

Commissioners Court; and

- I. Though County Taxes will be abated 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, rather than another County;
 2. Current¹ and (and any future) taxing units levying taxes in the Reinvestment Zone) will receive new tax revenue beginning the first year of the Agreement that would not be available if Owner chose another location for this Project;
 3. Owner will remain operational for a minimum of 15 years in Fort Bend County, for which County will assess taxes beginning the 11th year;
 4. County's receipt of a Payment In Lieu of Taxes from Owner results in a stable revenue stream for County and for which depreciation of the Project is controlled; and
 5. At the end of the Project's life, Owner will properly decommission the facilities, which the County could not require without executing this Agreement.

II. Definitions:

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

- A. "Abated Taxes" means all Ad Valorem taxes abated pursuant to this Agreement and as described in Texas Tax Code Chapter 312; whether in existence at the time this Agreement is executed or added during the Term of Agreement.
- B. "Abatement" means the full or partial exemption from ad valorem taxes of certain property located in a reinvestment zone designated for economic development purposes.
- C. "Abatement Period" means the ten-year period described in Paragraph IV(E) of this Agreement during which the Abatement will apply.
- D. "Base Year" means the Calendar Year in which the Effective Date occurs.
- E. "Certified Appraised Value," means the appraised value, for property tax purposes, of Owner's Eligible Property (including the Project and Improvements) within the Reinvestment Zone as certified by the Fort Bend County Appraisal District ("FBCAD") for each tax year.
- F. "Commissioners Court" means the Commissioners Court of Fort Bend County, Texas.
- G. "Effective Date" means the effective date of this Agreement, which shall be the later of the dates on which the County and Owner executes this Agreement.
- H. "Eligible Property" Eligible Property is further described in Section 3B below.
- I. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- J. "Improvements" are as identified in the Texas Tax Code Chapter One.
- K. "Lender" means any entity or person providing, directly or indirectly, with respect to the Project and Improvements any (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), or (b) tax equity financing. There may be more than one Lender. Owner, at its election, may send

¹ Namely Wharton County Jr College, Fort Bend ESD 9 and Needville ISD

written notice to the County with the name and notice information for any Lender.

- L. "Owner" means the owner or lessee of the Real Property on which the Facility is or will be located and the owner of the Facility; provided that a specific definition or other provision to the contrary in an Agreement controls over this sentence.
- M. "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.
- N. "Payment In Lieu of Taxes" or "PILOT" means the ten year series of payments by Owner which is intended to replace the percentage of County Tax that is 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 County.
- O. "Project and Improvements" means Eligible Property meeting the definition for improvements or tangible personal property provided by Chapter I of the Texas Tax Code and includes, but is not limited to, electric power generation, transmission equipment, battery storage equipment, and any building, structure, or fixture erected on or affixed to the land.
- P. "Real Property" means land or an improvement, or both, or other property classified as such under state law.
- Q. "Reinvestment Zone" means a geographic area of the County 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 Fort Bend County Reinvestment Zone Number 30, 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 106.67 acre tract of land located within the boundaries of Fort Bend County Reinvestment Zone Number 30 described in Exhibit 2, attached hereto and incorporated herein for all purposes. The system will have an estimated total capacity of 100MW/200MWh. The facility will include but is not limited to the following components: concrete foundations, batteries, containers, transformers, inverters, and cabling. As of the Effective Date, Owner may own the real property, or it may have leasehold or easement rights in the real property as a lessee or grantee, or it may have a vested right to purchase the Property from its current owner. County agrees that the fact that Owner may acquire ownership of the Real Property after the Effective Date of this Agreement will not affect the effectiveness or enforceability of this Agreement.
- B. The Eligible Property granted the Abatement 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 and that are installed in the County and in the Reinvestment Zone.

- 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 generate, store, distribute, or transmit electricity and perform other functions related to the generation, storage, distribution, and 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. Any Improvements must meet the definition of an "improvement" or "tangible personal property" as provided in Chapter 1 of the Texas Tax Code, and
 - 4. Property must be constructed or added after the date this Agreement is approved by the Commissioners Court.

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 the last day of the fifteenth (15th) calendar year after the commencement of the Abatement Period (the "Term") unless terminated earlier as provided elsewhere herein. In no event shall this Agreement extend beyond the last day of the Term.
- B. Notwithstanding the foregoing, the Owner's obligations upon default to pay County 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 2024 ("Base Year") which the Parties agree to be zero.
- D. The County 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;
 - 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;
 - 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;
 - 4. County shall grant Owner 100% abatement of the Abated Taxes on the Certified Appraised Value of the Eligible Property 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 Zone shall be fully taxable at all times, including for the remainder of the Term during which Owner may have post-Abatement Period obligations.

E. Abatement Period

1. The Abatement Period shall be the ten-year period beginning on the earlier of (a) January 1 of the first calendar year after the date that the Project becomes commercially operational or (b) January 1 of the calendar year identified in a Notice of Abatement Commencement (as defined below) delivered by Owner (with such calendar Year being "Year 1" of the Abatement Period) and ending upon the conclusion of ten full calendar years thereafter (which 10-year period shall constitute the Abatement Period).
2. If Owner, at its sole election, desires that the Abatement Period begin prior to January 1 of the of the first calendar year after the date that the Project becomes commercially operational, then Owner may deliver a notice to the County and FBCAD stating such desire (such notice being referred to herein as a "Notice of Abatement Commencement"). If delivered by Owner, the Notice of Abatement Commencement shall contain the following statement: "Owner elects for the Abatement Period to begin on January 1, ____"; the year stated in the Notice of Abatement Commencement shall be the first year of the Abatement Period, and the Abatement Period shall extend for 10 years beyond such date. Owner shall only be permitted to deliver a Notice of Abatement Commencement if it anticipates that the Project will achieve commercial operations during the next calendar year. In order to be effective, the Notice of Abatement Commencement must be delivered on or before December 31 of the calendar prior to the calendar year identified as the first year of the Abatement Period in the Notice of Abatement Commencement.

V. Responsibilities:

- A. The 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.
- B. Performance Criteria
 1. Construction and Completion
 - a. Owner shall commence construction of the Project no later than June 30th, 2025, and complete the construction and commence commercial operations not later than December 31, 2025.
 - b. Owner can request an automatic extension of 1 year of the construction commencement deadline (an extension to June 30th, 2026) and the commercial operations commencement deadline (an extension to December 31, 2026) 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 \$145,000,000.

- 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 completion of the Improvements.
 - c. The certification of total project costs is subject to audit by the County, 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 payments in lieu of taxes (the “Annual PILOT”) to the County for each year during the Abatement Period in the amounts shown in the table below:

PILOT TABLE

Tax Year	Amount of PILOT
Year 1	\$232,000
Year 2	\$232,000
Year 3	\$232,000
Year 4	\$232,000
Year 5	\$232,000
Year 6	\$232,000
Year 7	\$232,000
Year 8	\$232,000
Year 9	\$232,000
Year 10	\$232,000

- b. Owner shall issue the Annual 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 first year of the Abatement Period is 2025, the Annual PILOT for the first year of the Abatement Period must be paid not later than December 1, 2025.
- c. The Director of Economic Opportunity and Development will issue an invoice to Owner for the Annual 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 Annual PILOT obligation due.

- d. Annual PILOT remittances shall be made payable to Fort Bend County 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 Real 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 Reinvestment Zone during the period that Abatement is in effect; namely that the use will be as described in Exhibit 3.
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 during the Abatement Period only, 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 are current. Delinquent taxes for any Fort Bend County property owned by Owner are 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 Abatement under this Agreement.
6. Beginning with the first year of the Abatement Period, Owner shall annually furnish information necessary for Fort Bend County's 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

