

State of Texas §

County of Webb §

Tax Abatement Agreement between Webb County, Texas and Corazon Solar, LLC

This Tax Abatement Agreement (the “**Agreement**”) is made and entered into by and between Webb County, Texas (the “**County**”) a political subdivision of the State of Texas, acting through its duly elected officers, and Corazon Energy, LLC, a Texas limited liability, owner of Eligible Property (as hereinafter defined) to be located on real property located in the Reinvestment Zone(s) described in this Agreement. This Agreement shall become effective upon final signature by both parties (which date shall be the “**Effective Date**”) and shall remain in effect until fulfillment of the obligations described in Paragraph IV(D), unless terminated earlier as provided herein.

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the Guidelines and Criteria (as defined below).

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 Maintenance and Operations (M&O) ad valorem taxes on property in a Reinvestment Zone(s) as provided herein. Abatement shall not apply to the County’s Interest and Sinking (I&S) and Road and Bridge (R&B) Fund tax rates.
- B. “Abatement Period” means the ten-year period described in Paragraph IV(B)(1) of this Agreement during which the Abatement will apply.
- C. “Base Year” means the Calendar Year in which the Effective Date occurs.
- D. “Calendar Year” means each year beginning on January 1 and ending on December 31.
- E. “Certificate” means a letter, provided by the Owner (as defined below) to the County that certifies that the Project and Improvements have achieved Commercial Operations, outlines the Improvements included in the Project (included those that are still under construction), and states the overall Nameplate Capacity of the Project and Improvements.
- F. “Certified Appraised Value,” means the appraised value, for property tax purposes, of Owner’s Eligible Property (including the Project and Improvements) within the Reinvestment Zone(s) as certified by the Webb County Appraisal District (“County Appraisal District”) for each tax year.

- G. "COD" means the date that the Project and Improvements commence Commercial Operations.
- H. "Commercial Operations" means that the Project and Improvements has become commercially operational and placed into service for the purpose of generating electricity for sale in one or more commercial markets.
- I. "Default Notice" means a written notice delivered by one party to the other under Paragraph VIII(A) of this Agreement. Default Notices must be delivered in accordance with the requirements of Paragraph XI of this Agreement.
- J. "Eligible Property" means property eligible for Abatement under the Guidelines and Criteria, including: new, expanded, or modernized 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 a project or facility; and all other real and tangible personal property permitted to receive tax abatement by Chapter 312 of the Texas Tax Code and the Guidelines and Criteria. Taxes on Eligible Property may be abated only to the extent the property's value for a given year exceeds its value for the Base Year. Tangible personal property located in the Reinvestment Zone(s) at any time before the date the Agreement is signed is not eligible for Abatement. Tangible personal property eligible for Abatement shall not include inventory or supplies.
- K. "Force Majeure" includes events not reasonably within the control of the party whose performance is sought to be excused thereby, including the following causes and events: acts of God and the public enemy, strikes, lockouts or other industrial disturbances, inability to obtain material or equipment or labor due to an event that meets the definition of a Force Majeure, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body, civil disturbances, explosions, breakage or accident to machinery or lines, freezing of lines any laws, rules, orders, acts or restraint of government or governmental body or court, or the partial or entire failure of fuel supply or any other event that is beyond the reasonable control of the party claiming Force Majeure.
- L. "Guidelines and Criteria" means the *Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zone(s)*, adopted by the Webb County Commissioners Court on November 9, 2020 (the "Guidelines and Criteria"), a copy of which is attached hereto as Attachment B to this Agreement.
- M. "Lender" means any entity or person providing, directly or indirectly, with respect to the Project and Improvements any (a) senior or subordinated construction, interim or long-term debt financing or refinancing, whether that financing or refinancing takes the form of private debt, public debt, or any other form of debt (including debt financing or refinancing), (b) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (c) tax equity financing, (d) any interest rate protection agreements to hedge any of the foregoing obligations, and/or (e) any energy hedge provider. There may be more than one

Lender. Owner, at its election, may send written notice to the County with the name and notice information for any Lender.

