

State of Texas §

County of Duval §

**Tax Abatement Agreement between Duval County, Texas,
and Cielo Vista Storage, LLC**

This Tax Abatement Agreement (the “**Agreement**”) is made and entered into by and between Duval County, Texas (“**County**”), a political subdivision of the State of Texas acting through its duly elected officers, and Cielo Vista Storage, LLC (“**Developer**”), a Texas limited liability company, (either County or Developer may be referred to as a “**Party**” and together, “**Parties**” herein). This Agreement shall become effective upon final signature by both Parties (which date shall be the “**Effective Date**”), and this Agreement shall remain in effect through the Term, unless earlier terminated pursuant to other provisions of this Agreement.

**I.
Authorization**

This Agreement is authorized and governed by (i) Chapter 312 of the Texas Tax Code, as amended (the “**Act**”), (ii) the Duval County Tax Abatement Policies and Guidelines (as defined below), and a Resolution of the Commissioners Court approved on [July 13, 2026]. The County gave timely notice of its intention to consider this Agreement to the presiding officers of the taxing jurisdictions in which the Site is located as required under the Act.

The Commissioners Court found during a duly posted regular meeting that entering into this Agreement for development of the Site and construction of the Project would encourage development of the Reinvestment Zone during the Abatement Period, promote local economic development, and directly accomplish public purposes, including by providing direct and indirect jobs, stimulating business and commercial activity within the County, and generating tax revenue.

**II.
Definitions**

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

- A. “**Abatement**” means the full or partial exemption from the County’s ad valorem taxes on specific property in the Reinvestment Zone as provided herein.
- B. “**Abatement Period**” means the ten (10) year period during which period the Abatement applies beginning on the earlier of (a) January 1 of the first Calendar Year after the COD or (b) January 1 of the Calendar Year within which Developer delivers to County a Notice of Abatement Commencement (as defined below) and ending upon the conclusion of ten (10) full Calendar Years thereafter.
- C. “**Affiliate**” of the Developer refers to any entity that directly or indirectly through

one or more intermediaries, controls or is controlled by, or is under common control with Developer. For purposes of this definition, “control” of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

- D. “**Application**” means the Developer’s “Application for Tax Abatement” submitted to the County on March 13, 2026 in conformance with the Duval County Policies and Guidelines and deemed complete by the County.
- E. “**Base Year**” means 2026, the Calendar Year in which the Effective Date of this Agreement occurs.
- F. “**Base Year Value**” means the assessed value of the land and improvements located in the Reinvestment Zone as of January 1, 2026.
- G. “**Calendar Year**” means each year beginning on January 1 of that year and ending on December 31 of that year.
- H. “**Certificate**” means a letter, provided by Developer to the County that certifies the Project has achieved Commercial Operations, identifies in detail the assets that are the Project Improvements (including those that are still under construction), and further states the overall Nameplate Capacity of Storage, as the case may be, of the entire Project.
- I. “**Certified Appraised Value,**” means the appraised value, for property tax purposes, of Developer’s Eligible Property (including the Project Improvements) within the Reinvestment Zone as certified by the Duval County Appraisal District (“**County Appraisal District**”) for each tax year.
- J. “**COD**” means the date upon which the Developer’s Project commences Commercial Operations. For avoidance of doubt, completion of construction of any interconnections facilities or substations associated with or to be used by the Project, regardless of whether such interconnection facilities or substations are or become fully operational, shall not be deemed to trigger any payments by Developer associated with COD unless and until the Project commences Commercial Operations.
- K. “**Commercial Operations**” means that the Project has become commercially operational and placed into service for the purpose of generating and/or storing and dispatching electricity for sale.
- L. “**County Abated Property Tax**” means all current or future property taxes levied by or for the County Maintenance and Operations (“M&O”) portion of the ad valorem taxes. For purposes of clarity, this does not include the ad valorem taxes collected for the County’s Interest and Sinking fund (“I&S”), Duval County

Emergency Services District No. 2, Duval County Groundwater District, and Farm-to-Market Road.

- M. **“Default Notice”** means a written notice delivered by one Party to the other Party regarding a default of this Agreement. A Default Notice must be delivered in accordance with the requirements of this Agreement.
- N. **“Deferral Payment”** means an amount of money paid by Developer to County to defer or extend the date of automatic termination of this Agreement as set forth in this Agreement.
- O. **“Developer”** has the meaning provided in the introductory paragraph. The Developer is the lessee of the Site.
- P. **“Development Period”** means the period between the Effective Date of this Agreement and COD.
- Q. **“Development Period Payment”** means a payment by Developer to County during the Development Period, if any.
- R. **“Duval County Tax Abatement Policies and Guidelines”** means those policies and guidelines adopted by the Duval County Commissioners’ Court on June 8, 2026, a copy of which are attached to this Agreement (**“Attachment B”**); sometimes referred to as **“Policies and Guidelines”**.
- S. **“Eligible Property”** means Developer’s property located in the Reinvestment Zone eligible for Abatement under Duval County’s Policies and Guidelines, including new buildings and structures; fixed machinery and equipment; site improvements; office space; other related fixed improvements; other tangible items necessary to the operation and administration of the Project; and all other real and tangible personal property eligible to receive Abatement by the Act and Duval County’s Policies and Guidelines. It shall not include tangible personal property located in the Reinvestment Zone at any time before the Effective Date, nor inventory or supplies.
- T. **“Force Majeure”** includes events not reasonably within the control of the Party whose performance is sought to be excused thereby, including, without limitation, the following causes and events: (i) acts of God and the public enemy; (ii) strikes, lockouts, labor disputes, or other industrial disturbances; (iii) inability to obtain material or equipment or labor; (iv) wars, blockades, insurrections, riots, civil strife, or other violence; (v) epidemics and pandemics; (vi) landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement and severe weather, or other natural disaster; (vii) arrests and restraint of rulers and people, (viii) interruptions by government or court orders, or present or future orders of any regulatory body; (ix) civil disturbances; (x) explosions, breakage, or accident to machinery, pipelines or power lines, or freezing of power lines, (xi) any laws, rules,

orders, acts, or restraint of government or governmental body or court, or (xii) the partial or entire failure of fuel supply or the supply of critical materials; or (xiii) any other event that is beyond the reasonable control of the Party claiming Force Majeure.

- U. **“Lender”** means any entity or person providing, directly or indirectly, with respect to the Project and/or Project Improvements any (i) 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), (ii) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (iii) tax equity financing, (iv) any interest rate protection agreements to hedge any foregoing obligations, and/or (v) any energy hedge provider. There may be more than one Lender. Developer, at its election, may send written notice to the County with the name and notice information for any Lender.
- V. **“Local Outreach Plan”** means the Local Outreach Plan attached to this Agreement (**“Attachment D”**).
- W. **“Minimum Investment”** means the minimum investment that the Developer agrees to make in on the Site for the Project.
- X. **“Nameplate Capacity of Storage”** means the maximum full-load sustained storage capacity of the battery energy storage facility included in the Project under ideal conditions as expressed as Megawatts (**“MW”**).
- Y. **“Notice of Abatement Commencement”** has the meaning assigned in this Agreement.
- Z. **“Notice of Commencement of Site Construction”** means that written notice that must be provided by Developer to County thirty (30) in advance of beginning Site Construction.
- AA. **“Notices”** means all notices, demands, or other communications of any type as between the Parties (including a Default Notice), and such Notices shall be given in accordance with terms of this Agreement.
- BB. **“Payment In Lieu of Taxes”** or **“PILOT”** means a payment made by Developer to the County in lieu of payment of some of the County Abated Property Tax that would be otherwise owed if not for the Abatement as further described in this Agreement.
- CC. **“Project”** means the 400 MW battery energy storage power facility, including the Project Improvements.
- DD. **“Project Improvements”** means Developer’s Eligible Property meeting the definition for improvements provided by the Act and includes, but is not limited to, any building, structure, fixture, or fence erected on or affixed to the Site, including:

roads, security fences and gates, storage photovoltaic modules, support foundations, electrical collections systems, overhead electrical lines, battery energy storage systems, meteorological equipment, power inverters and transformers, energy collection substation for the interconnection and transmission of solar electricity, and an operations and maintenance building.

- EE. “**Property**” means the improvements and personal property that constitute the Project.
- FF. “**Reinvestment Zone**” means the reinvestment zone, as that term is defined in the Act, created by Duval County and known as the “**Cielo Vista Reinvestment Zone**” by that Order Adopting and Designating a Reinvestment Zone in the Jurisdiction of Duval County, Texas, adopted and approved by the Duval County Commissioners’ Court on April 27, 2026, a copy of which Order is attached to this Agreement (“Attachment A”).
- GG. “**Site**” means the portion of the Reinvestment Zone upon which Developer has leased and intends to construct the Project, located in north Duval County along Highway 59 and County Road 115, as further described on “Attachment C” to this Agreement.
- HH. “**Site Construction**” means any of the following work or services provided by or contracted by Owner and initiated at the Site: clearing of brush, grading of location, deposit of materials upon location, fencing, preparations for foundation(s) and/or structures, provisions for electrical service, and related work and services performed at the Site. For the avoidance of doubt, the following preliminary development activities shall not constitute Site Construction: environmental studies, cultural and/or historical studies, interconnection studies, solar studies, habitat or species studies, geotechnical studies, surveys, engineering studies, core sampling, equipment studies, meteorological studies, or similar activities required to ascertain Site conditions.
- II. “**Term**” means the period commencing on the Effective Date of this Agreement and ending on December 31 of the tenth Calendar Year after the commencement of the Abatement Period.

III. The Project

Developer anticipates constructing the following Project Improvements on the Site as part of an energy campus located in the Reinvestment Zone.

- A. Application. Developer submitted its Application for a utility scale renewable energy power-producing storage power project located entirely within the County and not within the boundaries of any municipality.
- B. Site. The Site is under long-term lease agreements from local landowners to the Developer,

allowing the construction, maintenance, and operation of the Project on the Site. There are no existing improvements on the Site.

- C. Project. Developer anticipates constructing its Project on the Site to consist of a 400 MW battery energy storage power facility, including all Project Improvements. The Project has an estimated life expectancy of twenty (20) to twenty-five (25) years.
- D. Storage. The Project has a Nameplate Capacity of Storage of approximately 400 MW. The total Nameplate Capacity of Storage will vary depending on the type of battery energy storage facility equipment used and the size of the facility, however, for the purpose of calculating the PILOT herein, the Nameplate Capacity of Storage shall at a minimum be considered to equal 400 MW. The Certified Appraised Value will depend upon annual appraisals by the Duval County Appraisal District.
- E. Project Improvements. The Project Improvements may also include any other property in the Reinvestment Zone owned or leased by Developer meeting the definition of “Eligible Property” and used by Developer to generate energy and perform other functions related to the Project. The Reinvestment Zone may include other projects and improvements separately owned which are not covered by this Agreement.
- F. Project Investment. The Developer estimates that the total Project investment amount will be not less than \$146,460,080 (the “**Minimum Investment**”). The value of the Project will depreciate as provided for in Section 23.26, Texas Tax Code.
- G. Development Period. Developer anticipates that construction of its Project will require one (1) to two (2) years, estimated to begin in the fourth quarter of 2026 with completion estimated to occur in the fourth quarter of 2028. During peak construction Developer estimates there will be one hundred ten (110) temporary, full-time construction jobs. As additional consideration for this Agreement, Owner agrees to make a Development Period Payment of \$120,000.00 on or before the 1st day of the month after commencement of Site Construction and to make a second Development Period Payment of \$120,000.00 on or before the one-year anniversary date of the first Development Period Payment if construction is on-going. The Parties agree there shall be a Development Period Payment for each year of construction, or any partial year of construction that follows a full year of construction.
- H. Permanent Jobs. Developer agrees to maintain one (1) full-time employee at the Project to maintain storage, underground electrical connections, substations, and other infrastructure associated with the safe and reliable operation of the Project.
- I. Additional Agreements. Because the construction and development of the Project will place additional burdens on County and the community, the Parties have agreed to or will agree to additional agreements:
 - 1. Road Access Agreement. To ensure the integrity and maintenance of County roads that are part of the haul route for the Project and the related projects in the Reinvestment Zone, the Developer (or its Affiliate) has entered into a Road Access Agreement with the County. The Parties agree that the Road Use Agreement has a value to the County in

excess of \$20,000,000.