1. Continued Operations following Abatement. Owner and its successors or assigns agrees to continue routine commercial operation of the Project, including all outages for repair, maintenance and refurbishment, for the entire Term at a Capacity not less than 90% of the Capacity at which the Facilities operated, on average, during the final year of the Abatement Period. In addition to any other remedies available to the County 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 County shall be entitled to recapture the ad valorem taxes abated under the terms of this Agreement as provided herein.
2. Owner will properly decommission the facilities in such a manner that remediation will

not result in the imposition of recovery costs upon the County. 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 COUNTY, TEXAS. This Agreement is entered into by the parties consistent with the Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines and Criteria or is inconsistent with any provision of the Guidelines and Criteria, the Guidelines and Criteria are deemed amended for purposes of this Agreement only.
- 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 receives the certified appraised value from the FBCAD. During the Abatement Period, County shall request that the FBCAD annually determine both (i) the Certified Appraised Value of the Eligible Property owned by Owner in the Reinvestment Zone and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of the Eligible Property owned by Owner in the Reinvestment Zone. FBCAD shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records. The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the County in the event that the County is entitled to recapture abated taxes under this Agreement.
- C. 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.
- D. Upon completion of the construction, placement and/or installation of the Eligible Property, County 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.
- E. Owner shall allow employees or other representatives of County who have been designated by Commissioner's Court 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 County may declare a default if the Owner violates any material term of this Agreement. If the County declares a default of this Agreement, this Agreement shall terminate, after notice and opportunity to cure as provided below, 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 deadline for 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; however a credit in the amount of the PILOT received by County will be applied to the amount to be paid by Owner. If the County 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 Project is completed and begins operation but fails to continue commercial operations through the end of the Term in compliance with Paragraph (V)(D)(1) for any reason except on a temporary basis due to fire, explosion or other casualty or accident or natural disaster, the Agreement may be terminated by the County and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within sixty (60) days from the date of termination; however a credit in the amount of the PILOT received by County will be applied to the amount to be paid by Owner. If the County 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 the County (whether abated or not) and fails to timely and properly follow the legal procedures for their protest and/or contest, the Abatement for the calendar year during which the delinquency occurred shall be forfeited, and the total taxes assessed without Abatement for that tax year shall be paid within sixty (60) days from the expiration of the cure period allowed to Owner by Paragraph VII(H) below; however a credit in the amount of the PILOT received by County will be applied to the amount to be paid by Owner. If the County 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, including the failure to pay an Annual PILOT, the County may terminate this Agreement and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within sixty (60) days from the date of termination; however a credit in the amount of the PILOT received by County will be applied to the amount to be paid by Owner. If the County 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: Should Fort Bend County determine that the total level of

capital investment in the Eligible Property is lower than required in the Agreement, the County, at its sole discretion, reserves the right to adjust the Tax Abatement percentage to reflect the actual capital investment as determined.

- 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, County 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 County to Owner. In the event of termination under this paragraph (d), Owner shall repay to County 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 described in C, D, and E of this Section VII or a default of any other requirement of this Agreement not specifically identified in this Section "Recapture and Default," County will deliver to Owner notice of the default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure the default prior to County being permitted to exercise any of its remedies in this Agreement.
 2. If Owner fails to cure the default. County 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 COUNTY. 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 County monies owed for taxes abated (less Annual PILOTS paid), interest and penalties thereon shall survive termination of this Agreement, and the County 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. For the Owner events of default described in B, C, D, and E of this Section VII, the County shall be limited to the remedies set out in this Section VII above.

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 County 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 County at the following addresses:

County: Fort Bend County
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: Copano Bay Energy Storage, LLC
Attn: Hexagon Energy, Matt Hill
321 East Main Street, Suite 500
Charlottesville, VA 22902
Email: mhill@hexagon-energy.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 COUNTY ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THEREWITH TO THIRD PARTIES. OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY 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 COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION.**

- B. The Parties expressly acknowledge that the County'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 County is invalid. Nothing in this Agreement requires that the County incur debt, assess or collect funds, or create a sinking fund.

XII. Representations

- A. The County hereby warrants and represents that (i) this Agreement was authorized by an order of the Commissioners Court adopted on the date recited above authorizing the County Judge to execute this Agreement on behalf of the County, and (ii) The County 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 County:
 - 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.
 - a. 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 upon written permission by County, which permission shall not be unreasonably withheld. No assignment shall be approved if the assignor or assignee is indebted to the County for ad valorem taxes or other obligations.
 - b. Owner may, without obtaining the County's consent, mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project and

Improvements to a Lender for the purpose of financing the operations of the Project and Improvements or constructing the Project and Improvements 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. In the event Owner takes any of the actions permitted by this subparagraph, it may provide written notice of such action to the County with such notice to include the name and notice information of the Lender. If Owner provides the name and contact information of a Lender to the County, then the County shall be required to provide a copy to such Lender of all Notices delivered to 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 County, then such Lender shall not have the notice rights or other rights of a Lender under this Agreement. Any assignment of the agreement of Lender shall comply with the assignment provision outlined in Section XIII.

- 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 (ii), 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, Texas.
- G. Expenses of Negotiation and Compliance. Upon full execution of this Agreement, Owner agrees to pay the County'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, 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
Exhibit 5	County's Guidelines and Criteria

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);
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Second	N/A	This document titled TAX ABATEMENT AGREEMENT between FORT BEND COUNTY and Copano Bay Energy Storage, LLC Reinvestment Zone Number 30
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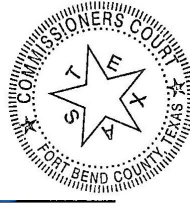
XVI. Execution

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

COUNTY
FORT BEND COUNTY, TEXAS

By: *KP George*
KP George, County Judge

Date: 5.28.2024



ATTEST:

Laura Richard
Laura Richard, County Clerk

OWNER
COPANO BAY ENERGY STORAGE, LLC, a Delaware limited liability company

By: *Drew Price*

Printed Name: DREW PRICE
Title: MANAGER
Date: 5/2/24

APPROVED AS TO LEGAL FORM:



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.

County'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\2024\copano - fort bend county pilot draft - 03.19.24

GF-24-EDC-100337

EXHIBIT 1
PUBLIC NOTICE

PUBLIC NOTICE OF A MEETING AT WHICH THE FORT BEND COUNTY COMMISSIONERS COURT 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 COMMISSIONERS COURT FOR APPROVAL AT AN UPCOMING REGULAR MEETING OF THE FORT BEND COUNTY COMMISSIONERS COURT 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:	Copano Bay Energy Storage, LLC
Agreement Type (New or Amended)	New
The name and location of the reinvestment zone in which the property subject to the agreement is located:	Fort Bend County Reinvestment Zone No. 30 located in Precinct 2.
A general description of the nature of the improvements or repairs included in the agreement:	A Battery Electric Storage System (BESS) is made up of control equipment and several metal battery units. This includes concrete foundations, batteries, inverters, transformers, additional foundations, containers, cables, a collection line, and a collection station.
The estimated cost of the improvements or repairs:	\$50,000
¹ Additional significant Project Details or Values/Costs:	\$170,000,000 of Equipment & Machinery

This public notice is being posted at least 30 days before the scheduled time of the meeting. The actual date and time the Abatement will be considered will be posted on the Commissioners Court Agenda in the manner required by Chapter 551, Government Code. This 30-Day notice does not replace any notice required for Open Meetings under Texas Government Code Section 551 but is in addition to any other notice required by law. If further information is needed, please contact the County Economic Opportunity & Development office at 346-481-6911.

Notice of meeting/agenda was filed with the County Clerk on _____, by _____ at least 30 days prior to the regular notice required by Texas Government Code 551. An electronic version of this notice is also posted in the Fort Bend County website:

<https://www.fortbendcountytexas.gov/government/departments/county-clerk/legalnotices>

Company Name	Reviewer Name	Date Reviewed
 Copano Bay Energy Storage, LLC	[REDACTED]	4/15/24

This information is being provided in addition to the information required by Section 312.207, but is not required by the notice statute.

RECEIVED
TIME 3:43 PM
April 15, 2024
Jana Richard
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)

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 13th day of February 2024.

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

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 30

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: 3

NAYES: 1

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. 30

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 May 9, 2023;

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 January 25, 2024, edition of the Fort Bend Herald (Attached as Exhibit A), the County has held a public hearing on February 13, 2024, where all interested persons were given an opportunity to speak, and evidence for and against

the designation of Fort Bend County Reinvestment Zone No. 30 (“Reinvestment Zone No. 30”) 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.30 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone No. 30 and to the County after the expiration of the Tax Abatement Agreement; and

WHEREAS, the designation of Reinvestment Zone No. 30 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. 30 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. 30 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. 30.

PASSED AND APPROVED this the 13th day of February.

FORT BEND COUNTY, TEXAS

By: *KP George*
KP George County Judge

ATTEST:

Laura Richard
Laura Richard, County Clerk



Attachment:

Exhibit A – Newspaper Notice

Exhibit B –Metes & Bounds Descriptions and map of
Reinvestment Zone

Exhibit A
Newspaper Notice

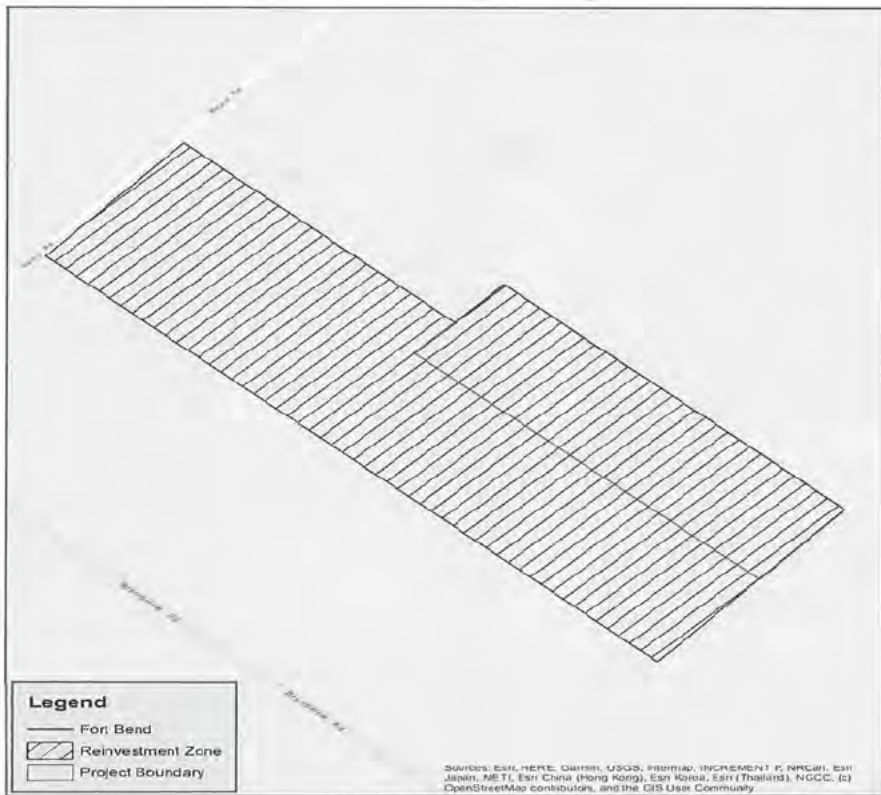
Notice of Public Hearing

Pursuant to Sections 312.201 and 312.401 of the Texas Tax Code, notice is hereby given that the Commissioners Court of Fort Bend County, Texas, will conduct a hearing at its regular meeting on Tuesday, February 13, 2024, at 1:00 p.m. in the Commissioners Courtroom, 2nd floor, 401 Jackson St., Richmond, Texas.

The public hearing is being held for the purpose of establishing a reinvestment zone which will enable the County to abate taxes on personal property and real property improvements within this reinvestment zone. All interested persons are invited to participate in this meeting and offer any comments on the designation of this zone. All comments will be considered by the Commissioners Court.

Laura Richard
Fort Bend County Clerk

Fort Bend County Reinvestment Zone No. 30 is proposed to be located with approximately 106.67 acres, located near the intersection of Beard Rd and Brumbelow Rd in Fort Bend County, Precinct 2.



OWNER	PARCEL #	ACRES	LEGAL DESCRIPTION
POLAK, VICKI LYNNE BEARD	R48178	106.67	0496 S A BEARD, ACRES 106.67

Exhibit B
Metes & Bounds Descriptions and map of Reinvestment Zone

Exhibit B

LEGAL DESCRIPTION OF SUBJECT PROPERTY

Legal Description: 106.67 acres of land in the S. A. Beard Survey, Ab. 496, Fort Bend County, Texas, (out of Section 120, H. & T. C. RR Co. Survey, Certificate No. 300) and more particularly described by metes and bounds as follows, to-wit:

Commence at the North corner of the Mattie Brumbelow 80 acres in the Northwest line of said Section 120 at a point which is North 45° East 475.2 varas from the West corner of said Section 120;

THENCE South 45° East 1425.6 varas to the East corner of the Clara Brumbelow 40 acres in the Northwest line of the Berry 80 acres;

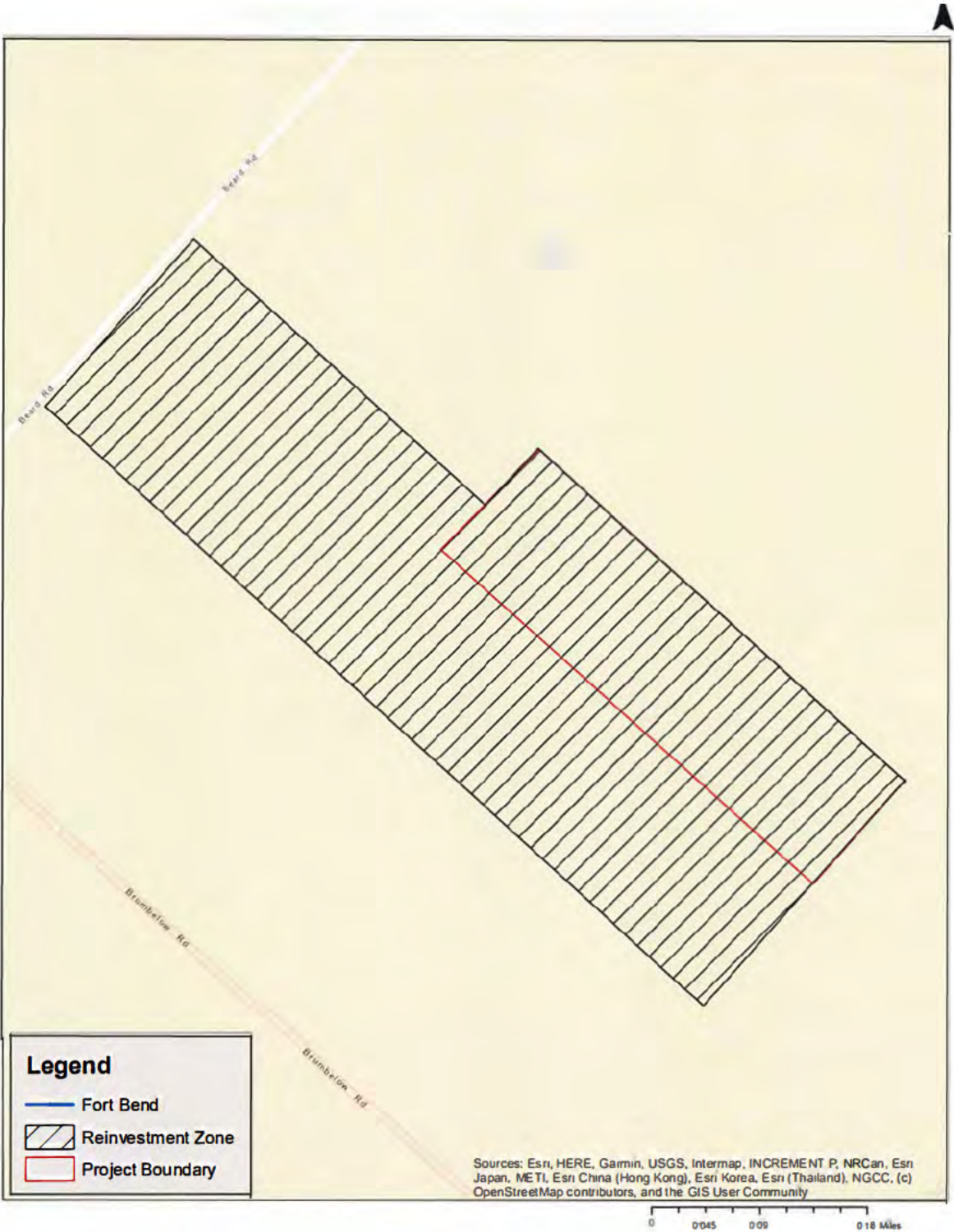
THENCE North 45° East 475.2 varas to the corner of the Berry tract in the line of Duty 106-2/3 acres;

THENCE North 45° West 792 varas to corner of the Duty 106-2/3 acres tract;

THENCE South 45° West 118.8 varas to comer of the Shirley A. Beard 106-2/3 acre tract;

THENCE North 45° West 633.6 varas to the Northwest line of said Section 120;

THENCE South 45° West 356.4 varas to the place of beginning and containing 106.67 acres of land.



OWNER	PARCEL #	ACRES	LEGAL DESCRIPTION
POLAK, VICKI LYNNE BEARD	R48178	106.67	0496 S A BEARD, ACRES 106.67

EXHIBIT 3

APPLICATION

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

Copano Bay Energy Storage 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:

Copano Bay Energy Storage LLC

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

Hexagon Energy, the developer of Copano Bay Energy Storage LLC, is an independent energy development firm established in 2015. Hexagon Energy's principals have developed and financed 2,881 MW of operating energy projects in 16 U.S. states and abroad, representing over \$1.5 billion in invested capital.

4. Contact Person and Info for Abatement Process:

Name: Matt Hill
Title: Project Developer
Direct Phone Number: (757) 401-4039
Email Address: mhill@hexagon-energy.com
Mailing Address:

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

Name: Drew Price
Title: President
Entity Name: Hexagon Energy
Phone: (434)227-5090
Email:
Address: 321 East Main St, Suite 500, Charlottesville, VA 22902
City: Charlottesville
State: Virginia
Zip: 22902

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

City: Charlottesville
State: Virginia

7. State of registration or incorporation:

State: Texas

8. Does the company currently have operations elsewhere in the State of Texas? **N/A**

If so, please state the name of communities.

PROJECT DETAILS

1. List other communities that are being considered for the project: **N/A**

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

Copano Bay Energy Storage LLC will have discussions regarding any potential incentives and the creation of a Reinvestment Zone. Copano Bay Energy Storage LLC has not received any incentives from other taxing entities at this time.

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.

Copano Bay Energy Storage LLC is a planned facility to be developed by Hexagon Energy in southern Fort Bend County and within Needville ISD. The facility itself is expected to have a total capacity of 200 MW/400 MWh. The total capital of proposed improvements is \$170,000,000.