- N. “Local Outreach Plan” means the plan attached to this Agreement as Attachment D.
- O. “Nameplate Capacity” means the total or overall generating capacity of the Project and Improvements on the Site (as designated in ac units).
- P. “Notice of Abatement Commencement” has the meaning assigned in Paragraph IV(B)(6) of this Agreement.
- Q. “Notices” means all notices, demands, or other communications of any type given shall be given in accordance with this Section, including Default Notices.
- R. “Owner,” on the Effective Date, means Corazon Energy, LLC, a Texas limited liability company, the entity that owns the Eligible Property for which the Abatement is being granted, and also includes any assignee or successor-in-interest of such party. An “Affiliate” of an Owner means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Owner. 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.
- S. “Payment In Lieu of Taxes” or “PILOT” means a payment made by Owner to the County described in Paragraph IV(F) of this Agreement.
- T. “Project and Improvements” means Eligible Property meeting the definition for improvements provided by Chapter 1 of the Texas Tax Code and includes, but is not limited to, any building, structure, or fixture erected on or affixed to the land.
- U. “Reinvestment Zone(s)” means the reinvestment zone(s), as that term is defined in Chapter 312 of the Texas Tax Code, created by Webb County and known as the “Webb County Corazon Solar Reinvestment Zone” by that certain Resolution Adopting and Designating a Reinvestment Zone in the Jurisdiction of Webb County, Texas, adopted and approved by the Webb County Commissioners’ Court on November 9, 2020, a copy of which resolution is attached as Attachment A to this Agreement,
- V. “Site” means the portion of the Reinvestment Zone(s) leased by Owner and on which Owner constructs the Project and Improvements and installs and constructs the Eligible Property for which the Abatement is granted hereunder. The site is described on Attachment C to this Agreement.
- W. “Term” means the period commencing on the Effective Date of this Agreement and ending on December 31 of the fifteenth Calendar Year after the commencement of the Abatement Period.

III. Project and Improvements in Reinvestment Zone(s)

Owner anticipates constructing the following Project and Improvements on the Site:

- A. Owner anticipates constructing Project and Improvements on the Site consisting of a photovoltaic solar powered electricity generation facility (the “Project and Improvements”). The Project and Improvements are anticipated to consist of solar equipment located in the Reinvestment Zone(s) with a total Nameplate Capacity of approximately 200 megawatts AC. The total Nameplate Capacity will vary depending on the type of solar equipment used and the size of the facility but shall at a minimum equal 200 megawatts AC. The Certified Appraised Value will depend upon annual appraisals by the Webb County Appraisal District.
- B. The Project and Improvements will also include any other property in the Reinvestment Zone(s) owned or leased by Owner meeting the definition of “Eligible Property” that is used to produce electricity and perform other functions related to the production, distribution, and transmission of electrical power, or that is otherwise related to the production of electricity.
- C. Owner anticipates that the Project and Improvements will achieve Commercial Operations by no later than March 1, 2022.

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

- A. The County and Owner specifically agree and acknowledge that Owner’s property in the Reinvestment Zone(s) shall be taxable in the following ways before, during, and after the Term of this Agreement:
 - 1. Property not eligible for Abatement, if any, shall be fully taxable at all times;
 - 2. The Certified Appraised Value of property existing in the Reinvestment Zones prior to execution of this Agreement shall be fully taxable at all times;
 - 3. Prior to commencement of the Abatement Period, the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zones shall be fully taxable at all times;
 - 4. During the Abatement Period, Webb County 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 Paragraph IV(B) below; and
 - 5. After expiration of the Abatement Period, 100% the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zones shall be fully taxable at all times, including during the remainder of the Term.
- B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of Webb County property taxes assessed on the Eligible Property in the Reinvestment Zone(s) as follows:

1. Beginning on the earlier of (a) January 1 of the first Calendar Year after the COD or (b) January 1 of the Calendar Year identified in a Notice of Abatement Commencement (as defined below) delivered by Owner (with such Calendar Year being “Year 1” of the Abatement Period) and ending upon the conclusion of ten full Calendar Years thereafter (which 10-year period shall constitute the Abatement Period), the Abatement percentage shall be 100%;
2. The foregoing percentage of property taxes on the Certified Appraised Value of all eligible Improvements described in the Certificate (and actually in place in the Reinvestment Zones) shall be abated for the entire Abatement Period, and shall be replaced by a ten year series of Payments in Lieu of Taxes [PILOT], as further defined herein;
3. The foregoing percentage of property taxes on the Certified Appraised Value of any and all otherwise taxable Eligible Property owned by Owner and located in the Reinvestment Zones shall be abated for the entire Abatement Period, and shall be replaced by a ten-year series of Payments in Lieu of Taxes [PILOT], as further defined herein;
4. The Base Year value for the proposed Project and Improvements is agreed to be zero.
5. Owner shall provide the Certificate to the County and to the County Appraisal District within sixty (60) days after the COD. The Certificate shall describe any 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, Owner will deliver an amended Certificate to the County within thirty (30) days after all Project and Improvement construction is complete. If they meet the definition of “Eligible Property,” such ancillary facilities, once completed, shall become part of the Project and Improvements eligible for the Abatement under this Agreement.
6. If Owner, at its sole election, desires that the Abatement Period begin prior to January 1 of the of the first Calendar Year after the COD, then Owner 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 Owner, the Notice of Abatement Commencement shall contain the following statement: “Owner elects for the Abatement Period to begin on January 1, ____”; the year stated in the Notice of Abatement Commencement shall be the first year of the Abatement Period, and the Abatement Period shall extend for 10 years beyond such date. Owner shall only be permitted to deliver a Notice of Abatement Commencement if it anticipates achieving COD during the next Calendar Year. Owner shall still be required to deliver the Certificate on or before the date required in the preceding paragraph.

7. 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 10 years.
- C. All or a portion of the Project and Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Project and Improvements.
- D. Owner agrees that the Project and Improvements, once constructed, will remain in place for at least the remainder of the Term; provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Project and Improvements prior to that date. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(D), THE SOLE REMEDY OF THE COUNTY, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COUNTY THE FULL AMOUNT OF ACTUAL TAXES ABATED AT ANY TIME UNDER THIS AGREEMENT ON THE REMOVED IMPROVEMENTS, LESS ANY PAYMENTS IN LIEU OF TAXES MADE AT ANY TIME TO THE COUNTY FOR THE REMOVED IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(D), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.
- E. 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 Owner in the Reinvestment Zone(s) and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of the Eligible Property owned by Owner in the Reinvestment Zone(s). The County Appraisal District shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records. The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the County in the event that the County is entitled to recapture abated taxes under this Agreement.
- F. If the Project and Improvements are constructed and the COD is achieved, Owner agrees to make an annual PILOT to the County in the amount set forth in the table below per megawatt of the total Nameplate Capacity of the Project and Improvements on the Site for each year of the Abatement Period. Each PILOT described in this Paragraph IV(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 2023, then the PILOT owed for 2023 shall be due and payable on January 31, 2024. There shall be a total of ten (10) PILOTs under this Agreement.

<u>Year of Abatement Period</u>	<u>PILOT Amount (Per MW of Nameplate Capacity (AC))</u>
Year 1	\$1,200.00
Year 2	\$1,200.00
Year 3	\$1,200.00
Year 4	\$1,200.00
Year 5	\$1,200.00
Year 6	\$1,200.00
Year 7	\$1,200.00
Year 8	\$1,200.00
Year 9	\$1,200.00
Year 10	\$1,200.00

G. As a condition precedent to the grant of the abatement, Owner shall remit a fee of \$30,000.00 which shall be used to offset soft costs incurred by County related to the Corazon Energy Solar project.