2. Community Benefit Agreement. The Parties agree that in lieu of a community benefits agreement, the Developer or its Affiliate will enter into a Road Use Agreement with the City of San Diego, Texas and agrees to make commercially reasonable efforts to utilize reclaimed water for projects in the Zone. The Developer will make the Community Engagement Payment as described in Section XIX below.
3. Development Agreement. The Developer (or its Affiliate) have entered into a Development Agreement with the County providing that within thirty (30) days after the Effective Date of this Agreement, the Developer shall remit a payment not to exceed \$15,000 payable to the County as an offset to the County's attorney's fees incurred for services of outside legal counsel in furtherance of this Agreement. Within thirty (30) days after the Effective Date of this Agreement, County shall send notice to Developer of a detailed, itemized invoice of out-of-pocket costs and expenses incurred by the County relating to this Agreement, not including outside legal counsel attorney's fees and expenses, which County costs and expenses shall be reimbursed by Developer to "Duval County" within thirty (30) days of Developer's receipt of said invoice (such County costs and expenses not to exceed \$500).
4. Wastewater Agreement. Developer (or its Affiliate) agrees to undertake reasonable business efforts to capture effluent water resources to address all or part of the water needs of the projects in the Reinvestment Zone.

IV.

Term and Portion of Tax Abatement; Taxability of Property

- A. Treatment of Property during the Abatement Period. The County and Developer specifically agree and acknowledge that the Site shall be taxable in the following ways before, during, and after the Term of this Agreement:
 1. Ineligible Property. Property not eligible for Abatement, if any, shall always be fully taxable. Pursuant to the Policies and Guidelines, ineligible property includes: animals, inventory, supplies, tools, furnishings, vehicles, vessels, aircraft, housing or residential property, flora, fauna, and other forms of movable personal property, as well as any property which has a productive life of less than ten (10) years.
 2. Existing Property. The Certified Appraised Value of land and Property existing in the Reinvestment Zone prior to the Effective Date of this Agreement shall always be fully taxable, even during the Abatement Period.
 3. Eligible Property During the Abatement Period. During the Abatement Period, 100% of County Abated Property Taxes on the Certified Appraised Value of the Eligible Property shall be abated for the periods and in the amounts as provided for by Article IV(B) below.
 4. Expiration of the Abatement Period. After expiration of the Abatement Period,

100% the Certified Appraised Value of real and personal property owned by Developer located in the Reinvestment Zones shall be fully taxable, including during the remainder of the Term.

B. County Abated Property Taxes. The County and Developer specifically agree and acknowledge that this Agreement shall provide for Abatement, under the conditions set forth herein, of County Abated Property Taxes assessed on the Eligible Property in the Reinvestment Zone as follows:

1. Abatement of Taxes. Subject to the limitations on property eligible for Abatement, the Developer is entitled to, and the County will provide to the Developer, an abatement of one hundred percent (100%) of all County M&O property taxes imposed on the Project, including on all real and personal tangible property included in the Project for the ten (10) years Abatement Period.
2. Abatement Period. The foregoing percentage of property taxes on the Certified Appraised Value of all Eligible Property described in the Certificate shall be abated for the entire Abatement Period and shall be replaced by a series of Payments in Lieu of Taxes (PILOTs), as further defined herein.
3. Project Base Year. The Project Base Year is 2026. The Certified Appraised Value of land and improvements existing in the Reinvestment Zone as of January 1, 2026 shall always be fully taxable, even during the Abatement Period.
4. Developer Certificate. Developer shall provide the Certificate to the County and to the County Appraisal District within thirty (30) days after the COD. The Certificate shall describe any of the Project's ancillary facilities not required for Commercial Operations that are still under construction on the date that the Certificate is delivered, and if the Certificate indicates any such facilities exist, Developer will deliver an amended Certificate to the County within thirty (30) days after all Project construction is complete. If such ancillary facilities meet the definition of "Eligible Property," such ancillary facilities, once completed, shall become part of the Project Improvements eligible for the Abatement under this Agreement.
5. Notice of Abatement Commencement. If Developer, at its sole election, desires that the Abatement Period begin prior to January 1st of the of the first Calendar Year after the COD, then Developer may deliver a notice to the County and County Appraisal District stating such desire (such notice being referred to herein as a "Notice of Abatement Commencement"). If delivered by Developer, the Notice of Abatement Commencement shall contain the following statement: **"Developer elects for the Abatement Period to begin on January 1, 2029."** 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 ten (10) years beyond such date. Developer shall only be permitted to deliver a Notice of Abatement Commencement if it anticipates achieving COD during the next Calendar Year. Developer shall still be required to deliver the Certificate to the County and to the

County Appraisal District within thirty (30) days after the COD.

6. Ten Year Term. Notwithstanding any statement or implication in this Agreement to the contrary, the Parties agree that the Abatement granted in this Agreement shall in no event extend beyond Year 10 of the Abatement.
- C. Future Laws; Tax Exemption. All or a portion of the Project may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. Notwithstanding any statement or implication in this Agreement to the contrary, this Agreement is not to be construed as evidence that no such exemptions shall apply to the Project and Project Improvements.
- D. No Removal of Project. Developer agrees that the Project, once constructed, will remain in place for at least the Abatement Period; provided that nothing herein prevents Developer from replacing equipment or fixtures comprising the Project prior to that date or from components of the Project Improvements so long as the Nameplate Capacity of Storage does not decrease below 60 MW. IN THE EVENT THE PROJECT DOES NOT REMAIN IN PLACE FOR THE ABATEMENT TERM IN BREACH OF THIS PARAGRAPH (D), THE SOLE REMEDY OF THE COUNTY, AND DEVELOPER'S SOLE LIABILITY, WILL BE FOR DEVELOPER TO PAY TO THE COUNTY THE FULL AMOUNT OF ACTUAL TAXES ABATED AT ANY TIME UNDER THIS AGREEMENT ON THE PROJECT IMPROVEMENTS, LESS ANY PAYMENTS IN LIEU OF TAXES MADE AT ANY TIME TO THE COUNTY FOR THE PROJECT IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS PARAGRAPH (D), ANY TAXES DUE BY DEVELOPER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.
- E. Certified Appraised Value. During the Abatement Period, County shall request that the County Appraisal District annually determine both (i) the Certified Appraised Value of the Eligible Property owned by Developer 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 Developer in the Reinvestment Zone. The County Appraisal District shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records. The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the County in the event that the County is entitled to recapture abated taxes under this Agreement as further described in this Agreement.
- F. PILOT Payments. If the Project COD is achieved, and to the extent Abatements are applied and received by Developer as provided herein, Developer agrees to make an annual Payment in Lieu of Taxes, "PILOT," to the County of \$600,000 per year plus \$1,500 per MW, or portion thereof, for each MW of Nameplate Capacity of Storage in excess of 400 MW, for each year of the Abatement Period. Each PILOT described in this Paragraph (F) shall be due on January 31 of the Calendar Year following the Calendar Year for which the Abatement applies. By way of illustration, if Year 1 of the Abatement Period is 2029, then the PILOT Payment owed for 2029 shall be due and payable on January 31, 2030. There shall be a total of ten

(10) annual PILOT Payments under this Agreement unless the Agreement is earlier terminated. The method for calculation for each PILOT Payment for each year of the Abatement Period shall be performed in the same manner for each year; that is, \$600,000 + (\$1,500 x (Nameplate Capacity of Storage (expressed as MW) minus 400 MW)).

- G. Decommissioning. The County and Developer agree that decommissioning of the Project is governed by Texas law and through separate agreements as between Developer, or its Affiliate(s), and Site landowners. Developer warrants and represents that Developer's decommissioning (restoration, soil stabilization, revegetation, and security assuring same, if any) shall comply with the requirements of the laws of the State of Texas.

V. Covenants

During the term of this Agreement, Developer shall:

- A. Operation of Project. Developer agrees that the Project shall remain in operation for period of not less than ten (10) years from the expiration of the Abatement Period (the "**Extended Operation Period**"), as the same may from time to time be expanded, upgraded, improvement, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and or reengineered. Developer further agrees retain the one employee described in Article III (H) above for the Extended Operation Period.
- B. Local Sales and Use Tax. Make a good faith effort to require all contractors and vendors of materials to be used in the construction of the Project to make municipalities in Duval County, Texas, the situs of sales and use taxes; provided, however, Developer's commitments related to the selection of contractors and vendors is governed solely by the Local Outreach Plan.
- C. Additional Information. At time of delivery of the Notice of Commencement of Site Construction, Developer shall provide to the Duval County Emergency Manager (the County Judge) the following information regarding the Site and Project:
1. Engineering drawings illustrating Site topographic information.
 2. Hydrology studies.
 3. Documentation of Developer's plans to construct access to accommodate the provision of emergency services, including fire protection.
 4. Geotechnical Report.
 5. Phase 1 Environmental Site Assessment.
 6. Stormwater Pollution Prevention Plan.
 7. Material Safety Data Sheets ("MSDS") or similar documentation on key Project Improvements that are relevant to the emergency response to the Site.
- D. Employment of Undocumented Workers. During the Term, the Company will not knowingly employ any undocumented workers as defined in Section 2264.001, Texas Government Code. If convicted of a violation under 8 U.S.C. Section 1324a(f), (i) the County may, by written notice to the Developer, terminate this Agreement, and (ii) the

Developer will repay to the County the amount of taxes abated under this Agreement as of the date of such violation, less any PILOT Payment. A repayment under this provision must be made with ninety (90) days of the date the Developer receives notice from the County of a violation of this section. Pursuant to Section 2264.101(c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchise of the business, or by a person with whom the business contracts. This Section V(D) is the County's sole remedy under this Agreement for the employment of undocumented workers for the Project.

VI. Representations

The County and Developer make the following respective representations:

- A. Developer Representations. Developer represents and agrees that (i) Developer, its successors and/or assigns, will have a taxable interest with respect to Project; (ii) construction of the proposed Project will be performed by Developer, its successors and/or assigns and/or their contractors or subcontractors; (iii) Developer's and its successors' and assigns' use of the Site will be limited to the use described in this Agreement (and ancillary uses) during the Abatement Period; (iv) all representations made in this Agreement are true and correct in all material respects to the best of Developer's knowledge; (v) Developer will make any filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required of the Developer by law now or in the future; (vi) Developer agrees to comply with all applicable state and federal law relevant to the Project; and (vii) Developer agrees that in the event of any assignment of this Agreement, said assignment shall include a commitment by the successor and/or assignee to be bound by the terms and conditions of this Agreement.
- B. County Representations. The County represents that (i) the County has formally elected to be eligible to grant property tax abatements under the Act; (ii) the Reinvestment Zone has been designated and this Agreement has been approved in accordance with the Act and the Policies and Guidelines, as both exist on the Effective Date of this Agreement; (iii) no interest in the Project is held, leased, or subleased by a member of the Duval County Commissioner's Court; (iv) that the property within the Reinvestment Zone and the Site is located within the legal boundaries of Duval County and outside the boundaries of all municipalities located in Duval County; and (v) the County has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

VII. Access to and Inspection of Property by County Employees, and Periodic Statement of Compliance

- A. Inspection Rights. Developer shall allow the designated employees and consultants of the County and County Appraisal District access to the Site after receipt of the Notice of Commencement of Site Construction within the Development Period and during the Abatement Period for the purpose of inspecting the Project Improvements erected to ensure

that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Developer fourteen (14) days' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Project and Project Improvements. All such inspections shall be made with one (1) or more representatives of Developer present and in accordance with all applicable safety and security requirements imposed by Developer in its sole discretion including provision of a signed waiver of liability and confidentiality agreement by each individual prior to any Site access.