This utility scale battery energy storage project will improve the resiliency of the local electrical grid during extreme weather events as well as firm up the increasing amount of intermittent renewable generation coming online, enabling county residents to enjoy the consistent electrical services they expect.

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): **221118**

5. Physical address of Proposed Project:

9723 Beard RD

City: **Fort Bend County**
County Precinct: **Precinct 2**
City Council District: **N/A**
School District: **Needville Independent School District**
Land Size of Project: **10 acres**

- 6. New construction Expansion To Lease Existing Improvements
- 7. Proposed Cost of New Improvement: **\$50,000**
- 8. Proposed Cost of New Fixed Equipment and Machinery: **\$170,000,000**
- 9. Other Personal Property excluding Inventory: **\$0**
- 10. Proposed Cost of Initial Inventory: **N/A**
- 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

Construction Start: **Q1 2025**
COD: **End of Q4 2025**

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

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

Owner: **Polak, Vicki Lynne Beard**

If to be leased, indicate lease term.

Years:

Beginning Date:

Expiration date:

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

Applicant owns no other property in Fort Bend County

Real property: - - ; - - ; - -

Personal property: - - ; - - ; - -

13. Current local workforce: Full-time: **0** Part-time: **0** Seasonal: **0**
14. Minimum number of new, full-time jobs to be created over requested term of Abatement and schedule of placement on site:
Project is expected to generate 75 construction jobs over a 12-month period.
15. For expansion projects only, number retained full-time jobs: **0**
16. Base Hourly Wage at project site (excluding benefits and bonuses) *:
There will be zero workers permanently on site.
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): /
- If yes, explain: **N/A**
- If yes, is/was the company in compliance with all terms and conditions: Yes No
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:

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.

There's no goodwill benefits and involvement previously provided, but this facility will be able to provide grid support during extreme weather or unstable grid conditions that could help keep wider electricity system running or help bring it back online after failures.

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.

We use certified Batteries (e.g. UL9540-A Certificate) from proven Battery manufactures which will prevent flame, explosion and chemical leakage, so there's no harmful environmental impact on the environment. After operation period, we have a decommissioning plan to recover and restore land as it was which will additionally minimize our impact on the environment.

ATTACHMENTS

- A. A map and legal description (metes and bounds) of the facility site;
SEE ATTACHMENT "A"
- 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;

Please see attached Maps the below Parcel #s:

OWNER	PARCEL #	ACRES	LEGAL DESCRIPTION
POLAK, VICKI LYNNE BEARD	R48178	106.67	0496 S A BEARD, ACRES 106.67

- 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.

**Concrete Foundations, Batteries, Inverters, Transformers,
Foundations, Containers, Cabling, Collection Line, Collection
Station.**

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

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

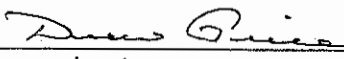
Construction Start: Q1 2025
Construction Complete: End of Q4 2025
Operation Commence: End of Q4 2025

- F. Any additional information the Applicant deems helpful to the evaluation of the 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: 
Date: 5/2/24

Printed Name: Drew Price
Title: Manager
Company Name: Copano Bay Energy Storage LLC
Mailing Address: 321 E Main St, Ste 500
City: Charlottesville
State: VA
Zip: 22903
Telephone:
Mobile:
E-mail Address:

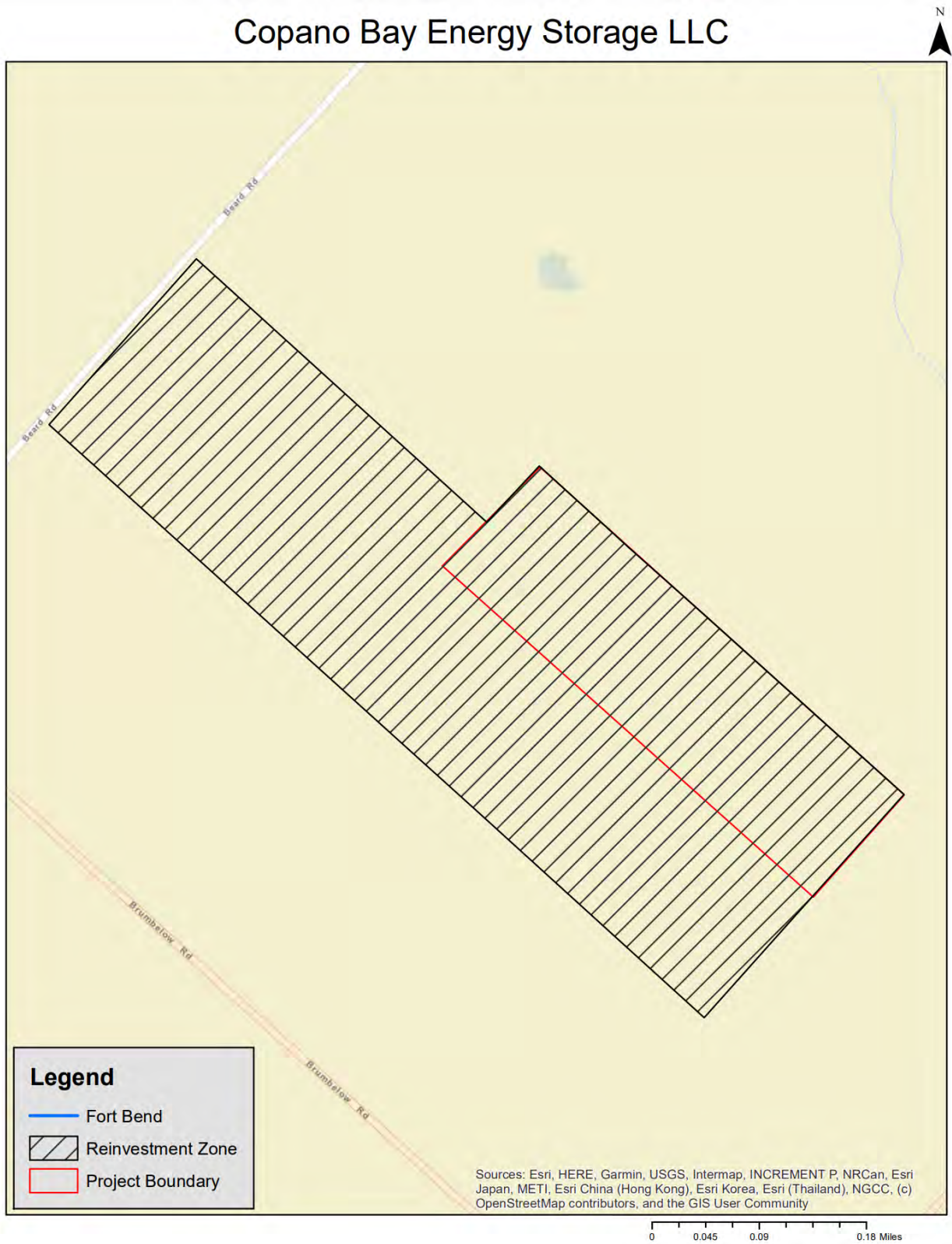
Applications shall be returned as follows:

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

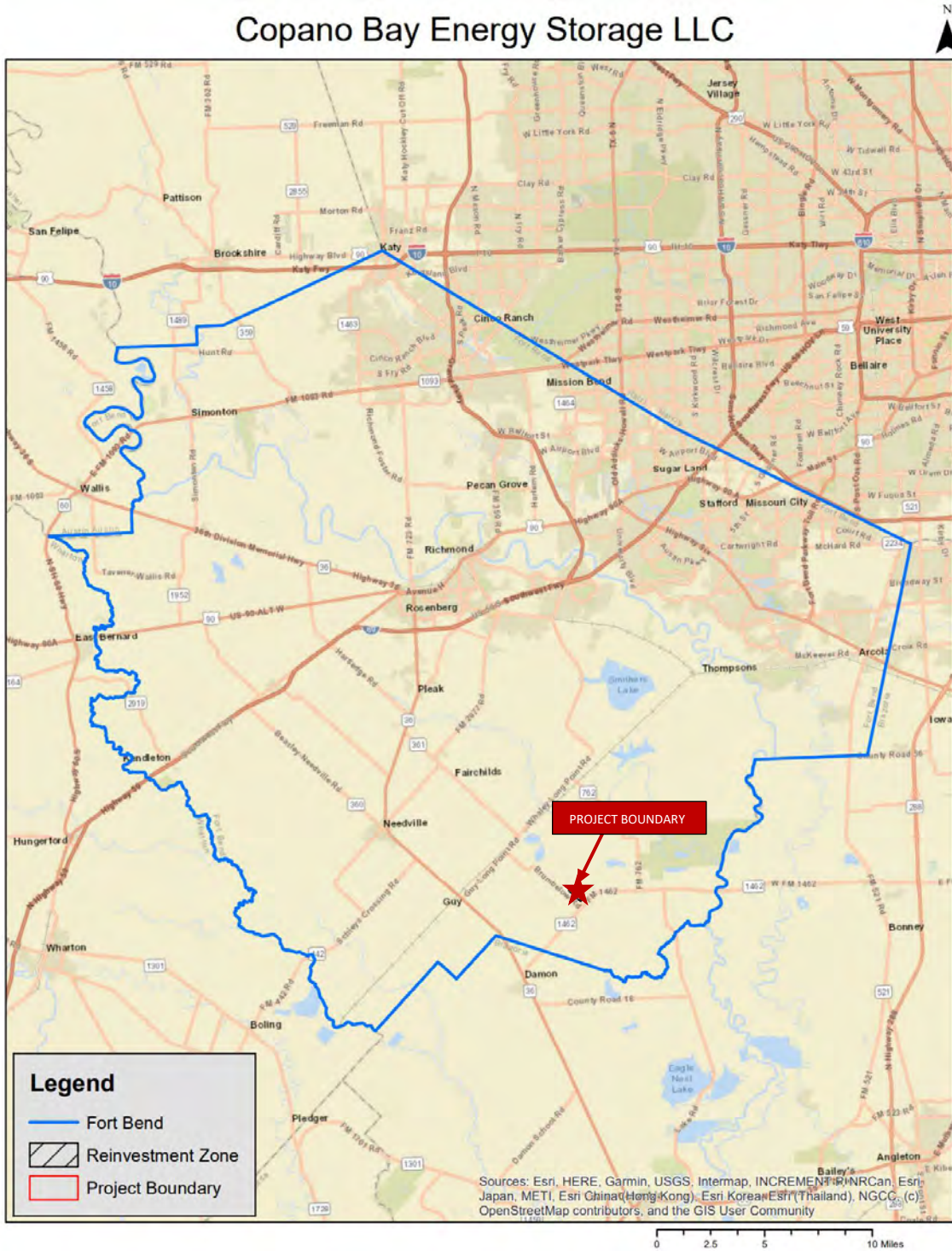
Attachment "A"
(1 of 3)

Copano Bay Energy Storage LLC



Attachment "A" (2 of 3)

Copano Bay Energy Storage LLC



Attachment "A"
(3 of 3)
METES AND BOUNDS/LEGAL DESCRIPTION

EXHIBIT "A"

Robert H. Beard and
Frances E. Beard

106.67 acres of land in the S. A. Beard Survey, Ab. 496, Fort Bend
County, Texas, (out of Section 120, H. & T. C. RR Co. Survey,
Certificate No. 300) and more particularly described by metes and
bounds as follows, to-wit:

Commence at the North corner of the Mattie Brumbelow 80 acres in the
Northwest line of said Section 120 at a point which is North 45° East
475.2 varas from the West corner of said Section 120;

THENCE South 45° East 1425.6 varas to the East corner of the Clara
Brumbelow 40 acres in the Northwest line of the Berry 80 acres;

THENCE North 45° East 475.2 varas to the corner of the Berry tract
in the line of Duty 106-2/3 acres;

THENCE North 45° West 792 varas to corner of the Duty 106-2/3 acres
tract;

THENCE South 45° West 118.8 varas to corner of the Shirley A. Beard
106-2/3 acre tract;

THENCE North 45° West 633.6 varas to the Northwest line of said
Section 120;

THENCE South 45° West 356.4 varas to the place of beginning and
containing 106.67 acres of land.

ACKNOWLEDGEMENT
State of Texas
County of
Before me the Undersigned

(Add Appropriate Acknowledgment)

April 9, 2024

The Honorable Judge KP George
Fort Bend County Judge
245 Commerce Green Blvd
Suite 125
Sugar Land, Texas 77478

Re: Application for Texas Property Tax Code Section 312 Tax Abatement Agreement

Dear Honorable Judge George:

Please find attached an application for a Chapter 312 Tax Abatement Application on behalf of our client, Copano Bay Energy Storage LLC. In accordance with Section 312 of the Texas Property Tax Code, we respectfully request that Fort Bend County consider the creation of a reinvestment zone and the approval of a Chapter 312 Tax Abatement Agreement for the Project.

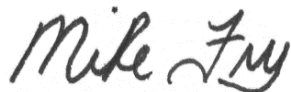
An executed Tax Abatement Agreement will undoubtedly prove beneficial to the economic development of Fort Bend County. In addition to the \$170 million investment to the county, the major economic benefits over the next 20 years are expected to include \$4.3 million of County property taxes and over \$19 million of school taxes for Needville ISD, as well as ensuring the ability of Copano Bay Energy Storage LLC to be located within Fort Bend County.

Copano Bay Energy Storage LLC will be an up to 200 MW Battery Energy Storage System, that when established, will provide an estimated 75 construction jobs. The project is anticipated to commence construction 1st quarter 2025 and will be fully operational by December 31, 2025.

This utility scale battery energy storage project will improve the resiliency of the local electrical grid during extreme weather events as well as firm up the increasing amount of intermittent renewable generation coming online, enabling county residents to enjoy the consistent electrical services they expect.

If you have any questions, please feel free to contact me at 469-298-1618 or mfry@keatax.com. We look forward to collaborating with you.

Sincerely,

A handwritten signature in black ink that reads "Mike Fry". The signature is written in a cursive, slightly slanted style.

Mike Fry – Senior Director, Energy Services - K.E. Andrews

Copano Bay Energy Storage LLC 312 Application – Fort Bend County

Applicant / Organization:

Copano Bay Energy Storage
Matt Hill
321 E. Main Street
Suite 500
Charlottesville, VA 22903

Contact:

Mike Fry
KE Andrews & Company
2424 Ridge Rd
Rockwall, Texas 75087

Property Location & Description:

Copano Bay Energy Storage LLC is a planned facility to be developed by Hexagon Energy LLC and located in southern Fort Bend County, Texas.

Improvements Description

It is contemplated that the Project will include but is not limited to the following components:

- Concrete Foundations
- Batteries
- Inverters and Transformers
- Foundations
- Containers
- Cabling
- Collection Line
- Collection Station

APPLICATION FOR TAX ABATEMENT (CONT.)

Projected Value of Proposed Improvements:

\$170,000,000

Projected Timeline:

- Construction Start – Q1 2025
- Construction Complete – End of Q4 2025
- Operations Commence – End of Q4 2025

Certification of No Delinquent Taxes on Applicant's Property

Copano Bay Energy Storage LLC does not currently own any property within the proposed Reinvestment Zone.

Terms of Abatement Requested

It is our request that the terms of the tax abatement agreement between Copano Bay Energy Storage LLC and Fort Bend County be the equivalent of a 10-year, 50% abatement. Specifically, the abatement requested is to be structured as a 100% abatement coupled with a payment in lieu of taxes (PILOT) of \$232,000 per year.

Payment in Lieu of Taxes Description

The payment in lieu of taxes (PILOT) that will be provided to Fort Bend County for each of the 10 years for a total of 10 payments will be valued at \$232,000 per year for a total of \$2,320,000 over the 10-year life of the abatement. Please find attached on the last page an exhibit describing the taxes to be collected under the terms of the abatement.

Residual Value

In accordance with Texas property tax rules, the residual value of the battery energy storage system project within Fort Bend County is expected to be valued at \$34 million once fully depreciated. The battery energy storage system project is expected to operate for at least 10 additional years after the abatement period, giving rise to an estimated County property taxes of approximately \$203,014 per year.