V. Decommissioning

The County and Owner agree that the intent and purpose of Section V is to return and restore the land to its previous state. The County acknowledges that Owner has entered into confidential agreements with each landowner whose property will be utilized by the Project and Improvements within the Reinvestment Zone (“Landowner Agreement”) that requires that Owner decommission the Project and Improvements, including restoring, through soil stabilization and revegetation, at least the first three feet of depth of the soil on any land disturbed by the Project and Improvements (the “Restoration Obligations”). Each Landowner Agreement requires Owner to provide a form of security or financial assurance to the Landowner in the form of a bond, an escrow deposit, letter of credit, corporate guarantee from investment-grade entity, or cash deposit to secure Owner’s performance of the Restoration Obligations (Restoration Security”). Sample provisions governing the Restoration Obligations and Restoration Securities (with other financial terms redacted) are provided in Attachment F

VI. Representations

The County and Owner make the following respective representations:

A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Project and Improvements to be placed on the Site; (ii) construction of the proposed Project and Improvements will be performed by Owner, its successors and/or assigns and/or their contractors or subcontractors; (iii) Owner’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 Owner’s knowledge; (v) Owner will make any filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required now or in the future; (vi) Owner agrees to conduct an environmental study for the Project and Improvements in accordance

with state and federal law and meet or exceed the permit requirements identified by the environmental study; (vii) Owner agrees to observe all state and federal law restricting the diversion and impoundment of the natural flow of surface water across the Project and Improvements; (viii) Owner shall make best efforts to utilize processes, products and materials that minimize the risk of environmental toxicity emitted by the Project and Improvements ; and (ix) Owner agrees that in the event of any assignment of this agreement, said assignment shall include a commitment by the successor and/or assignee to and be bound by the terms and conditions of this agreement.

- B. The County represents that (i) the County has formally elected to be eligible to grant property tax abatements under Chapter 312 of the Tax Code; (ii) the Reinvestment Zone(s) has been designated and this Agreement has been approved in accordance with Chapter 312 of the Texas Tax Code and the Guidelines and Criteria as both exist on the effective date of this Agreement; (iii) no interest in the Project and Improvements is held, leased, or subleased by a member of the County Commissioners Court, (iv) that the property within the Reinvestment Zone(s) and the Site is located within the legal boundaries of the County and outside the boundaries of all municipalities located in the 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(s) and this Agreement.

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

- A. Owner shall, by contract, cause its prime contractor and major equipment suppliers to restrict their travel to and from the Project and Improvements site to the County roads depicted on Attachment E (the “County Roads”). The County acknowledges and approves that (i) the Owner will need to cross the County Roads with heavy construction equipment during the construction, operation, maintenance, and decommissioning of the Project, and (ii) Owner may need to place certain electrical cables for the Project and Improvements across certain County Roads for the collection, distribution, and transmission of electricity to and from various parts of the Project and Improvements, in which case Owner and County agree to negotiate in good faith a crossing agreement for such cables. Owner shall use commercially reasonable efforts to require its prime contractor to restrict all subcontractor travel to and from the Project and Improvements to the County Roads. Owner will be wholly responsible for damage (normal wear and tear excluded) to the County Roads and rights-of-way (including bridges, culverts, ditches, etc.), if damage is caused directly thereto as a result of the construction of the Project and Improvements, or directly as a result of operations and maintenance activity conducted on the Project and Improvements (normal wear and tear excluded), including:

- 1. Actual costs incurred by the County to maintain County Roads and right-of-ways, if needed, utilized for construction of the Project and Improvements in an effort to keep the road safe for the traveling public will be tracked by Webb County and damage caused

by Owner shall be reasonably documented by Webb County, discussed with Owner, and invoiced to Owner, who shall remit payment within thirty days of receipt of billing;

2. Charges to Owner shall be based on a methodology designed to evaluate the isolated impact of the Owner's use of the County roads and rights-of-way, and will be limited to actual repair costs incurred by the County and reasonably documented and invoiced to Owner. These costs will include all construction costs as well as all related professional services for the repair work, not to exceed 110% of a cost estimate delivered to Owner by a qualified third-party road construction contractor. Owner shall remit payment within thirty days of receipt of billing; and

3. Costs associated with the issuance of a County driveway permit, which shall be required in the event the Project and Improvements are accessed directly by a County Road, shall be paid by Owner within thirty days of receipt of billing. Owners agrees to promptly submit a completed County driveway permit application to the precinct Commissioner.

4. Subject to County approval, Owner may conduct dust control and grading activities on County Roads utilized for the Project and Improvements.

