Controlling Affiliate or if applicant company is a Subsidiary of another entity that would be responsible for performance of any proposed tax abatement agreement:

Aypa Power

3. Please provide a brief history and description of the company:

Aypa Power was founded in 2018 and opened its Texas headquarters in 2021. We have over 32 battery energy storage projects in operation or construction across North America. We view ERCOT as a strategic opportunity for growth and we aim to be exceptional community partners by creating jobs, promoting investment, and contributing to the local economies in which our projects are built.

4. Contact Person and Info for Abatement Process:

Name: Jordan Tinsley
Title: Senior Manager of Project Development
Direct Phone Number: (409) 782-4117
Email Address: jtinsley@aypa.com
Mailing Address: 11801 Domain Blvd Suite 450, Austin, TX 78758
Website: www.aypa.com

5. Company officer name who would execute any potential tax abatement agreement:

Name: Marc Atlas
Title: Chief Financial Officer
Direct Phone Number: 646-373-3364
Email Address: matlas@aypa.com
Mailing Address: 11801 Domain Blvd Suite 450, Austin, TX 78758
Website: www.aypa.com

6. Headquarters Location (where the company's officers direct, control and coordinate the entity's activities)

11801 Domain Blvd Suite 450, Austin, TX 78758
City: Austin State: Texas

7. State of registration or incorporation:

Incorporated in Delaware

8. Does the company currently have operations elsewhere in the State of Texas? If so, please state the name of communities.

Corporate HQ: Austin, TX

Project Operations:

- Webb County: Battery Storage Project (operational)
- Borden County: Battery Storage Project (in development)
- Freestone County: Solar + Battery Storage Project (in development)

Fort Bend County Drainage District Tax Abatement Application

PROJECT DETAILS

1. List other communities that are being considered for the project:

Aypa Power is currently evaluating several different locations throughout their markets, which includes other counties in Texas as well as Louisiana.

2. Indicate any incentives sought or received from other taxing entities in connection with this project.

As Aypa Power evaluates potential locations for this project, property taxes are a key consideration in the ROI analysis of each location and abatements will play a key role in the analysis.

3. Describe the project, including size and scope of capital improvements (real and personal property) to be undertaken, the facility's use, and the product or service to be produced.

This project is proposing a battery energy storage project with 200 MW nameplate capacity: 400 MWh. The total capital expenditure is approximately \$150 million which will be situs on a 10-acre footprint. This facility will increase electric grid reliability, as well as store energy and shift it to times when end-users need it the most.

4. Classification and NASIC CODE (i.e., Aviation/Aerospace & Advanced Manufacturing, Bioscience/Healthcare, Information Technology and Cyber-Security, Corporate and Regional Headquarters, Creative Industries, Environmental/Clean/Green Technology, Finance, Logistics and Distribution, Manufacturing):

This is relatively newer technology and therefore this type of facility could fall into any of the following NAICS codes: Other Electric Power Generation (221118), Electric Power Distribution (221122); Power and Communication Line and Related Structures Construction (237130)

5. Physical address of Proposed Project:

Parcel Number	Situs	Ownership Status	Acreage	Parcel Name
R33974	2527 Lockwood RD, Richmond, TX 77469	leased portion		5.636 Ullrich Walter & Theresa
R33972	2409 Yu Jones RD, Richmond, TX 77469	leased portion		0.434 Ullrich Walter E & Theresa F
R33973	2523 Lockwood RD, Richmond, TX 77469	leased portion		0.5 Ullrich Walter E & Theresa F
R165507	Yu Jones RD	purchase option		5.185 Knoepfel, Sherrie Kay
R33967	2315 Yu Jones RD, Richmond, TX 77469	purchase/lease (tbd)		0.501 Ross, Bessie Lee
R33913	Yu Jones RD	purchase option		0.5 Villela, Fredis O Robles
R127974	Lockwood RD, Thompsons, TX 77481	purchase option		0.193 Knoepfel, Sherrie Kay
R33965	2227 Yu Jones RD, Richmond, TX 77469	TBD		1.9733 Thibodeaux Todd & Jessica