Fees & Expenses

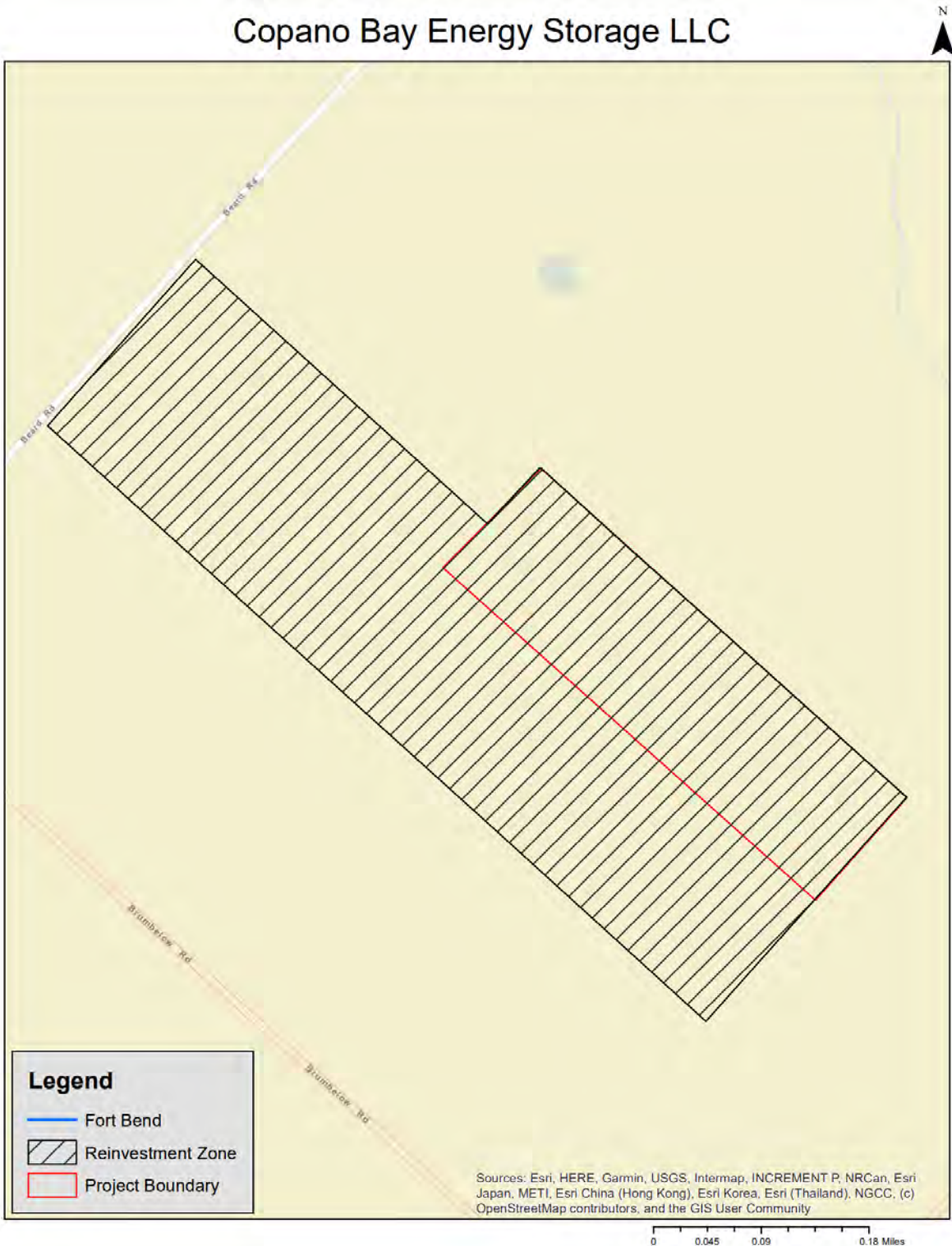
Copano Bay Energy Storage LLC agrees to pay a \$1,000 non-refundable application fee and shall reimburse the County its reasonable consulting and attorney fees as may be incurred in preparation and negotiation of the abatement agreement.

Reinvestment Zone (Parcel Listing)

OWNER	PARCEL #	ACRES	LEGAL DESCRIPTION
POLAK, VICKI LYNNE BEARD	R48178	106.67	0496 S A BEARD, ACRES 106.67

Map of Reinvestment Zone (1 of 3)

Copano Bay Energy Storage LLC



Map of Reinvestment Zone (2 of 3)

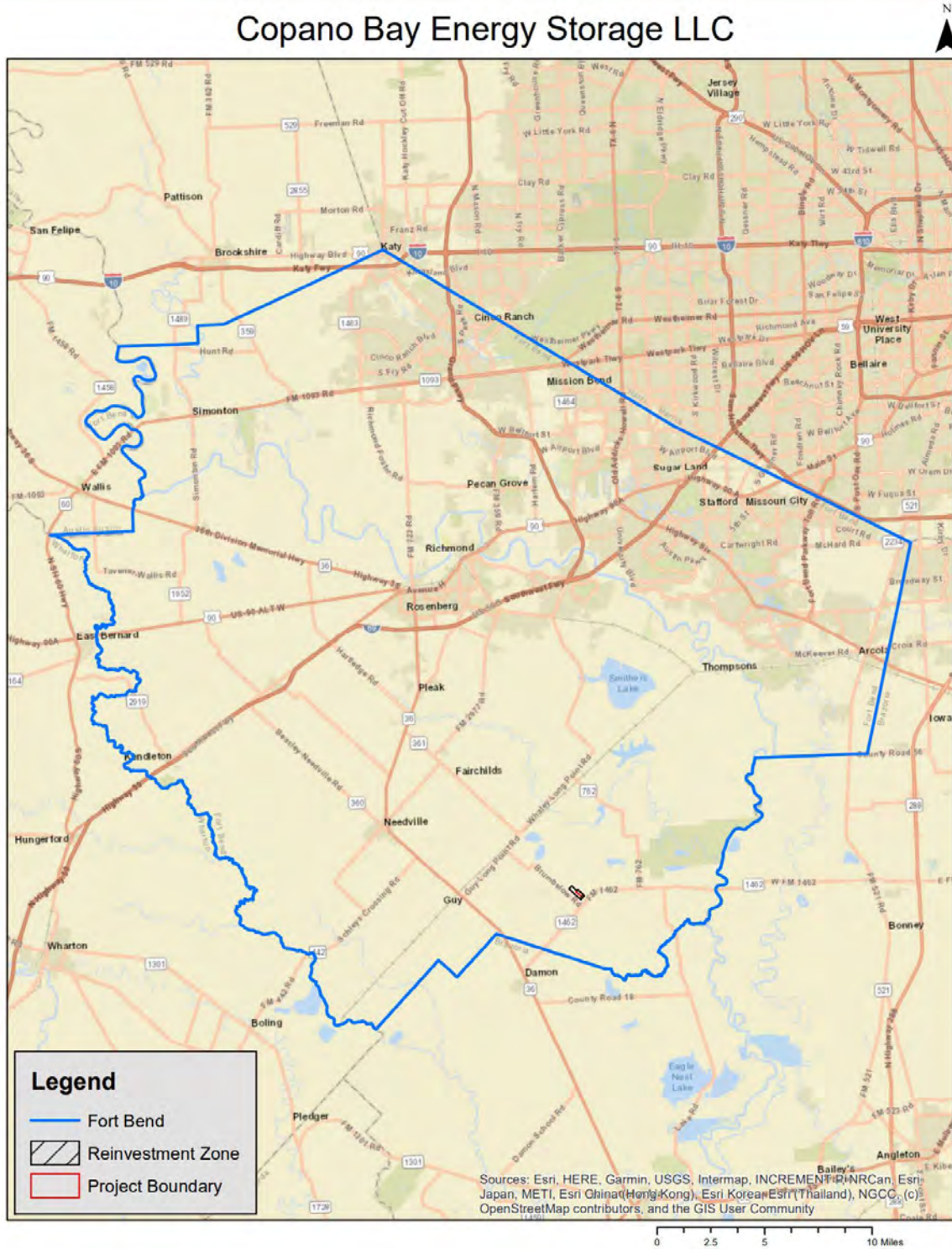
Copano Bay Energy Storage LLC



0 0.045 0.09 0.18 Miles

Map of Reinvestment Zone (3 of 3)

Copano Bay Energy Storage LLC



Fort Bend County Estimated Ad Valorem Economic Impact

Copano Bay Energy Storage LLC is proposing a ten-year, 100% abatement as shown in the table below. The total “net” abatement is 50% over 10 years.

Fort Bend County - Copano Bay BESS

\$19M Dollars to Needville ISD over 20 years

Year	Estimated Taxable Value	Project Capacity (Megawatts)	PILOT Amount (Per MW of Nameplate Capacity)	Total PILOT	Estimated Taxable Value	Tax Rate	Taxes
2026	170,000,000	200	\$1,160	\$232,000	170,000,000	0.4265%	\$ 725,050
2027	156,400,000	200	\$1,160	\$232,000	156,400,000	0.4265%	\$ 667,046
2028	142,800,000	200	\$1,160	\$232,000	142,800,000	0.4265%	\$ 609,042
2029	129,200,000	200	\$1,160	\$232,000	129,200,000	0.4265%	\$ 551,038
2030	115,600,000	200	\$1,160	\$232,000	115,600,000	0.4265%	\$ 493,034
2031	102,000,000	200	\$1,160	\$232,000	102,000,000	0.4265%	\$ 435,030
2032	88,400,000	200	\$1,160	\$232,000	88,400,000	0.4265%	\$ 377,026
2033	74,800,000	200	\$1,160	\$232,000	74,800,000	0.4265%	\$ 319,022
2034	61,200,000	200	\$1,160	\$232,000	61,200,000	0.4265%	\$ 261,018
2035	47,600,000	200	\$1,160	\$232,000	47,600,000	0.4265%	\$ 203,014
				PILOTs:	\$2,320,000		
						Taxes w/o Abatement:	\$ 4,640,320

NET ABATEMENT: 50%

EXHIBIT 4

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 Economic Opportunity & Development office on: _____ (date)
3. Certificate of Occupancy was provided to the Fort Bend County Economic Opportunity & Development 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 \$_____. (If included in abatement agreement)
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. Are the property tax payments current and in compliance with the required obligations?
7. Total number of employees employed at the improvement for current tax year (if applicable) is _____ which meets the required minimum value requirement of _____. (Please provide supporting documentation (i.e., payroll record, TWC quarterly report, etc.)
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:

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 _____

EXHIBIT 5
GUIDELINES AND CRITERIA



**FORT BEND COUNTY COMMISSIONERS COURT
2023 TAX ABATEMENT GUIDELINES AND CRITERIA
FOR GRANTING TAX ABATEMENTS
Fort Bend County General Fund**

WHEREAS, taxing entities in the State of Texas are authorized to provide tax Abatements for historic preservation and economic development, pursuant to Chapter 312 of the Property Tax Code;

WHEREAS, the purpose and intent of these Guidelines and Criteria is to set forth the parameters under which Fort Bend County will generally operate a tax Abatement program in accordance with the Act;

WHEREAS, the Tax Abatement Program is intended to be an economic development tool to assist and encourage certain types of real and personal property investment within qualified Reinvestment Zones to benefit the residents of Fort Bend County;

WHEREAS, such investment is expected to result in the creation, retention and expansion of new full-time jobs while strengthening the tax base of Fort Bend County;

WHEREAS, all applications for tax Abatement will be considered on a case-by-case basis, and the decision to approve or deny tax Abatement shall be at the discretion of the Fort Bend County Commissioners Court;

WHEREAS the adoption of these Guidelines and Criteria does not imply or suggest that Fort Bend County is under any obligation to provide tax Abatement to any Applicant;

WHEREAS, before these GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS were submitted to Commissioners Court, a public hearing was held in accordance with Texas Tax Code 312.002 (c-1);

NOW, THEREFORE BE IT RESOLVED, that Fort Bend County elects to become eligible to participate in tax Abatement as described in Texas Tax Code 3(a) and does hereby adopt these GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS to be effective as of the date executed.

I. DEFINITIONS

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain real property and/or Tangible Personal Property in a Reinvestment Zone designated by the County for economic development purposes.
- B. "Abatee" means a company or individual receiving a tax Abatement from Fort Bend County.
- C. "Applicant" means company or individual who has made application for tax Abatement with Fort Bend County.
- D. "Act" means the Property Redevelopment and Tax Abatement Act enacted as Chapter 312 of the Texas Tax Code, as amended.
- E. "Agreement" means a contractual Agreement between a property owner and/or Lessee and the County.
- F. "Base Year Value" means the appraised value in the Reinvestment Zone on January 1 preceding the effective date of the tax abatement agreement, plus the agreed upon value of eligible property improvements made after January 1 but before the effective date of the agreement, or the sales price, if the property was conveyed subsequent to January 1, whichever is greater.
- G. "Commercial Building" means a new facility, a new addition to an existing facility or build-out of unoccupied space within an existing facility.
- H. "Commissioners Court" means the Commissioners Court of Fort Bend County, Texas.
- I. "Deferred Maintenance" means improvements necessary for continued operation which do not improve productivity, or alter the process technology, reduce pollution or conserve resources.
- J. "Employee" means a person whose employment is both permanent and full-time, who works for and is an employee of the Owner or an employee of a contract provider to the Owner, who works a minimum of 1,750 hours per year and whose employment is reflected in the Owner's (and/or contract provider's, as applicable) quarterly report filed with the Texas Workforce Commission (TWC); but excluding any direct contract (seasonal, part-time, and full-time equivalent).
- K. "Expansion" means the addition of buildings, structures, machinery, tangible personal property, equipment or payroll for purposes of increasing production or regional capacity.
- L. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- M. "Improvements" are as identified in the Texas Tax Code Chapter One.
- N. "Office of Economic Opportunity and Development" (EOD) means the Department of Economic Development and Opportunity, an internal County Department whose Director is an Executive Manager appointed by the Fort Bend County Commissioners Court.

- O. "Lessee" means the tenant who is occupying and operating or will occupy and operate an Eligible Facility under a legally binding lease Agreement with a Lessor. A Lessee of Real Property on which the Eligible Facility exists or is constructed may also own the Facility. "Lessee" means the tenant who is occupying and operating or will occupy and operate an Eligible Facility under a legally binding lease Agreement with a Lessor. A Lessee of Real Property on which the Eligible Facility exists or is constructed may also own the Facility.
- P. "Lessor" means the owner of an Eligible Facility or of the Real property on which an Eligible Facility is located that has a binding lease with a Lessee who will occupy and operate the Facility.
- Q. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment.
- R. "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.
- S. "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.
- T. "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.
- U. "Real Property" means land or an improvement, or other property classified as such under state law.
- V. "Reinvestment Zone" means a geographic area of the County designated as such for the purpose of tax Abatement as authorized by Chapter 312 of the Texas Tax Code.
- W. "Tangible Personal Property" means tangible personal property classified as such under state law, but excluding inventory and/or supplies and tangible personal property that was located in the investment zone at any time before the period covered by the Agreement with the County.
- "Taxing Unit" means same as Texas Code Section 1.04 (12), for these Guidelines and

Criteria Taxing Unit shall refer to Fort Bend County authorized to impose and is imposing ad valorem taxes on property; governing body is the Fort Bend Commissioners Court.

II. GENERAL REQUIREMENTS/CONSIDERATIONS

- A. Fort Bend County 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, as amended (the "Act"). Said Act requires the establishment of these Guidelines and Criteria for the governing of tax Abatement Agreements between Fort Bend County and eligible entities.
- B. The Act furthermore permits the designation of "reinvestment zones" in accordance with specific criteria which the County may create for property not located within a municipality.
- C. Creation of New Value: An Abatement may only be granted for the additional value of eligible Improvements made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require. The term of the Abatement shall not extend past ten (10) years.
- D. Projects seeking economic incentives must provide written assurance that 'but for' the incentive sought, the proposed project will not occur, or would otherwise be substantially altered so that the economic returns or other associated public purpose secured by the County's incentive would be reduced.
- E. Standards for Tax Abatement: It is within the sole discretion of Commissioners Court to grant an Abatement to an Applicant. The below standards will be considered in determining the percentage of value to be abated and the duration of the Agreement, unless otherwise required by Reinvestment Zone.
 - 1. Size, scope, and location of the capital investment.
 - 2. Creation of new jobs or prevention of job loss; as well as improved working conditions for employees without simply transferring employment from one part of the County to another.
 - 3. Impact on existing business and the local economy.
 - 4. Whether the business will provide a long-term source of revenue to local government when Abatement ends, and the business is subject to full taxation.
 - 5. Whether granting the Abatement will be an economic development tool anticipated to encourage infrastructure improvements or other building ventures in the area.
 - 6. How the area may benefit from community benefit programs that are identified by Commissioners Court for participant contribution under the Abatement program; and/or
 - 7. Any factor determined by Commissioners Court (collectively or by Precinct) to be relevant to economic development in Fort Bend County.

F. Eligible Property:

1. Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Texas Tax Code including fixed

machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.

2. New and Existing Facilities: An Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

G. Ineligible Property: Property that is fully Taxable and ineligible for Tax Abatement such as:

1. Land, existing improvements, tangible personal property that the Fort Bend central Appraisal District (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 effective date of the tax Abatement Agreement, real property with a productive life of less than 10 years, or any other property for which Abatement is not allowed by state law; and
2. Property located on real property that owes or come to owe delinquent taxes. Otherwise, eligible property will be deemed ineligible if located on real property that is delinquent even if the Real Property Owner is not the Owner of the property for which the Abatement is requested.

H. Basic Qualifications: A planned improvement shall meet the following minimum requirements to be considered for Tax Abatement:

1. The company must offer a health benefit plan to its full-time employees which allows access to the plan by the employees' dependents; and Meet at Least One of the below business values:

- a. Must have a minimum combined investment of \$10,000,000 in real and/or business personal property improvements (new projects) or \$5,000,000 (expansions). Or
- b. Create and/or retain employment for at least 20 positions on a full-time equivalent in Fort Bend County for the duration of the Abatement period where the abated property is or will be located. These full-time jobs are required to pay at least \$18 per hour to be eligible.

2. The intent of the planned improvement must not solely or primarily lead to the transferring of employment from one part of the County to another part of the County

- i. An Applicant may seek a variance from a Basic Qualification by submitting a request in written form along with the required standard application. Such requests shall include a complete description of the circumstances explaining why the Applicant

should be granted a variance. Approval of a request for variance requires a four-fifths vote of the Commissioners Court.

III. APPLICATION PROCESS

- A. The Application for Tax Abatement may be obtained online via the County Office of Economic Opportunity and Development website and will include instructions for submission of the completed application package.
- B. Applications shall include all supporting documentation and a \$1,000.00 non-refundable application fee made payable to Fort Bend County.
- C. Supporting documentation shall include:
 - 1. A map and legal description (metes and bounds) of the facility site.
 - 2. 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.
 - 3. 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.
 - 4. Financial and other information as Fort Bend County deems appropriate for evaluating the financial capacity and other factors of the Applicant.
 - 5. A time schedule for undertaking and completing the planned improvements; and
 - 6. Any additional information the Applicant deems helpful to the evaluation of the application.
 - 7. Written assurances why the requested Tax Abatement is necessary to ensure that the proposed project be located in Fort Bend County and that 'but for' the incentive sought, the proposed project would not occur, or would otherwise be substantially altered so that the economic returns (or other associated public purpose) secured by the County's incentive would be reduced.
- D. The application will become part of the Tax Abatement Agreement and kept on file as a record of the County. If granted, the Tax Abatement Agreement may be rescinded upon finding any representation made in the application and/or supporting documentation was incorrect or false.
- E. The Office of Economic Opportunity & Development shall confirm that the Applicant has submitted all required documents and confirm that the fee has been tendered by the Applicant before conducting an initial review of the Application.
- F. Submission of an Application is acknowledgement by the Applicant of familiarity and

assumed compliance with GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS.