- B. Developer Annual Certificate. Developer shall, on or before May 1 of each Calendar Year after COD, certify annually to the County its compliance with this Agreement by providing a written statement of compliance to the County Judge and a copy to the Duval County Appraiser. If the Developer reports its Minimum Investment upon COD is less than the amount provided in Article III(F) above and remains below the Minimum Investment over the Abatement Period, or during the Abatement Period the number of full-time jobs is less than three, the County may by written notice to the Developer recapture the equivalent percentage of abated taxes for that Tax Year equal to the average of (i) the percentage of the required Minimum Capital Investment the Developer did not report, and (ii) the percentage of the required employee count the Developer did not report. The fact that an employment position is open and pending hiring for a reasonable period of time does not reduce the number of full-time jobs for purposes of the annual certification. This Section VII(B) is the County's sole remedy under this Agreement for any failure to meet the Minimum Investment requirement or number of full-time jobs required under this Agreement.

VIII.

Termination, Default, Remedies, Recapture, and Limitation of Liability

The following provisions apply to allow for termination of this Agreement, the rights of a defaulting and a non-defaulting party, recapture in the event of a default by Developer, and the County's limitation of liability. This Agreement may be terminated upon (i) written agreement by the Parties, (ii) expiration of the Term, or (iii) by written notice of the Developer for any reason or no reason. Additionally, the Parties agree as follows:

- A. Termination for Failure to Commence. If the Notice of Commencement of Site Construction is not sent to County on or before the third (3rd) anniversary date of the Effective Date, then this Agreement is automatically terminated. County is not required to provide any notice of this automatic termination (other than this Agreement which provides such notice).
1. Deferral Payment. At Developer's sole election, after the second (2nd) anniversary of the Effective Date and before the third (3rd) anniversary of the Effective Date, Developer may make a Deferral Payment in the amount of \$100,000.00 which amount paid to Duval County shall extend the automatic termination of this Agreement as set forth in preceding paragraph by one (1) year. In the event such a Deferral Payment is timely made, this Agreement shall be extended by one (1) year automatically. After such Deferral Payment, this Agreement shall be automatically terminated if Notice of Commencement of Site Construction is not sent to the County on or before the fourth (4th) anniversary date of the Effective Date. County is not required to provide any notice of this automatic termination

(other than this Agreement which provides such notice).

2. Commencement Deadline. If Year 1 of the Abatement Period does not occur on or before the fourth (4th) anniversary of Notice of Commencement of Site Construction, then County may elect, in its sole discretion, to terminate this Agreement within sixty (60) days after the fourth (4th) anniversary of Notice of Commencement of Site Construction upon thirty (30) days written notice to Developer.
- B. Termination for Default. If a Party is in breach or default of this Agreement, then the non-defaulting Party may terminate this Agreement by: (i) providing the defaulting Party written notice (“**Default Notice**”) specifying a material breach or default of the Agreement that is not excused by occurrence of an event of Force Majeure; and (ii) allowing a cure period of no less than sixty (60) days after the delivery and receipt of the Default Notice, or if such breach/default cannot be cured within such sixty (60) day period, the defaulting party shall provide notice and written justification to have such additional time, up to ninety (90) additional days, to cure such default as is reasonably necessary as long as such defaulting Party has commenced remedial action to cure and continues to diligently and timely pursue the completion of such remedial action before the expiration of the maximum one hundred fifty (150) day cure period. If a Party provides a Default Notice to a defaulting Party and there is no occurrence of Force Majeure, and the defaulting Party fails or refuses to timely cure as permitted herein, then the Party providing the Default Notice may declare the Agreement terminated.
- C. Termination for Developer Bankruptcy. If Developer files a petition in bankruptcy, or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against Developer, or if a receiver is appointed for the benefit of Developer, or if Developer makes or attempts to make assignment of this Agreement to a creditor, then this Agreement is automatically terminated.
- D. Change in Law. Notwithstanding any provisions of this paragraph, if any default arises from a violation of law resulting from a change in law or a change in the interpretation or enforcement of law by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting Party acts in accordance with a commercially reasonable plan of action to minimize the effect of such default prepared by the defaulting Party and delivered to the other Party.
- E. No Default for Force Majeure. The County shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure. Notwithstanding any other provision of this Agreement to the contrary, in the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement (other than any obligation to make payment of any amount when due and payable hereunder), the obligation of such Party, so far as it is affected by such Force Majeure, shall be suspended during the continuance of any condition or event of Force Majeure, but for no longer period, and such condition or event shall so far as possible be remedied with all reasonable dispatch, considering, among other things, the availability of materials and labor. The Party prevented or hindered from performing shall give prompt (but in no event later than twenty (20) business days after the occurrence of such event) notice

and reasonably full particulars of such event to the other Party and shall take all reasonable actions within its power to remove the basis for nonperformance (including securing alternative labor or supply sources) and after doing so shall resume performance as soon as possible.

- F. Notice of Default. The County shall notify Developer and any Lender (but only if the County has been provided with the name and notice information of the Lender) of any default of this Agreement by delivery of a Default Notice in the manner prescribed herein. The Default Notice shall specify the basis for the declaration of default, and the defaulting Party shall have the periods of time specified herein to cure any default. If Developer provides notice to the County of the existence of a Lender as may be permitted herein, and includes the Lender's contact information, then the County shall be required to deliver a copy of any Default Notice to the Lender at the same time the County delivers the Default Notice to Developer. Such Lender shall have the right to cure any Developer default on Developer's behalf and shall be entitled to the same cure periods provided for Developer under this Agreement.
- G. Reinstatement by Suit. If Developer believes that any alleged termination is improper, Developer may file suit in Duval County, Texas challenging the allegation of termination. DEVELOPER'S SOLE REMEDY WILL BE REINSTATEMENT OF THIS AGREEMENT AND SPECIFIC PERFORMANCE BY THE COUNTY.
- H. Recapture due to Termination. If Developer, after a material breach or default under this Agreement, and after the receipt of Default Notice from County that is not excused by the occurrence of Force Majeure, fails to timely cure; or if Developer files a petition in bankruptcy, or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against Developer, or if a receiver is appointed for the benefit of Developer, or if Developer makes or attempts to make assignment of this Agreement to a creditor, the County shall be entitled to cancel the Agreement and recover the property tax revenue abated under this Agreement through the termination date, including all applicable penalties, interests, and attorneys' fees, less any PILOT Payments paid by Developer to County under the terms of this Agreement. Developer agrees to pay such amounts within sixty (60) days after the termination of this Agreement.
- I. Developer's Limited Liability to County. LIMITATION OF DEVELOPER'S LIABILITY TO COUNTY: THE TERMINATION OF THE AGREEMENT (RESULTING IN DEVELOPER'S FORFEITURE OF ANY RIGHT TO ABATEMENT HERE UNDER BEYOND THE TERMINATION DATE) AND RECAPTURE OF PROPERTY TAXES ABATED (BUT LESS ANY PILOT PAYMENTS PAID BY DEVELOPER PRIOR TO TERMINATION), ALONG WITH ANY REASONABLY INCURRED COURT COSTS, PENALTIES, INTEREST, AND/OR ATTORNEYS' FEES, SHALL BE THE COUNTY'S SOLE REMEDY AS AGAINST DEVELOPER, AND DEVELOPER'S SOLE LIABILITY, IN THE EVENT DEVELOPER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. DEVELOPER AND COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OR DEFAULT OF THIS AGREEMENT, ANY TAXES DUE BY

DEVELOPER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

- J. Default Notice Language. Any Default Notice delivered to Developer and any Lender under 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 DUVAL COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT (PLUS COURT COSTS, PENALTIES, INTEREST, AND/OR ATTORNEYS' FEES).

- K. Statutory Tax Lien. The amount of tax abated each year under the terms of this Agreement shall continue to be secured by the statutory tax lien pursuant to Section 32.01 of the Texas Tax Code which shall continue in existence from year to year throughout the entire Term of the Agreement or until all taxes, whether assessed or recaptured, are repaid in full.
- L. Delinquent Taxes. In the event that the Developer allows its ad valorem tax obligation relating to any property located within Duval County to become delinquent, and fails to timely and properly follow the legal procedures for their protest and/or contest, then at County's sole discretion this Agreement shall terminate and/or the Abatement of the taxes for the tax year of the delinquency shall be forfeited, less any PILOT Payment made. The total taxes assessed by the County without Abatement (less any PILOT Payment made) shall be paid within sixty (60) days from the date of such termination or forfeiture. This Section VIII(L) is the sole remedy under this Agreement for Developer's delinquent taxes.
- M. Recaptured Taxes. All recaptured taxes must be paid within sixty (60) days after notice of same to Developer. Penalty and interest shall not begin to accrue upon such sums until the first day of the month following thirty (30) days' notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

IX.

Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Developer to comply with any order, rule, statute, or regulation of Duval County or the State of Texas. In accordance with State law, the Developer has provided the required disclosures attached hereto as "Attachment E".

X.

Assignment of Agreement

This Agreement may be assigned by Developer to another, in such manner as is expressly permitted by the terms, provisions, and conditions of this Agreement.