County Commissioner Precinct: 2

City Council District: Town of Thompsons officials

School District: Lamar CISD Land Size of Project: 10 acres

6. New Construction Expansion To Lease Existing Improvements

7. Proposed Cost of New Improvement: minimal if any

8. Proposed Cost of New Fixed Equipment and Machinery: \$114,000,000

9. Other Personal Property excluding Inventory: \$13,400,000

10. Proposed Cost of *Initial* Inventory: N/A.

Fort Bend County Drainage District Tax Abatement Application

11. Schedule of Investment over requested term of Abatement including proposed start of construction date and completion of construction date for each phase of construction

Taxable Year	Estimated Assessment Year	Assessed Value Range*
CIP	2024	30,000,000
1	2025	85,000,000 - 120,000,000
2	2026	78,000,000 - 113,000,000
3	2027	72,000,000 - 105,000,000
4	2028	65,000,000 - 97,000,000
5	2029	58,000,000 - 89,000,000
6	2030	51,000,000 - 79,000,000
7	2031	43,000,000 - 71,000,000
8	2032	36,000,000 - 62,000,000
9	2033	29,000,000 - 53,000,000
10	2034	21,000,000 - 45,000,000

* Assessed values exclude land

12. Does/will the applicant own or lease the project's proposed new Land and/or Improvements? Own Lease

Both owned and leased.

See table in #5 above, a portion of the project will be owned and some parcels will be leased.

If to be leased, provide the name of the landlord/owner.

Walter & Theresa Ullrich (see more detail in table above under item #5)

If to be leased, indicate lease term. 25 Years with five 5-year options to extend.

Beginning Date: TBD

Expiration date: TBD

If Applicant owns any other property in Fort Bend County, list existing Fort Bend Central Appraisal District tax account numbers associated with this project if any

Real property: N/A

Personal property: N/A

13. Current local workforce: Full-time: 0 Part-time: 0 Seasonal: 0
This project does not have any current employees.

Fort Bend County Drainage District Tax Abatement Application

14. Minimum number of new, full-time jobs to be created over requested term of Abatement and schedule of placement on site

The Project will utilize local workforce through the construction phase, and this will bring 50-55 temporary jobs. Aypa anticipates it will hire part-time/temporary positions for repair and maintenance while the project is operational. The Applicant and Applicant's contractors will be present in the community throughout the construction and operation of the project, supporting local businesses (lodging, restaurants/food, supplies, etc.) during this time.

15. For expansion projects only, number retained full-time jobs: N/A
Base Hourly Wage at project site (excluding benefits and bonuses)*: N/A

16. Base Hourly Wage at project site (excluding benefits and bonuses)*: N/A

17. Average Annual Salary of Existing Jobs: \$ N/A

18. Average Annual Salary of Projected New Jobs: \$ N/A

19. Is the company delinquent in the payment of ad valorem taxes to any taxing unit located in Fort Bend County?

Yes No If yes, explain:

20. Has the applying company or any of its affiliates been cited, currently under investigation, or have litigation pending for any violations of federal, state, county and/or municipal laws, codes or ordinances?

Yes No If yes, indicate the nature/status of the violation(s):

21. Has the company previously received an incentive from the County? Yes No

Where is the property located: N/A

If yes, indicate the time period (MM/YY): N/A

If yes, explain: N/A

If yes, is/was the company in compliance with all terms and conditions: Yes No
N/A

22. Is any interest in this project presently held by an elected, appointed or employed member of any taxing entity? Yes No

23. Is any interest in this project presently held by a member of the Fort Bend County Commissioners Court or other County official or employee? Yes No

If yes, explain:

Fort Bend County Drainage District Tax Abatement Application

24. Describe any goodwill benefits and involvement that the applicant has previously provided and/or is committed to providing in the future to the Fort Bend County community.