- G. If a proposed project's investment, job creation, wages or construction schedule change significantly following the submittal of a completed application and payment of the fee, or if an Agreement has not been finalized by the 364th day after application submission, Fort Bend County may close the pending application. Any submission of a new or subsequent application following such a closing will require another accompanying application fee.
- H. To the extent allowed by law, information that is provided in connection with an application or request for Tax Abatement that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax Abatement is sought is confidential and not subject to public disclosure until the tax Abatement Agreement is executed. After execution of the Agreement, the information is not confidential.

IV. REINVESTMENT ZONES

- A. Tax Abatement Agreements may be executed regarding Eligible Property in a Reinvestment Zone located within the boundaries of:
 - 1. A single city or county zone;
 - 2. Contiguous county and/or city zones; or
 - 3. Overlapping city/county zones; but not overlapping county zones.
- B. Commissioners Court must designate a Reinvestment Zone as a required part of the Tax Abatement process for property not already located in a Reinvestment Zone and in the unincorporated areas of the County.
- C. Inquiries regarding Reinvestment Zones should be referred to the Office of Fort Bend County Economic Opportunity & Development. Creation of Zones will require coordination with other County Offices for public notice, hearings, and orders for submission to Commissioners Court. At a minimum, the Applicant shall provide copies of the map and legal description (metes and bounds) of the property and the CAD data or a shape file with the boundaries of the proposed zone.
- D. Value Abated in the Reinvestment Zone:
 - 1. Base Value: Once a Reinvestment Zone is established, the portion of value abated for property and the duration of the exemption shall be the same for each owner that executes an Abatement Agreement in the same zone thereafter. However, the County may assign different percentages of Abatement per project by the same Owner within the Zone.
 - 2. Incremental Incentives: Any owner of property applying for Tax Abatement in a County created Reinvestment Zone may negotiate up to three additional percentage points to be added to the base Abatement percentage established for the Zone as a condition of agreeing to following business practices that have been determined to be of significant social value to the area in which the project will be located.

Such an incentive must be clearly articulated in the Agreement and state with specificity the requirements that must be met in order to capture the incremental incentive as well as articulate what documentation will be required to verify compliance.

- E. Reinvestment Zone Creation Orders shall comply with the requirements of the Tax Code and shall set out the abatement percentage established for the Zone. In the event that a Property Owner receives abatement on additional projects in the Zone, the Order shall be appended to reflect a schedule of percentages that will likewise be available to other Abatees in the Zone.
- F. Having property located in a Reinvestment Zone does not result in a Tax Abatement unless and until a property owner has executed an Abatement Agreement with the County.

V. AMENDMENTS TO AGREEMENTS

- A. Amendments to Executed Agreements (which includes any modification of Terms) may only be made by written request to the Director of Economic Opportunity and Development. Such requests shall include a complete and detailed description explaining why the amendment is necessary.
- B. An Abatee seeking Amendment to an Executed Agreement shall attend the meeting in which the item will be considered and be available to address the Court. Amendments will be approved only by a four-fifths vote of the Commissioners Court.
- C. A request for an Amendment to an Executed Agreement is considered a separate application from the original application seeking tax Abatement. The required application fee and notice requirements of Texas Tax Code Section 312.207 will apply to the Amendment request.
- D. The following apply to Assignments, which are a specific type of Amendment: The Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by the Commissioners Court; subject to the financial capacity of the assignee and provided that all conditions and obligations in the Abatement Agreement are guaranteed by the execution of the new contractual Agreement with the County, which is an amendment to the Agreement. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld. Assignee must swear and affirm in the Amendment that they are not in default with any taxing jurisdiction in the State of Texas.

VI. RECAPTURE

- A. Failure to Commence Operation During Term of Agreement: In the event that the facility is not completed and does not begin operation with the minimum number of

permanent jobs 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 with the minimum number of permanent jobs by the next January 1st, the County may terminate the tax Abatement Agreement. If the County sends Abatee notice of cancellation, all abated taxes must be recaptured and paid within sixty (60) days of such termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.

- B. Discontinuance of Operations During Term of Agreement: In the event the facility is completed and begins operation with the required minimum number of permanent jobs, but subsequently discontinues operations and/or the minimum number of permanent jobs is not maintained as of any January 1st during the term of the Agreement the County may terminate the tax Abatement Agreement. County may terminate under this Provision regardless of the reason Discontinuance of Operations or non-compliance with jobs; except when County has determined thst such non-compliance was on a temporary basis due to fire, explosion or other casualty or accident or natural disaster, If the County sends Abatee notice of cancellation, all abated taxes shall be recaptured and paid within sixty (60) days of such termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- C. Delinquent Taxes: In the event that the owner allows any ad valorem taxes to become delinquent on any property in Fort Bend County (whether on abated property or not) and fails to timely and properly follow the legal procedures for their protest and/or contest the tax Abatement Agreement, the County may terminate the tax Abatement Agreement. If the County sends Abatee notice of cancellation, all abated taxes shall be recaptured and paid within sixty (60) days of such termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated. 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 County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- D. Performance Criteria: In the event that the owner fails to meet any other performance criteria provided by the Tax Abatement Agreement, County may terminate the tax Abatement Agreement. If County sends Abatee notice of cancellation, all abated taxes and paid within sixty (60) days of such termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- E. Actual Capital Investment: Should Fort bend County determine that the total level of capital investment in the eligible property is lower than provided in the Agreement, the County, at its sole discretion, reserves the right to adjust the tax Abatement percentage to reflect the actual capital investment as determined or to terminate the Agreement. If County sends Abatee notice of cancellation, shall be recaptured

and paid within sixty (60) days of such termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.

- F. Notice of Default: Should Fort Bend County determine that the owner is in default, according to any other terms or conditions of its Agreement, it shall notify the owner in writing at the address stated in the Agreement that, if such default is not cured within sixty (60) days from the date of such notice (the "Cure Period"), then the Agreement may be terminated and the taxes abated by virtue of the Agreement may be recaptured and paid as provided herein.

VII. ADOPTION AND EXPIRATION OF GUIDELINES AND CRITERIA

- A. These Guidelines and Criteria shall apply upon adoption by Order of the Fort Bend County Commissioners Court and shall remain in effect with applicable amendments from time to time, for two years from the date adopted.
- B. During this period, these Guidelines and Criteria may be amended or repealed in accordance with state law. No extension of these Guidelines and Criteria is authorized except by amendment consistent with Chapter 312 of the Texas Tax Code.
- C. No Reinvestment Zone and/or Tax Abatement Agreement may be authorized in reliance upon these Guidelines and Criteria beyond May 11, 2025.
- D. Applications dated prior to the Adoption of these Guidelines and Criteria shall be governed by the Guidelines approved as of the date of the Application, subject to the limitation of time governing the time an application may be left pending and the requirements of law.
- E. The Adoption of these Guidelines and Criteria by the County does not:
 - 1. Limit the discretion of the County to decide whether to enter into a specific tax Abatement Agreement; or
 - 2. Limit the discretion of the County to delegate to its employees the authority to determine whether or not the County should consider a particular application or request for tax Abatement; or
 - 3. Create any property, contract, or other legal rights in any person to have the County consider or grant a specific application or request for tax Abatement.
 - 4. Limit the ability to deviate from these guidelines and criteria for good cause.
- F. An executed copy of these approved guidelines and criteria governing tax abatement agreements for Fort Bend County General Fund shall be posted on the County Office of Economic Opportunity and Development website in compliance with Fort Bend County requirements of taxing units stated in Tax Code Section 312.002 (c-2).

PASSED AND APPROVED BY COMMISSIONERS COURT this _____ this 9th day of May 2023.

[Signature]
County Judge KP George

[Signature]
Commissioner Vincent Morales, Precinct 1

[Signature]
Commissioner Grady Prestage, Precinct 2

[Signature]
Commissioner Andy Meyers, Precinct 3

[Signature]
Commissioner Dexter McCoy, Precinct 4

ATTEST:
[Signature]
Laura Richard, County Clerk



Reviewed: [Signature]
Carlos Guzman
Economic Opportunity and Development Director

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.
 Copano Bay Energy Storage, LLC
 Charlottesville, VA United States

Certificate Number:
 2024-1156493

Date Filed:
 05/03/2024

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

Date Acknowledged:
 05/29/2024

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.
 GF-24-EDC-100337
 Tax Abatement (PILOT)

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

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)