- A. Assignment to an Affiliate. The rights and responsibilities of Developer hereunder may be assigned in whole or in part, to an Affiliate without County's consent, however, Developer shall provide notice to County of such assignment.
- B. Assignment with County Approval. The rights and responsibilities of Developer hereunder may be assigned, in whole or in part, to a party other than an Affiliate only after obtaining the County's prior consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Any assignment by Developer under this paragraph without first obtaining the consent of the County shall be a default under this Agreement subject to the notice provisions, cure provisions, remedies, and other terms and conditions of Article VIII above. Developer shall give forty-five (45) days' written notice of any intended assignment to the County pursuant to this paragraph X(B), and the County shall respond with its consent or refusal within thirty-five (35) days after receipt of Developer's notice of assignment. If the County responds to Developer's notice of assignment with a refusal, the Parties agree to work together in good faith to resolve the County's objections to the assignment.
- C. Written Agreement. Developer's assignment of the Agreement shall be final only after the execution of a formal document between Developer, the assignee, and the County (with the County's signature limited to providing consent to the assignment) whereby the assignee assumes all of the rights and responsibilities of this Agreement applicable to the assignment. Neither Developer's notice of an intended assignment nor the County's formal consent to an intended assignment shall constitute an assignment of the Agreement. Developer's request for the County's consent to assignment shall not obligate Developer to assign the Agreement.
- D. No assignment shall be allowed under this Article X if (i) the County has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (ii) the assignee is delinquent in the payment of PILOT payments or ad valorem taxes owed to the County or any other taxing jurisdiction in the County, unless consented to in writing by the County or other taxing jurisdiction in the County to which a delinquent PILOT or delinquent ad valorem taxes are owed.
- E. Upon any assignment and assumption under this Article X of Developer's entire interest in the Agreement, Developer shall have no further rights, duties, or obligations under the Agreement. Upon any assignment and assumption under this Article X of only a portion of Developer's interest in the Agreement (for example, if only a portion of the Project and Improvements is transferred by Developer to a third party), then (i) each of Developer and each assignee of a portion of this Agreement shall be considered an Developer under this Agreement, (ii) the County shall cause the property taxes owed by each Developer (including each assignee) to be separately assessed, and (iii) neither of the Developer parties (including each assignee) shall have any further rights, duties, or obligations under the Agreement as to the portion of the Project Improvements owned by another Developer party (including that assignee).
- F. In addition to its rights under Sections A and B above, Developer may, without obtaining the

County's consent, mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project to a Lender for the purpose of financing the construction or operations of all or part of the Project, including acquiring additional equipment following any initial phase of construction. Developer's encumbering its interest in this Agreement may include an assignment of Developer's rights and obligations under this Agreement for purposes of granting a security interest in this Agreement. In the event Developer 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 Developer provides the name and notice 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 Developer at the same time that the Notice is delivered to Developer. If Developer does not provide the name and notice 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. The County agrees to reasonably cooperate with Developer and Lenders in the execution of any financing consents, estoppels or amendments requested by the Lenders as a condition of their financing.

XI. Notices

All notices (including each Default Notice) shall be given in accordance with this Section. All notices shall be in writing and delivered, by commercial delivery service to the office of the person to whom the notice is directed (provided that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; or by recognized overnight delivery service as evidenced by a bill of lading, or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; and facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Each and every Default Notice shall be given by at least two (2) methods of delivery and in a manner consistent with specific provisions for Default Notices herein. All notices (including each and every Default Notice) shall be mailed or delivered to the following addresses:

To the Developer: Cielo Vista Storage, LLC
2516 W. Freddy Gonzalez Dr., Ste. E
Edinburg, TX 78539
Attn: Jeff Ferguson
Phone:
Facsimile:
Email: jferguson@tituslcv.com

To the County: County Judge Arnoldo Cantù
Duval County Courthouse
400 E. Gravis
San Diego, Texas 78384
Phone: 361 279-6200
Facsimile:
Email: Arnoldo.cantu@co.duval.tx.us

Any Party may designate a different person to whom notice shall be provided by giving the other Party at least ten (10) days' written notice in the manner prescribed above.

**XII.
Severability**

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

**XIII.
Applicable Law and Venue**

This Agreement shall be construed under the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue for any legal action related to this Agreement shall be exclusively in the state courts of Duval County, Texas.

**XIV.
Amendment**

Except as otherwise provided, the Parties may modify this Agreement hereto only upon mutual written consent and may include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in the Act.

**XV.
Policies and Guidelines**

This Agreement is entered into by the Parties consistent with the Duval County Tax Abatement Policies and Guidelines. To the extent this Agreement modifies any requirement or procedure set forth in the in the Policies and Guidelines or is inconsistent or in conflict with any provision of the Policies and Guidelines, the Policies and Guidelines are deemed amended for purposes of this Agreement only and this Agreement shall control.

**XVI.
Entire Agreement**

This Agreement contains the entire and integrated Agreement between the County and Developer regarding the subject matter herein, and supersedes all other negotiations and agreements, whether written or oral, between the Parties. This Agreement has not been executed in reliance upon any

representation or promise, except those contained herein.

**XVII.
Relationship of the Parties**

This Agreement will not be construed as establishing a partnership, joint venture, joint enterprise, or express or implied agency between the Parties. Developer enters into this Agreement as, and shall continue to be, an independent party. Under no circumstances shall Developer, or any of Developer's employees, look to Duval County as his/her employer, or as a partner, agent or principal. Neither Developer nor any of Developer's employees shall be entitled to any benefits accorded to Duval County's employees, including without limitation worker's compensation, disability insurance, or vacation or sick pay.

**XVIII.
Local Outreach Plan**

Developer shall comply with the provisions of the Local Outreach Plan as set forth in "Attachment D", incorporated herein by reference as if set forth in full for all intents and purposes.

**XIX.
Community Engagement**

As further consideration for the Abatement granted by the County under this Agreement, Developer agrees to make a one-time payment (the "Community Engagement Payment") of \$100,000.00 to Duval County for the County's purchase of any community need as may be determined in the sole judgment of the Duval County Commissioners' Court. The Community Engagement Payment required by this paragraph shall be due and payable to Duval County no later than thirty (30) days after Developer provides Notice of Commencement of Site Construction.

**XX.
Terminology and Definitions**

All personal pronouns used herein, whether used in the masculine, feminine, or neutral, shall include all genders; the singular shall include the plural, and the plural shall include the singular. Unless the context otherwise requires, the word "including" shall mean "including but not limited to."

**XXI.
Rule of Construction**

The Parties hereto acknowledge that each Party and its legal counsel have reviewed and revised drafts of this Agreement, and the Parties hereby agree that the language in all parts of this Agreement shall be in all cases construed according to its fair meaning and shall not be strictly construed for or against any Party.

**XXII.
Immunity**

Duval County does not waive or relinquish any immunity or defense on behalf of themselves, their trustees, commissioners, offices, employees and agents as a result of the execution of this Agreement, and/or performance of the functions and obligations described herein.

**XXIII.
No Rights Created**

Any other provision of this Agreement to the contrary notwithstanding, this Agreement shall not create any rights or benefits on behalf of any other person not a party to this Agreement, and this Agreement shall be effective only as between the Parties hereto, their successors and permitted assigns.

**XXIV.
Headings**

The headings used herein are for convenience of reference only and shall not constitute a part hereof or affect the construction or interpretation hereof.

**XXV.
Waiver**

The failure on the part of any Party to exercise or to delay in exercising, and no course of dealing with respect to any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies provided herein are cumulative and not exclusive of any remedies provided by law or in equity, except as expressly set forth herein.

**XXVI.
No Third-Party Beneficiaries**

This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

**XXVII.
Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together, shall constitute but one and the same instrument, and this Agreement shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

**XXVIII.
Authorization**

Each of the Parties represents and warrants that its undersigned representative has been expressly

authorized to execute this Agreement for and on behalf of such Party.

**XXIX.
Binding Effect**

This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and permitted assigns.

**XXX.
Execution and Delivery**

A copy of this Agreement that is signed and transmitted by facsimile transmission, electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper documents bearing the original signature.

**XXXI.
Incorporation of Recitals and Exhibits**

Each exhibit attached hereto is hereby incorporated herein by reference for all intents and purposes.

**XXXII.
No Obligation to Construct**

Notwithstanding anything to the contrary in this Agreement, Developer shall have no obligation to construct the Project. Nothing herein shall cause to commit Developer to construct the Project and/or install the Improvements at the Site within any specific timeframe or otherwise, which decision to construct (including the timing thereof) shall be in Developer’s sole and absolute discretion.

**XXXIII.
Anti-Corruption**

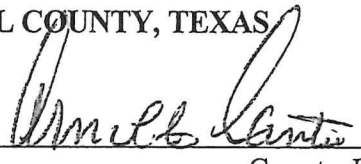
For the purposes of this Section only, “Anti-Corruption Laws” shall mean, only to the extent applicable to United States and state and local governmental entities and political subdivisions thereof, (i) the United States Foreign Corrupt Practices Act of 1977; and (ii) all applicable national, regional, provincial, state, municipal or local laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to, any government official or any other person. Each Party represents, warrants, and covenants that in connection with this Agreement and the business resulting therefrom: (i) it is aware of and will comply with Anti-Corruption Laws; (ii) whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws; (iii) it has maintained and will maintain adequate written policies and procedures to comply with Anti-Corruption Laws; (iv) it has maintained and will maintain adequate internal controls, including but

not limited to using reasonable efforts to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain, such as the purpose of each transaction, with whom it was entered into, for whom it was undertaken, or what was exchanged; (v) it will, to its knowledge, retain such books and records for the period required by applicable law or a Party's own retention policies, whichever is longer; (vi) in the event a Party becomes aware it has breached an obligation in this paragraph, it will promptly notify the other Party, subject to the preservation of legal privilege; (vii) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this paragraph; and (viii) only a Party (and not its affiliates or a third party) shall make payments to the other Party, except with that other Party's prior written consent. Subject to the preservation of legal privilege, for a period of seven (7) years following the termination date and on reasonable notice, each party shall have a right, at its expense, and the other Party shall take reasonable steps to enable this right, to audit the other Party's relevant books and records with respect to compliance with this paragraph. Nothing in this Agreement shall require a Party to perform any part of this Agreement or take any actions if, by doing so, the Party would not comply with the Anti-Corruption Laws. The obligations in this Section shall survive the termination as described above.

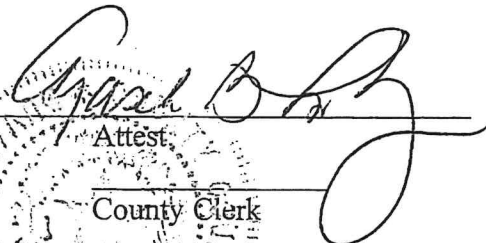
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IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by Duval County as authorized by the Duval County Commissioners Court, and as executed by the Developer's representative on the respective dates shown below.

DUVAL COUNTY, TEXAS

By: , County Judge

Date: 7-13-26


Attest:
County Clerk

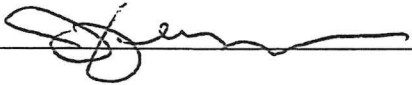


FILED FOR RECORD
AT O'CLOCK M

JUL 13 2026

ARASELI B. LICHTENBERGER
CLERK COUNTY COURT, DUVAL COUNTY, TEXAS
BY  DEPUTY

DEVELOPER:
Cielo Vista Storage, LLC

By: 

Title: President

Date: 7/13/26

Print Name: Jafar Farooq

Print Title: President

FILED FOR RECORD
AT O'CLOCK M

JUL 13 2026

ARASELI B. LICHTENBERGER
CLERK COUNTY COURT, DALLAS COUNTY, TEXAS
BY  DEPUTY

Attachment A

Order Designating the Cielo Vista Reinvestment Zone



Duval County Commissioners Court
San Diego, Texas

COMMISSIONERS COURT ORDER

WHEREAS, the Commissioners Court of Duval County, Texas desires to attract long-term investment and the establishment of new jobs in the area to enhance the economic base of area taxing entities; and

WHEREAS, it is in the best interest of the County of the County to establish the Cielo Vista LLC Reinvestment Zone, Duval County, TX pursuant to Texas Tax Code § 312.401(c) ("The Property Redevelopment and Tax Abatement Act" and "Act")

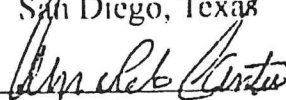
NOW, THEREFORE, BE IT ORDERED, BY THE COMMISSIONERS COURT OF DUVAL COUNTY, that

1. That the Commissioners Court hereby renews the designation the property consisting of 5785 total acres located in Duval County, Texas and further described in the legal description attached hereto as Exhibit "A", and made apart hereof for all purposes, as a Reinvestment Zone known as the Cielo Vista LLC Reinvestment Zone (the "Zone").
2. That the Commissioners Court finds that the Zone area meets the qualifications of the Act.
3. That the Commissioners Court has heretofore adopted Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones in Duval County, Texas.
4. That the Commissioners Court provided seven (7) days notice to the public and taxing entities of a public hearing.
5. That the Commissioners Court held a public hearing to consider this Order on the 27th day of April 2026.
6. The Commissioners Court finds that such improvements are feasible and will benefit the Zone and County.
7. The Commissioners Court finds that creation of the Zone is likely to contribute to construction jobs and at least one full time job and many construction jobs in the area and/or would contribute to attract major investments that would be a benefit to the property and that would contribute to the economic development of the County.
8. That this Order shall take effect upon passage and shall expire five years after the date of the designation and may be renewed for periods not to exceed five years.