Aypa Power develops projects for long term ownership and operation, therefore we are committed to establishing sustainable relationships with our community partners and being an engaged member of the community. Aypa Power plans to meet with the city council of Thompsons to discuss the development and any community needs. The Project will utilize local workforce through parts of the construction phase. The Applicant and Applicant's contractors will be present in the community throughout the construction and initial operation of the Project, supporting local businesses (lodging, restaurants/food, supplies, etc.) during this time. Furthermore, the Project will enhance the local power grid's ability to respond to its peak demand needs while aiding Fort Bend County to meet its ever-growing electricity usage and storage needs.

25. Provide an assessment of the project's environmental impact, and any remediation and/or compliance plan associated with the project, which would have the effect of minimizing the negative impact of the project on the environment.

Aypa Power will conduct thorough environmental analysis to comply with all relevant Environmental Laws. Overall, with a small energy-dense footprint and charging/discharging from the grid, a storage project should have minimal adverse environmental impact associated with it.

Fort Bend County Drainage District Tax Abatement Application

ATTACHMENTS

- A. A map and legal description (metes and bounds) of the facility site;
- B. CAD data or a shape file with the boundaries of the proposed facility site, and if the Reinvestment Zone and facility site are not the same, then also include CAD data or a **shape file** with the boundaries of the proposed Reinvestment Zone;

See attached map

Parcel Number	Legal Description
R33974	0044 S Kennedy, TRACT 80-82, ACRES 5.636, Tract 81 (105 X 210)
R33972	0044 S Kennedy, TRACT 82, ACRES 0.434
R33973	0044 S KENNEDY, TRACT 82, ACRES .5
R165507	0044 S KENNEDY, ACRES 5.185
R33967	0044 S KENNEDY, TRACT 78, ACRES .501
R33913	0044 S KENNEDY, TRACT 30 105 X 210 FT, ACRES .5
R127974	0044 S KENNEDY, ACRES 0.193
R33965	0044 S KENNEDY, TRACT 77 (PT), ACRES 1.9733

- C. A **general description** of the improvements for which the Abatement is sought and the extent of the modernization, expansion, or new improvement which will be part of the facility. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.

The Project will use Lithium-ion batteries organized in modules and installed rack towers to control the exchange of power into and out of the system. The racks are organized into containers like shipping containers which are equipped with heating and cooling systems, fire suppression systems, and control systems. The eligible property will be comprised of batteries, container housing, substation equipment, transmission connections, inverters, fences, and gates.

- D. Financial and other information as Fort Bend County deems appropriate for evaluating the financial capacity and other factors of the Applicant;

Aypa Power develops, owns, and operates utility-scale energy storage and hybrid renewable energy projects that assist in the decarbonization of the grid. Aypa has been at the forefront of energy storage development since their first energy storage project came online in 2018. As a leader in the industry, they now have over 15 GW of utility-scale energy storage and hybrid renewable energy projects in development, and 32 projects in operation or construction across North America.

www.aypa.com

- E. A time schedule for undertaking and completing the planned improvements; and

Anticipated project construction start: 3rd / 4th Qtr 2023
Anticipated project completion: 4th Qtr 2024 / 1st Qtr 2025

- F. Any additional information the Applicant deems helpful to the evaluation of the application. N/A

Fort Bend County Drainage District Tax Abatement Application

Companies must submit non-refundable application fees with their applications. Projects that require an assignment or amendment are also required to pay an application fee of \$1,000.00 to each entity.

CERTIFICATION

I understand and certify that I have read the County of Fort Bend 's current *Tax Abatement Guidelines*. I am familiar with the provisions contained therein, and that the information provided in this application may become a part of an incentive agreement with the County of Fort Bend. I also certify that I am authorized to sign this application, that the information provided herein is true and correct, and that knowingly providing false information will result in voiding the application and termination of any incentive agreement.