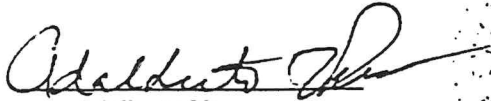
DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF DUVAL COUNTY, TEXAS, ON THIS
THE 27 DAY OF April 2026.



Duval County Commissioners Court
San Diego, Texas


Arnoldo Cantu
County Judge


Peter Guerra
Commissioner, Precinct 1


Adalberto Vera
Commissioner, Precinct 2

ATTEST

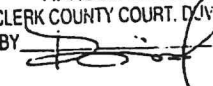

Araseli B. Lichtenberger, County Clerk


Marla Garza
Commissioner, Precinct 3


Marty Perez
Commissioner, Precinct 4

FILED FOR RECORD
AT O'CLOCK M

APR 27 2026

ARASELI B. LICHTENBERGER
CLERK COUNTY COURT, DUVAL COUNTY, TEXAS
BY  DEPUTY

Attachment B

Duval County's Tax Abatement Policies and Guidelines

DUVAL COUNTY, TEXAS TAX ABATEMENT GUIDELINES AND CRITERIA

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DUVAL COUNTY, TEXAS TAX ABATEMENT GUIDELINES AND CRITERIA

ADOPTED JUNE 8, 2026

The purpose of this document is to establish guidelines, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

- D. Must be reasonably expected to have an increase in positive net economic benefit to Duval County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and /or capital improvement. The creation of new jobs will also factor into the decision to grant an abatement; and will be reviewed on a case-by-case basis as consideration should be weighed between the investment and the jobs created or any other relevant factor.
- D. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Duval County to another.

In addition to the criteria set forth above, the Duval County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increases in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the Applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of Duval County to grant tax abatements on terms and conditions beneficial to the economic interests of the residents of Duval County and to other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Duval County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of June 8, 2026 and shall at all times be kept current with regard to the needs of Duval County and reflective of the official views of the County Commissioners Court and shall be reviewed every two years.

The adoption of these guidelines and criteria by the Duval County Commissioners Court does not:

- A. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
- B. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement;
- C. Create or deny any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement;

SECTION 1: DEFINITIONS

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Duval County for economic development purposes.
- B. "Affected jurisdiction" means Duval County and any municipality, school district, or any special district, the majority of which is located in Duval County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by Duval County.
- C. "Agreement" means a contractual agreement for tax abatement between a Property Owner and/or Lessee and Duval County.
- D. "Base year value" means the assessed value on the eligible property as of January 1 preceding the execution of the agreement, plus any agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- E. "Deferred maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology."
- F. "Economic Life" means the number of years a property is expected to be in service in a facility.
- G. "Eligible facilities" means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Duval County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Duval County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.
- H. "Employee" means a person whose employment is both permanent and full-time, who works for and is an employee of the Company/Owner or an employee of a Business, who works a minimum of 1,750 hours per year exclusively within the reinvestment zone, who receives industry-standard benefits, and whose employment is reflected in the Companies, Owner's (and/or Business' applicable) quarterly report filed with the Texas Workforce Commission ("TWC"); but excluding any direct contract employment (seasonal, part-time, and full-time equivalent).

- I. "Expansion " means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.
- J. "Facility" means property improvement completed or in process of construction which together comprise an interregional whole.
- K. "Manufacturing Facility" means products, buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change, including the generation of electrical energy.
- L. "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 building s, structures, machinery, or equipment, or both.
- M. "New facility " means property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- N. "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which serve a market primarily outside of Duval County, resulting in the creation of new permanent jobs bringing in new wealth.
- O. "Owner" means the Company and/or other entity, in good standing, business, persons and/or individual who is the Owner of the real property in Duval County subject to an abatement of ad-valorem taxes. If the eligible property is constructed or located on a leased property, only the property owner shall be the party eligible for any ad-valorem tax abatement. The other party to the lease may join in the execution of the agreement but shall not be obligated to assure the performance of the party receiving the abatement.
- P. "Permanent Full-Time Job" means a new employment position created by a company, owner and/or employee of a business that provides a regular work schedule of at least 35 hours per week or 1820 hours of regular employment per year to a Duval County, Texas resident and maintains the employment position exclusively within the reinvestment zone during the term of the abatement agreement.
- Q. "PILOT" Payment in Lieu of Taxes is a payment made in compensation to a governmental entity for some or all of the property tax revenue owed.
- R. " Productive life" means the number of years a property improvement is expected to be in service in a facility.
- S. "Project" means the proposed development as specifically described by the Company/Owner in the application/request for ad-valorem tax abatement incentives and the Tax Abatement Agreement.
- T. "Property" means the land (real property) on which the Project will be developed.
- U. "D. C.A.D." means the Duval County Appraisal District.
- V. "Proximate Relocations" means moving a business within Duval County, Texas.
- W. "Tax Abatement Reinvestment Zone or Reinvestment Zone" means any real property within Duval County, Texas which has been designated as a reinvestment zone, by the

Duval County Commissioners Court and may include any land within the City of San Diego, that has been properly designated as a reinvestment zone by San Diego City Council or other eligible jurisdiction.

- X. "Tax Abatement Term" The Tax Abatement Agreement Term shall be as set forth in the specific agreement entered into under these Policy Guidelines, Criteria and Methodology governing Tax Abatement Agreements between Duval County and the Company, individual property Owner and/or Business. The Ad-Valorem Tax Abatement Term under an agreement for an ad-valorem tax abatement shall not exceed a period of ten (10) years. The Abatement portion of the agreement for an ad-valorem tax abatement may take effect on January 1 of the next tax year after the date the improvements or repairs are substantially completed and/or a certificate of occupancy is issued for the project.
- Y. "Termination Date" means the end of the time period specified under the Agreement.

SECTION 2: ABATEMENT AUTHORIZED

- A. Eligible facilities: Upon application, eligible facilities as defined herein shall be considered for tax abatement as hereinafter provided.
- B. Creation of New Values: Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Duval County and the property owner or applicant, including a Lessee, subject to such limitations as Duval County may require.
- C. New and existing facilities: Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Duval County and the Property Owner or Lessee, subject to such limitations as Duval County may require.
- D. Eligible property: Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.
- E. Ineligible Property: The following types of property shall be fully taxable and ineligible for tax abatement: land, animals, inventories, supplies, tools, furnishings, vehicles, vessels, aircraft, housing or residential property, flora, fauna, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2F, property which has a productive life of less than ten years, but does not include spare parts associated with eligible facilities; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which abatement is not allowed by state law.
- F. Owned/leased facilities: If a leased facility is permitted by state law to be granted abatement, the abatement agreement shall be applicable to the taxable value of the leased

improvement, and where appropriate, shall be executed with both the Lessor and the Lessee.

G. Economic Qualifications: In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net benefit to Duval County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and / or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Duval County to another.

H. Standards for Tax Abatement: The following factors, among other, shall be considered in determining whether to grant tax abatement:

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements;
4. Number of existing jobs to be retained by proposed improvements;
5. Number and type of new jobs to be created by proposed improvements;
6. Wage rate and benefits to be offered to employees of the facility;
7. Amount of local payroll to be created;
8. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
9. Amount which property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Ten Million Dollars (\$10,000,000.00.)
10. The costs to be incurred by Duval County to provide facilities directly resulting from the new improvements;
11. The amount of ad valorem taxes to be paid to Duval County during the abatement period considering:
 - the existing values;
 - the percentage of new value abated;
 - the abatement period; and
 - the value after expiration of the abatement period.
12. The population growth of Duval County that occurs directly as a result of new improvements;

13. The types and values of public improvements, if any, to be made by Applicant seeking abatement;
14. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
15. The impact on the business opportunities of existing businesses;
16. The attraction of other new businesses to the area;
17. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
18. Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

Abatement shall be granted effective no earlier than the January 1 valuation date immediately following the date of execution of the abatement agreement. The agreement may provide that the period for which the abatement applies will commence on a later date. The value of new eligible property shall be abated according to the approved agreement between applicant and the governing body. The Duval County Commissioners Court, in its sole discretion, shall determine the amount to any abatement.

- I. Construction in Progress. If a qualifying facility has not commenced construction within three (3) years after execution of the abatement Agreement, the applicant may apply for a one-year extension of the term of abatement, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the three-year anniversary of execution of the abatement agreement.
- J. Denial of Abatement: Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 1. There would be substantial adverse effect on the provision of government services or tax base;
 2. The applicant has insufficient financial capacity;
 3. Planned or potential use of the property would constitute a hazard to public health, safety or morals;
 4. Violation of other codes or laws; or
 5. Any other reason deemed appropriate by Duval County.
- K. Taxability: From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:
 1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
 2. The base year value of existing eligible property as determined each year

shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

L. Notwithstanding any provision of the Tax Abatement Guidelines and Criteria, or any Tax Abatement Agreement, the tax abatement negotiated with the County of Duval shall apply to taxes levied by the granting governing body.

(a) A tax abatement agreement negotiated with Duval County does *not* include any agreement to abate a tax levied by:

- (1) Groundwater Conservation District;
- (2) Emergency Services District;
- (3) School Districts;
- (4) Vocational School District; or the
- (5) Farm-to-Market Road District

(b) No Impairment

Nothing herein limits the authority of other taxing entities to enter into another abatement agreement with Applicant.

(c) No Representation Clause

No representation is made regarding participation of other entities.

SECTION 3: APPLICATION

A. Any present or potential owner of taxable property in Duval County may request the creation of a reinvestment zone and/or tax abatement by filing a written application with the County Judge and copy with the Duval County Taxing Jurisdictions. The application shall consist of a written request for tax abatement, accompanied by:

1. An analysis of the economic impact and/or feasibility study such an abatement will have on Duval County, including:
 - a. Estimated tax revenues annually for the term of the requested abatement, taking into account any requested abatement.
 - b. A comparison between an abatement of taxes and any requested "payment in lieu of taxes (PILOT) in terms of benefit to the County over the proposed term of the abatement period.
 - c. A statement of the expected residual taxable value of the proposed project at the end of the abatement term requested, and the remaining taxable life expectancy of the proposed project.
2. A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
3. A descriptive list and approximate taxable value of the improvements which

will be a part of the facility;

4. A site map and property description, including a complete legal description of the property, and a map/property description of any requested;
 5. A time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the applicant.
 6. Certification from the Duval County Appraisal District verifying that no taxes are past due on applicant's property located in the proposed reinvestment zone
 7. Disclosure of any environmental permits required or additional environmental impacts.
 8. A \$1,000.00 non-refundable application fee.
 9. Duval County reserves the right to request additional information or data from the applicant.
- B. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the Application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application.
- C. All checks in payment of the application fee shall be made payable to Duval County. In addition to the application fee the applicant shall also agree to pay reasonable professional service and consulting fees as may be incurred by Duval County in the examination of the application, feasibility, analysis, or preparation and negotiation of any tax abatement agreement. Such payment shall be determined during the negotiation of the abatement agreement and payable as a condition precedent to the execution of the agreement.
- D. Duval County shall give notice as provided by the Property Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the public hearing and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon Application, Duval County shall, through public hearing, afford the Applicant and the designated representative of any governing body referenced herein above opportunity to show cause why the abatement should or should not be granted.
- E. If a city within Duval County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by Duval County, but shall follow the same application process described in Section 3, et seq. hereof.

- F. **Variance.** Although a variance is not favored, exceptional circumstances may support a request for variance from the provisions of Section 2, in which case such request for a variance may be made in an application or other written form to the Commissioners' Court. Such request shall include all the items listed in Section 3(B) and may include a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court. To the full extent permitted by applicable law, the Commissioners' Court shall have the authority to enter into an abatement agreement with terms and conditions that vary from the terms and conditions in these Guidelines, but only so long as the Commissioners Court determines that such variances are in the best interests of Duval County. Any terms or conditions contained in an abatement Agreement approved by the Commissioners' Court that vary from the terms and conditions in these Guidelines shall automatically be deemed to have been granted an approved variance by the Commissioners Court, shall be binding and enforceable as agreed to in the abatement Agreement, and shall control in the event of any inconsistency or conflict with these Guidelines. A variance granted to any applicant shall not be deemed a variance for any subsequent applicant.
- G. **Confidentiality Required.** Information that is provided to the County in connection with an application or request for Tax Abatement and 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 may be deemed as confidential and not subject to public disclosure only if specifically identified by the Applicant, and segregated from the remaining portions of the Application. Once the Tax Abatement Agreement is executed, all attachments to the Abatement Agreement shall become public. All information in the custody of a taxing unit after the Agreement is executed is Public Record, and not confidential.
- H. **Notwithstanding that a single development or project within a Reinvestment Zone may be the subject of multiple tax abatement agreements, the Applicant must file a separate application for each distinct tax abatement requested. Each application shall:** (a) identify the parcel(s), improvements and/or project phase to which the requested abatement applies; (b) specify the proposed term, percentage and scope of the abatement; (c) include all required exhibits, supporting documentation and application fees; and (d) be submitted and processed independently of any other application filed for the same Reinvestment Zone.
- (a) **Coordination.** To promote administrative efficiency, applicants are encouraged to coordinate submission schedules and to reference related application file numbers, but no separate application shall be deemed complete or approved by virtue of a different application filed for a related agreement. The County may require consolidation of processing or impose coordinated reporting conditions where multiple abatement applications arise from the same overall project.
- (b) **Exceptions and Amendments.** The County Judge may waive the separate

application requirement in writing for good cause shown (e.g., phased filings that cannot reasonably be separated) or may prescribe a combined application form for closely related abatement requests. Any amendment to an approved abatement that would materially expand the property, term, or benefit shall require a new, separate application.

- (c) Effect. Approval of one application shall not bind or prejudice the County's consideration of any other separate application for abatement within the same Reinvestment Zone.

SECTION 4: AFFECTED JURISDICTION

- A. Should any Affected Jurisdiction be able to show cause in the public hearing why the granting of abatement by the County will have a substantial adverse effect on its bonds, tax revenue, service incapacity or the provision of service, that showing shall be considered by the Duval County Commissioners' Court when deciding to approve or disapprove of the application for tax abatement.
- B. Neither a reinvestment zone nor an abatement shall be authorized if it is determined that:
 - 1. There would be a substantial adverse effect on the provision of a government service of the tax bas of an Affected Jurisdiction;
 - 2. The applicant has insufficient financial capacity to construct and operate the proposed facility or improvements;
 - 3. The planned or potential use of the property would constitute a hazard to public safety, health, or morals; or
 - 4. The planned potential use of the property violate other governmental codes or laws.

SECTION 5: AGREEMENT

- A. After approval, the Commissioners Court of Duval County shall formally pass a Resolution and execute an agreement with the owner of the facility and Lessee as required which shall:
 - 1. Include a list of the kind, number, location of all proposed improvements to the property and if this is not defined at the time of the agreement, then to be supplemented after construction of the facilities;
 - 2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
 - 3. Develop the use of the property consistent with the taxing unit's developmental goals as stated in Section 2 H of the Duval County Tax Abatement Guidelines and Criteria;
 - 4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;

5. Include each term that was agreed upon with the property owner and require the owner of the facility to annually certify compliance with the terms of the agreement to each taxing unit; and
6. Allow the taxing unit to cancel the agreement after notice of default and opportunity to cure if the property owner fails to comply with the terms of the agreement.

B. The owner of the facility and Lessee shall also agree to the following:

1. A specified number of permanent full-time jobs at facility shall be created, and the owner and Lessee shall make reasonable efforts to employ persons who are residents of Duval County in such jobs provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and/or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.
2. Each person employed in such job shall perform a portion, if not all, of their work in Duval County.
3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Duval County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Duval County residents that are not:
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 100% (105% in cases of contracts with a gross value of not more than \$25,000.00) of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Duval County who are interested in obtaining information about providing goods or services related to the construction of the project.
5. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Duval County and or surrounding counties for local contractors to perform work on the construction of the project.
6. Owner shall agree to maintain a viable presence (as below defined) within the reinvestment zone for a period of time, as set by the Duval County

Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed, in part, within Duval County.

7. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Duval County, and to the governing body of each taxing unity, that Owner is in compliance with each applicable term set forth above.
8. Additionally, the owner of the project:
 - a. Will be wholly responsible for the County roads and right-of-way (including bridges, culverts, ditches, etc.) and damage caused thereto as a result of the construction of or of an on-going maintenance and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
 - i. Cost to maintain the roads, if needed, utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by Duval County and invoiced on a regular basis to the Owner.
 - ii. Cost to reconstruct the roadway, if needed, will be actual costs to repair the County roads and right-of-way incurred by the County and invoiced to the Owner. These costs will include all construction costs as well as all related professional services for the repair work.
 - iii. Cost associated with the issuance of a County driveway permit, which shall be required in the event the project is accessed directly by a County Road. Owner agrees to promptly submit a completed County driveway permit application
- C. Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the Commissioners Court.
- D. As a condition of eligibility for any tax abatement granted pursuant to this Policy, the Applicant may be required, as determined by the governing body, to enter into a Community Benefits Agreement ("CBA") designed to ensure that the proposed project provides measurable and direct benefits to the local community.
 - (a) Form of Agreement

The CBA may be structured in any of the following forms, as mutually agreed upon by the parties:

1. As a provision incorporated within the Tax Abatement Agreement;
2. As a provision incorporated within a Development Agreement; or
3. As a separate standalone agreement executed contemporaneously with the Tax Abatement Agreement.

E. Obligations created by the CBA shall be deemed material and enforceable provisions of the Tax Abatement Agreement, Development Agreement, or standalone, as the case may be.

(a) Minimum Community Investment Requirement

The CBA shall require the Applicant to make a minimum investment in community benefits ("Community Investment"), which may include, but is not limited to workforce development, infrastructure improvements, educational partnerships, public facility enhancements, environmental mitigation, or other approved investments.

(b) Timing of the Obligations

The obligation to fund or deliver the required Community Investment shall not commence until the date on which physical construction of the project has commenced, unless earlier agreed to by the parties.

(c) Verification of Construction Commencement

Construction shall be deemed to have commenced upon issuance of required permits and initiation of on-site construction activities.

(d) Compliance for Non-Compliance

The Applicant shall provide periodic reports demonstrating compliance.

(e) Remedies for Non-Compliance

Failure to comply shall constitute a default and may result in recapture of termination of the Tax Abatement Agreement.

(f) Discretion of Governing Body

The governing body retains sole discretion regarding requirements and approvals.

F. Any proposed Tax Abatement Agreement where the Applicant, its agents or assigns, will utilize a vehicle carrying loads greater than 26,000 pounds ("Heavy Loads") shall be required to execute concurrently with the Tax Abatement Agreement a Road Use Agreement. The Road Use Agreement shall (1) designate and restrict the County roads ("Designated Roads") to be utilized for Applicant's transportation of Heavy Loads, (2) require a pre-use inspection, period inspections (per agreed upon schedule), and post-use inspection of Designated Roads to document modernization and/or construction of improvements to the Designated Roads, (3) require the Applicant to fully compensate the County for said inspections, and surveys if appropriate, of the Designated Roads utilized by Applicant, and (4) require the Applicant to establish a Road Use Contingency Fund to be placed in escrow with the Duval County Treasurer at the time

of execution of the Tax Abatement Agreement to be utilized by the County for the repair of roads, bridges, culverts, and/or other road infrastructure caused by the activities of Applicants, its agents and assigns, as determined by the aforementioned inspections and/or survey.

G. Data Centers and/or Crypto-Mining projects may collectively be referred to as a “Data Center” project. No tax abatement shall be approved for a Data Center unless the Applicant and the County enter into a written Development Agreement addressing the matters set forth below.

- (a) Scope of Agreement. The Development Agreement shall, at a minimum address:
- Environmental protections: required permits and compliance with federal, state, and local environmental laws;
 - measures to prevent contamination of soil, groundwater, and surface water;
 - management and disposal of hazardous materials and waste; stormwater control and spill response plans;
 - Public health and safety: plans for chemical storage and handling, emergency response and evacuation procedures, coordination with local emergency services, and any public health monitoring required by the County;
 - Noise and vibration: baseline noise studies, design and operational requirements to control noise and vibration, maximum permitted sound levels at property lines, and mitigation measures (e.g., equipment enclosures, setbacks, vibration isolation);
 - Light and glare: exterior lighting plans that minimize off-site light trespass and glare (including shielded fixtures, cut-off angles, and timing controls);
 - compliance with County dark-sky or lighting ordinances where applicable;
 - Nuisance prevention: protocols to prevent odor, dust, electromagnetic interference, traffic impacts, and other deleterious effects on neighboring properties;
 - hours of operation, access controls, and landscaping/screening requirements;
 - Air emissions and thermal impacts: evaluation and mitigation of emissions and heat discharge (including HVAC and exhaust systems), and compliance with applicable air quality permits and standards;
 - Waste heat/use optimization: where feasible, consideration of beneficial reuse of waste heat (e.g., district heating or industrial reuse) and reporting on efforts to implement such measures;
 - Utilities and infrastructure impacts: assessment and mitigation of impacts on electric, water, wastewater, and telecommunications infrastructure; requirement for coordination with utility providers and for obtaining necessary capacity assurances;
 - Monitoring, reporting and audits: baseline studies, periodic monitoring, public reporting requirements, and County auditor inspection rights to verify compliance (subject to confidentiality protections for proprietary information);
 - Remedial action and corrective measures: standards and timelines for addressing violations, including required remediation, suspension or

- modification of operations, and financial assurance or performance security where warranted;
 - Remedies and enforcement: civil penalties, suspension or revocation of abatement benefits, indemnification obligations, and other remedies available to the County for material noncompliance; and
 - Term, transfer and assignment: provisions governing the duration of obligations, treatment of assignments or transfers of project ownership, and obligations that survive sale or termination.
- (b) Standards and Flexibility. The Development Agreement shall require compliance with objective standards (e.g., numeric noise limits, permit conditions), but may allow reasonable operational flexibility where consistent with protecting public health, safety, and the environment. The County may adopt technical standards or model provisions by reference.
- (c) Public Input. The County shall provide for public notice and a reasonable opportunity for comment on each proposed Development Agreement for each Data Center project. The County may require public hearings prior to approval.
- (d) Financial Assurance. For Data Center projects presenting significant environmental, infrastructure, and/or public-safety risk, the County may require financial assurance (e.g., letters of credit, performance bonds, escrows) to secure remediation, monitoring, or other obligations.
- (e) Coordination with State/Federal Authorities. The Development Agreement shall require the Applicant to obtain and maintain all required federal and state permits and to comply with those permit conditions. County enforcement does not substitute for state or federal enforcement.
- (f) Documentation. The Applicant shall submit, with any abatement application for a Data Center project, technical studies and documentation (environmental assessments, noise and lighting studies, traffic analyses, utility impact studies, emergency response plans) sufficient for the County to evaluate risks and negotiate appropriate Tax Abatement Agreement terms.
- (g) Non-Waiver. Approval of tax abatement under a Development Agreement shall not limit the County's authority to enforce public health, safety, environmental, land use, or nuisance laws and regulations.
- (h) Recordkeeping and Public Availability. Except for those documents and data properly withheld for reasons of confidentiality, proprietary, or reasons of privilege, the Development Agreement, monitoring reports, compliance documentation, and other such items of public interest shall be public records in accordance with state and federal laws.
- (i) Review and Update. The County may periodically review and update these requirements to reflect technological change, regulatory developments, or lessons learned from implemented projects.