Signature: Jordan Tinsley

Date : Jordan Tinsley (May 24, 2023 08:38 CDT)

Printed Name: Jordan Tinsley Title: Senior Manager of Project Development

Company Name: Aypa Power

Mailing Address: 11801 Domain Blvd Suite 450

City: Austin State: TX Zip: 78758

Telephone: () - Mobile: (409) 782-4117 E-mail address: jtinsley@aypa.com

Applications shall be returned as follows:

Return an original executed Application to:

Fort Bend County Budget Office
Attn: Director of Finance and Investments
Address: 301 Jackson St. Richmond, TX
77469 Telephone: 281-344-3922

Fort Bend County Drainage District Application Updated 2023 05 24

Final Audit Report

2023-05-24

Created:	2023-05-24
By:	Tammy Bialek (tammy.bialek@altusgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAJnfQkgsF6NkTUekp1EpXBX3vuSHK6pbn

"Fort Bend County Drainage District Application Updated 2023 05 24" History



-  Document created by Tammy Bialek (tammy.bialek@altusgroup.com)
2023-05-24 - 1:32:09 PM GMT- IP address: 165.225.39.10
-  Document emailed to Jordan Tinsley (jtinsley@aypa.com) for signature
2023-05-24 - 1:32:34 PM GMT
-  Email viewed by Jordan Tinsley (jtinsley@aypa.com)
2023-05-24 - 1:38:30 PM GMT- IP address: 107.115.147.41
-  Document e-signed by Jordan Tinsley (jtinsley@aypa.com)
Signature Date: 2023-05-24 - 1:38:48 PM GMT - Time Source: server- IP address: 107.115.147.41
-  Agreement completed.
2023-05-24 - 1:38:48 PM GMT

Exhibit 4
The 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) filed the annual Application(s) for Property Tax Abatement Exemption (Form 50-116) with Fort Bend Central Appraisal District on

_____ (date).

8. 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:

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)

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 _____












Fort Bend County Abatement Agreement-Bypass BESS LLC DD Final 9.20.23

Final Audit Report

2023-09-20

Created:	2023-09-20
By:	Sarah Murphy (SMurphy@aypa.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAfppZuY9SILEelk5v6chEdw5rJztemzww

"Fort Bend County Abatement Agreement-Bypass BESS LLC D D Final 9.20.23" History

-  Document created by Sarah Murphy (SMurphy@aypa.com)
2023-09-20 - 8:45:25 PM GMT
-  Document emailed to legal@aypa.com for approval
2023-09-20 - 8:47:23 PM GMT
-  Email viewed by legal@aypa.com
2023-09-20 - 9:23:23 PM GMT
-  Signer legal@aypa.com entered name at signing as Mackenzie Meinhold
2023-09-20 - 9:39:38 PM GMT
-  Document approved by Mackenzie Meinhold (legal@aypa.com)
Approval Date: 2023-09-20 - 9:39:40 PM GMT - Time Source: server
-  Document emailed to Sam Littlefield (slittlefield@aypa.com) for signature
2023-09-20 - 9:39:42 PM GMT
-  Email viewed by Sam Littlefield (slittlefield@aypa.com)
2023-09-20 - 9:47:46 PM GMT
-  Document e-signed by Sam Littlefield (slittlefield@aypa.com)
Signature Date: 2023-09-20 - 9:48:01 PM GMT - Time Source: server
-  Agreement completed.
2023-09-20 - 9:48:01 PM GMT

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Bypass BESS LLC
Austin, TX United States

Certificate Number:
2023-1074296

Date Filed:
09/20/2023

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Fort Bend County Drainage District

Date Acknowledged:
09/27/2023

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
Bypass BESS, LLC
Tax Abatement (PILOT)

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Jammalamadaka, Swaraj	Austin, TX United States	X	
	Hajabed, Moe	Austin, TX United States	X	
	Atlas, Marc	Austin, TX United States	X	
	Kneteman, Christie	Austin, TX United States	X	
	Santelli, Daniel	Austin, TX United States	X	
	Littlefield, Sam	Austin, TX United States	X	
	Cedar Holdco LLC	Austin, TX United States	X	
	K&L Gates LLP	Dallas, TX United States		X

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)