- (j) Supremacy and Compliance with Law. Notwithstanding any provision of these guidelines and criterion, or of any Development Agreement entered into pursuant hereto, no agreement as between County and Applicant/Developer shall authorize the violation of any applicable federal, state, or local law, ordinance, rule or regulation. In the event of any conflict between a Development Agreement and/or Tax Abatement Agreement, on the one hand, and any applicable law or ordinance, on the other hand, the controlling legal requirement shall prevail, and the Development Agreement and/or Tax Abatement Agreement shall be deemed modified to the minimum extent necessary to achieve consistency with such law.

SECTION 6: RECAPTURE

- A. In the event that the company or individual:
 - 1. Allows its ad valorem taxes owed Duval County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 - 2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period;
 - 3. The agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.
- B. Should Duval County determine that the company or individual is in default according to the terms and conditions of its agreement, Duval County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.
- C. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing a product or service for any reason for a period of one year during the abatement period, other than because of fire, explosion, or other casualty, accident, natural disaster, or other event of force majeure, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the applicant's facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

SECTION 7: ADMINISTRATION

- A. The Chief Appraiser of the Duval County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Duval County of the amount of the assessment.

- B. The Agreement shall stipulate that employees and/or designated representatives of Duval County will have access to the applicant's facilities within the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of reasonable notice and will only be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant, and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Duval County shall annually evaluate each facility receiving abatement to ensure compliance with the agreement. A formal report shall be made to the Commissioners Court.
- D. Timely Filing. The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.
- E. As a condition precedent to Duval County's engagement in good faith negotiations for the approval of a tax abatement agreement, Duval County requires that the Developer enter into a Development Agreement to allow for Applicant's reimbursement of County for reasonable out-of-pocket costs and expenses incurred by County in connection with the negotiation, documentation, and realization of the tax abatement agreement. Such out-of-pocket costs and expenses will typically include (only to the extent appropriate), the following: postal service charges, long-distance charges, filing and recording fees, reasonable attorneys' fees and expenses billed by outside counsel retained by County, and other similar out-of-pocket expenses to County.
 - (a) The Development Agreement shall provide Developer with language limiting Developer's obligation to only reasonable costs and expenses.
 - (b) The Development Agreement shall include one or more provisions supporting Developer's right to request and receive documentation supporting the requested reimbursement.
 - (c) The Developer Agreement shall include provisions defining terms of payment (e.g., the number of days within which Applicant must reimburse County), interest owed on any amounts not timely paid, and other provisions as may be agreed between County and Applicant.
 - (d) The parties acknowledge that any Development Agreement may include provisions for: (i) the Developer's reasonable audit rights to verify each of the County's requests for reimbursement (e.g., invoices and other records, subject to assertion of any right of confidentiality and/or privilege); (ii) a monetary cap or caps on total reimbursable amounts or on particular categories of costs; and/or (iii) procedures for increasing the cap or caps.
 - (e) Nothing in the Development Agreement shall be construed to obligate Applicant to reimburse County for any internal County personnel costs, unless

otherwise and expressly agreed in writing by County and Applicant.

- (f) The County may require that provisions for reimbursement of County shall survive the termination or expiration of the Development Agreement.

SECTION 8: ASSIGNMENT

- A. Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility only upon the approval by resolution of the Commissioners Court of Duval County 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 a new contractual agreement with Duval County. 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.
- B. An assignment shall not serve to extend the termination date of the abatement Agreement with the original Applicant, owner or lessee. An assignment may not alter venue provisions of the original agreement.
- C. Approval of an assignment in conformity with this section shall not be unreasonably withheld.

SECTION 9: VENUE

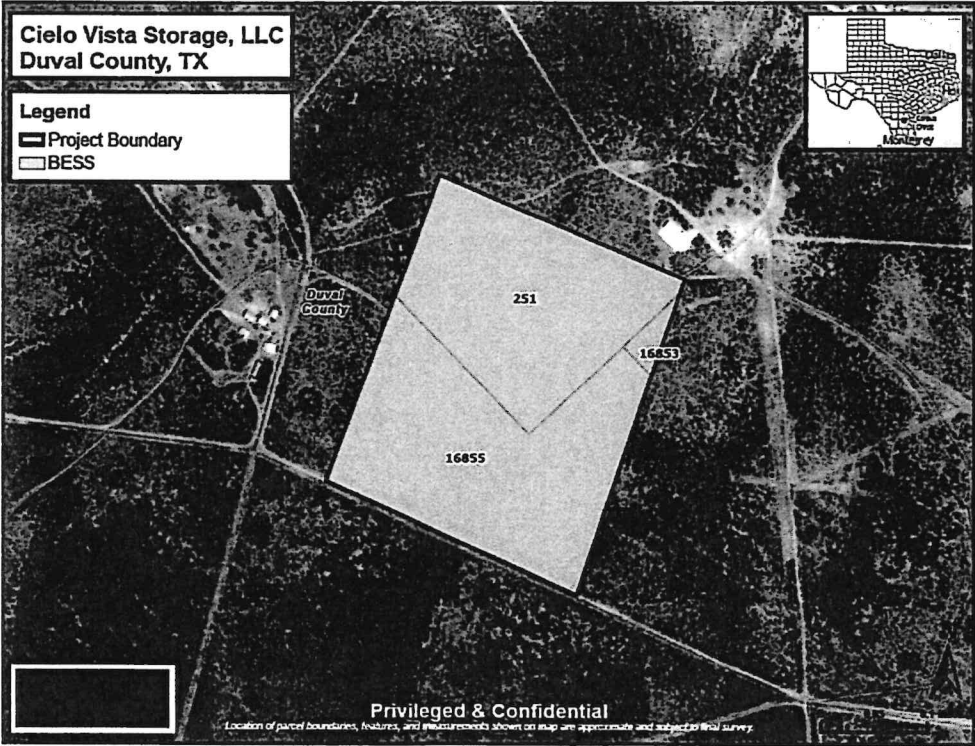
Any abatement agreement shall be conditioned upon venue for any disputes which may arise under the abatement agreement to be retained in courts of appropriate jurisdiction within Duval County, Texas, or appeals to Texas courts of appellate jurisdiction, or the United States District Court having Duval County, Texas within its original jurisdiction.

SECTION 10: SUNSET PROVISION

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by vote of the Commissioners Court of Duval County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the guidelines and criteria will be modified, renewed, or eliminated.

Attachment C

Site



DESCRIPTION OF THE PROPERTY

The Property is a tract or tracts of land situated in Duval County, Texas, and containing approximately 1,500.36 acres, and being more particularly described as follows:

1500.36 acre tract of land, more or less, being comprised of all of a called 1081.0 acre tract conveyed from W. E. Spencer, et ux. to Old Gringos Ranch, L.L.P. by Deed recorded in Volume 715, Page 552 of the Official Records of Duval County, Texas, and a portion of a called 529.34 acre tract conveyed from Old Gringos Ranch to Old Gringos Ranch, L.L.P. by Deed recorded in Volume 475, Page 626 of said Official Records, and same being also originally part of a called 6393.12 acre tract (Exhibit "A") conveyed from Andrew A. Schatte, et ux. to Flojo Ranch, L.L.C. by Deed recorded in Volume 236, Page 162 of said Official Records;

Said 1500.36 acre tract being comprised of all or portions of the following surveys:

- J. Poitevent Survey, Abstract 29
- Andrew Jackson Bryant Survey, Abstract 51
- Andrew Jackson Bryant Survey, Abstract 52
- Robert H. Corbet Survey, Abstract 775
- Robert H. Corbet Survey, Abstract 788
- Juan Sendigo Survey, Abstract 832
- Ildefonso Almaras Survey, Abstract 844
- Robert H. Corbet Survey, Abstract 1679
- Robert H. Corbet Survey, Abstract 1680
- Regino Molina Survey, Abstract 1870

Said 1500.36 acre tract is situated in Duval County, approximately 21 miles east-northeast of the town of Freer and is described by metes and bounds as follows:

BEGINNING at a 3/4" iron pipe found in a southeast line of a tract conveyed to Blanche O'Meara Hamilton by Deed recorded in Volume 34, Page 325 of said Official Records, at the north corner of said called 1081.0 acre tract, and a west corner of the "Salarita Ranch" conveyed to Edward O'Meara Gardner by Deed recorded in Volume 44, Page 20 of said Official Records, for the north corner of this tract;

THENCE along the northeast line of this tract, the northeast line of said called 1081.0 acre tract, and a southwest line of said "Salarita Ranch", as follows:

- S 44°38'49" E, a distance of 1812.10 ft. to a found 1/2" iron rod;
- S 43°35'01" E, a distance of 1292.47 ft. to a found 1/2" iron rod;
- S 46°43'03" E, a distance of 1919.22 ft. to a set 5/8" iron rod;
- S 44°36'03" E, a distance of 1768.77 ft. to a found 3/8" iron pipe;
- S 43° 59'57" W, a distance of 213.60 ft. to a 6 1/2" steel corner post;
- S 45°40'25" E, a distance of 2997.47 ft. to a 5/8" iron rod found at the east corner of said called 1081.0 acre tract and the north corner of said called 529.34 acre tract, for an angle point in the northeast line of this tract;

THENCE S 45°40'10" E continuing along the northeast line of this tract, the northeast line of said called 529.34 acre tract, and a southwest line of said "Salarita Ranch", a distance of 1790.55 ft. to a 5/8" iron rod (with cap stamped "RPLS 2028") found at the north corner of a called 39.59 acre tract conveyed to Douglas

J. Chesak, et ux, by Deed recorded in Volume 595, Page 149 of said Official Records, for the east corner of this tract;

THENCE S 44°16'33" W along the southeast line of this tract, the northwest line of said called 39.59 acre tract, and crossing a portion of said called 529.34 acre tract, a distance of 2666.23 ft. to a 5/8" iron rod found in the southeast line of said called 529.34 acre tract, at the west corner of said called 39.59 acre tract and an exterior corner of a called 640.93 acre tract (Tract 1) conveyed to Douglas J. Chesak, et ux, by Deed recorded in Volume 247, Page 216 of said Official Records, for an angle point in the southeast line of this tract;

THENCE S 44°15'04" W continuing along the southeast line of this tract, the southeast line of said called 529.34 acre tract, and a northwest line of said called 640.93 acre tract, a distance of 2718.36 ft. to a 5/8" iron rod found at the southeast corner of said called 529.34 acre tract, a west corner of said called 640.93 acre tract, and an exterior corner of a called 3221.57 acre tract (Tract 1) conveyed to Schatte Ranch, L.P. by Deed recorded in Volume 341, Page 256 of said Official Records, for the southeast corner of this tract, same being the southeast corner of an existing 40 ft. easement (Vol. 247, Pg. 216, O.R.);

THENCE N 84°39'30" W along the south line of this tract, the south line of said called 529.34 acre tract, the south line of said 40 ft. easement, and a north line of said called 3221.57 acre tract, a distance of 1744.32 ft. to a 5/8" iron rod (with cap stamped "RPLS 2028") found at an angle point in the south line of said called 529.34 acre tract, an angle point in the south line of said 40 ft. easement, and the east corner of a called 74.21 acre tract conveyed to Schatte Ranch, L.P. by Deed recorded in Volume 595, Page 165 of said Official Records, for an angle point in the south line of this tract;

THENCE N 68°43'35" W continuing along the south line of this tract, the south line of said 40 ft. easement, the north line of said called 74.21 acre tract, and crossing a portion of said called 529.34 acre tract, a distance of 2992.57 ft. to a 6" wood game fence corner post in the west line of said called 529.34 acre tract, at the north corner of said called 74.21 acre tract, and a northeast corner of a called 1103.56 acre tract (Tract 2) conveyed to Schatte Ranch, L.P. by the aforementioned Deed (Vol. 341, Pg. 256, O.R.), for the southwest corner of this tract, same being a southwest corner of another existing 40 ft. easement (Vol. 236, Pg. 162, O.R.), and a southeast corner of a called 1000.00 acre tract conveyed to William C. Gavit by Deed recorded in Volume 241, Page 64 of said Official Records;

THENCE N 12°21'58" E along the west line of this tract, the west line of said called 529.34 acre tract, the west line of said other 40 ft. easement, and an east line of said called 1000.00 acre tract, a distance of 999.74 ft. to a 5/8" iron rod set at the northwest corner of said called 529.34 acre tract, and the southwest corner of said called 1081.0 acre tract, for an angle point in the west line of this tract;

THENCE continuing along the west line of this tract, the west line of said called 1081.0 acre tract, the west line of said other 40 ft. easement, and an east line of said called 1000.00 acre tract, as follows:

- N 30°01'08" W, a distance of 772.91 ft. to a found 3/4" iron pipe;
- N 37°06'08" W, a distance of 1259.68 ft. to a set 5/8" iron rod;
- N 00° 00'05" W, a distance of 2110.89 ft. to a 3/4" iron pipe found in a north line of said other 40 ft. easement, the south line of a called 300.00 acre tract conveyed to Charles L. Houlihan, et ux, by Deed recorded in Volume 250, Page 119 of said Official Record, at an exterior corner of said called 1081.0 acre tract, and a northeast corner of said called 1000.00 acre tract, for an exterior corner of this tract;

THENCE S 89°36'42" E with a jog in the west line of this tract and the west line of said called 1081.0 acre tract, along the north line of said other 40 ft. easement, and the south line of said called 300.00 acre tract, a

distance of 12.38 ft. to a 3/4" iron pipe found at an interior corner of said called 1081.0 acre tract, and the southeast corner of said called 300.00 acre tract, for an interior corner of this tract;

THENCE continuing along the west line of this tract, the west line of said called 1081.0 acre tract, the east line of said called 300.00 acre tract, and an east line of said Hamilton tract, as follows:

- N 00°02'10" W, a distance of 2549.05 ft. to a found 1/2" iron rod;
- N 00°19'24" W, a distance of 1640.27 ft. to a found 3/4" iron pipe;
- N 47°06'36" W, a distance of 544.55 ft. to a 5/8" iron rod set at the west corner of said called 1081.0 acre tract, and an interior corner of said Hamilton tract, for the west corner of this tract;

THENCE N 44°00'59" E along the northwest line of this tract, the northwest line of said called 1081.0 acre tract, and a southeast line of said Hamilton tract, a distance of 2206.52 ft. to the BEGINNING POINT, containing 1500.36 acres, more or less.

Attachment C

Site



DESCRIPTION OF THE PROPERTY

The Property is a tract or tracts of land situated in Duval County, Texas, and containing approximately 1,500.36 acres, and being more particularly described as follows:

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- S 45°40'25" E, a distance of 2997.47 ft. to a 5/8" iron rod found at the east corner of said called 1081.0 acre tract and the north corner of said called 529.34 acre tract, for an angle point in the northeast line of this tract;

THENCE S 45°40'10" E continuing along the northeast line of this tract, the northeast line of said called 529.34 acre tract, and a southwest line of said "Salarita Ranch", a distance of 1790.55 ft. to a 5/8" iron rod (with cap stamped "RPLS 2028") found at the north corner of a called 39.59 acre tract conveyed to Douglas

J. Chesak, et ux, by Deed recorded in Volume 595, Page 149 of said Official Records, for the east corner of this tract;

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THENCE N 44°00'59" E along the northwest line of this tract, the northwest line of said called 1081.0 acre tract, and a southeast line of said Hamilton tract, a distance of 2206.52 ft. to the BEGINNING POINT, containing 1500.36 acres, more or less.

Attachment D

LOCAL OUTREACH PLAN

- A. Coordinator of Local Services. In connection with the preparation, construction and operation of the Project in Duval County, Developer shall (or shall cause its Contractor to) designate a coordinator of local services who will act as a liaison between any individuals, businesses, and contractors residing or doing business in Duval County who are interested in obtaining information about providing goods or services related to the construction of the Project.
- B. Additionally, Developer shall make reasonable attempts to:
 - 1. Local Materials; Local Labor. Utilize Duval County individuals and businesses for materials, labor and services, provided nothing in this paragraph shall require Developer to use services and supplies that are not of similar quality to those provided by residents or businesses outside of Duval County or are not made available on terms and/or at prices comparable to those offered by residents or businesses outside of Duval County; and
 - 2. Local Hiring. In filling positions of employment connected with the Project and Improvements, Developer and its contractors and agents shall use commercially reasonable efforts to employ individuals who reside within the borders of Duval County, provided nothing in this paragraph shall require Developer or its contractors or agents to employ Duval County residents who are not (i) equally or more qualified than nonresidents; or (ii) are not available for employment on terms and/or at salaries comparable to those required by nonresidents; or (iii) able to become qualified with seventy-two (72) hours training by Developer.
 - 3. Employees Based Locally. Each person employed in a permanent job identified in the Agreement shall perform a portion, if not all, of their work in Duval County.
- C. Employment Information Sessions. Developer along with construction contractors of the Project, who anticipate the need to hire additional labor and/or services to complete said construction shall hold a job and contracting information session in San Diego, Texas, prior to beginning physical construction of the Project at which information session attendees shall be provided information regarding the construction, development, and operation and hiring needs of the Project. Notice relating to the time, place, and general purpose of the information session shall be published in local and regional newspapers of Duval County and the surrounding counties no less than seven (7) days in advance of the information session.
- D. Goods and Services in Duval County. Developer shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Duval County businesses in the construction, operation, and maintenance of the improvements and the Project; provided, however, there shall be no requirement to use goods and services provided by Duval County residents that are not of similar quality to those provided by nonresidents; or made available on terms and conditions (including pricing) comparable to those offered by non-residents. Comparable price shall be defined as less than or equal to 100% (105% of the nonresident price for equivalent quality, conditions, and terms.

Exhibit E

Community Benefits Agreement

Section 1. Duval County Road Access Agreement. The Developer has entered into a Road Access Agreement with the County.

Section 2. San Diego Road Access Agreement. The Developer and the City of San Diego are formalizing a Road Access Agreement.

Section 3. San Diego Municipal Utility District No. 1 Wastewater Agreement. The Developer is working with the San Diego Municipal Utility District No. 1 on a Recycled Water Agreement, which requires a TCEQ permit.

Exhibit F

REQUIRED DISCLOSURE AND PROVISIONS

Section 1. DISCLOSURE OF CERTAIN RELATIONSHIPS. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any supplier or person doing business with a local government entity disclose in the Questionnaire Form CIQ, the supplier or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the Records Administrator of the HCRMA not later than the 7th business day after the date the supplier or person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

Section 2. ANTI-BOYCOTT VERIFICATION. Pursuant to Section 2271.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not Boycott Israel and, subject to or as otherwise required by applicable Federal law, Contractor agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section, "Boycott Israel" shall have the meaning given such term in Section 808.001, Texas Government Code. Contractor understands "affiliate" for this Section 4.07 to mean an entity that controls, is controlled by, or is under common control with Contractor and exists to make a profit.

Section 3. PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN ENERGY COMPANIES. Pursuant to Section 2274.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not boycott energy companies, and will not boycott energy companies during the term of the contract. For purposes of this Section, "Boycott Energy Company" shall have the meaning given such term in Section 809.001, Texas Government Code.

Section 4. PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES. Pursuant to Section 2274.003, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the contract against a firearm entity or firearm trade association. For purposes of this Section, "discriminate against a firearm entity or firearm trade association" shall have the meaning given such term in Section 2274.001., Texas Government Code.

Section 5. PROHIBITION ON CONTRACTS WITH CERTAIN COMPANIES. Contractor and the person or persons executing the contract or contract amendment on behalf of Contractor, or representing themselves as executing the contract or contract amendment on behalf of Contractor (collectively, the "Signing Entities"), hereby acknowledge that (i) the Signing Entities do not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) the Signing Entities are not named on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of the Comptroller's website:

- <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

Contractor: _____

Signature: _____

Name: _____

Date: _____

Attachment F

REQUIRED DISCLOSURE AND PROVISIONS

Section 1. DISCLOSURE OF CERTAIN RELATIONSHIPS. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any supplier or person doing business with a local government entity disclose in the Questionnaire Form CIQ, the supplier or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the Records Administrator of the HCRMA not later than the 7th business day after the date the supplier or person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

Section 2. ANTI-BOYCOTT VERIFICATION. Pursuant to Section 2271.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not Boycott Israel and, subject to or as otherwise required by applicable Federal law, Contractor agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section, 'Boycott Israel' shall have the meaning given such term in Section 308.001, Texas Government Code. Contractor understands 'affiliate' for this Section 4.07 to mean an entity that controls, is controlled by, or is under common control with Contractor and exists to make a profit.

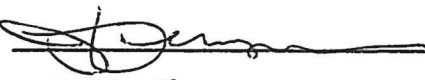
Section 3. PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN ENERGY COMPANIES. Pursuant to Section 2274.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not boycott energy companies, and will not boycott energy companies during the term of the contract. For purposes of this Section, 'Boycott Energy Company' shall have the meaning given such term in Section 309.001, Texas Government Code.

Section 4. PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES. Pursuant to Section 2274.003, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, and will not discriminate during the term of the contract against a firearm entity or firearm trade association. For purposes of this Section, 'discriminate against a firearm entity or firearm trade association' shall have the meaning given such term in Section 2274.001, Texas Government Code.

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- <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/fo-list.pdf>

Contractor: Cielo Vista Power, LLC

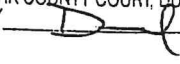
Signature: 

Name: Jeff Ferguson

Date: 7/13/20

FILED FOR RECORD
AT O'CLOCK M

JUL 13 2020

ARASELI B. LICHTENBERGER
CLERK COUNTY COURT, DUVAL COUNTY, TEXAS
BY  DEPUTY