5. Notwithstanding the foregoing, the County hereby preserves all rights and remedies provided under Chapter 251 of the Texas Transportation Code.

- B. Owner shall allow the County's employees and consultants access to the Site for the purpose of inspecting the Project and Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours' 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 Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.
- C. Owner 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.

VIII. Default, Remedies and Limitation of Liability

- A. No party may terminate this Agreement unless (i) such party provides a written Default Notice to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (1) excused by the occurrence of an event of Force Majeure or (2) cured by the other party within sixty (60) days after the delivery of the Default Notice, or if such failure cannot be cured within such sixty (60)-day period, the other party shall have such additional time, up to 365 days, to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continues to diligently and timely pursue the completion of such remedial action before the expiration of the maximum 365-day cure period. Notwithstanding the preceding

portions 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. If Owner believes that any alleged termination is improper, Owner may file suit in the proper court challenging such termination. **OWNER'S SOLE REMEDY WILL BE REINSTATEMENT OF THIS AGREEMENT AND SPECIFIC PERFORMANCE BY THE COUNTY.** In the event of default which remains uncured after all applicable notice and cure periods, the County may pursue the remedies provided for in Paragraph VIII(D) and (E) below or the preceding Paragraph IV(D), as applicable.

- B. 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. The party prevented or hindered from performing shall give prompt (but in no event later than twenty 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 supply sources) and after doing so shall resume performance as soon as possible. The settlement of strikes or lockouts or resolution of differences with workers shall be entirely within the discretion of the affected party, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or differences by acceding to the demands of the opposing party in such strike, lockout or difference when such course is inadvisable in the reasonably exercised discretion of the affected party.
- C. The County shall notify Owner and any Lender (but only if the County has been provided with the name and notice information of the Lender) of any default by delivery of a Default Notice in the manner prescribed herein. The Default Notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified in Paragraph VIII(A) above to cure any default. If Owner provides notice to the County of the existence of a Lender under Paragraph X(E) 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 that it delivers the Default Notice to Owner. Such Lender shall have the right to cure any Owner default on Owner's behalf and shall be entitled to the same cure periods provided for Owner under this Agreement.
- D. As required by section 312.205 of the Texas Tax Code, if an Owner default remains uncured after all applicable notice and cure periods, the County shall be entitled to cancel the Agreement and recover the property tax revenue abated under this Agreement through the cancellation date, to include applicable penalties and interest less any and all PILOTs made

by Owner to County under this Agreement. Owner agrees to pay such amounts within sixty (60) days after the cancellation of this Agreement.

- E. **LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE) AND RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH VIII(D) OF THIS AGREEMENT OR PARAGRAPH IV(D) OF THIS AGREEMENT (BUT LESS ANY AND ALL PILOTS MADE BY OWNER PRIOR TO CANCELLATION), ALONG WITH ANY REASONABLY INCURRED COURT COSTS AND ATTORNEYS' FEES, SHALL BE THE COUNTY'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND 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 OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.**
- F. Any Default Notice delivered to Owner 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 THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN CANCELLATION OF THE TAX ABATEMENT AGREEMENT AND, IF PERMITTED, RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT.

IX. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute, or regulation of the County or the State of Texas.

X. Assignment of Agreement

- A. The rights and responsibilities of Owner hereunder may be assigned, in whole or in part, only after obtaining the County's prior consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Any assignment by Owner 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. Owner shall give forty-five (45) days' written notice of any such intended assignment to the County, and the County shall respond with its consent or refusal within thirty-five (35)

days after receipt of Owner's notice of assignment. If the County responds to Owner'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. Owner's assignment of the Agreement shall be final only after the execution of a formal assignment document between Owner and the assignee and the delivery of notice of the execution of such assignment agreement to the County. Neither Owner's notice of an intended assignment nor the County's formal consent to an intended assignment shall constitute an assignment of the Agreement, and Owner's request for a consent to assignment shall not obligate owner to assign the Agreement.

- B. No assignment under Paragraph X(A) shall be allowed if (a) the County has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (b) 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.
- C. The parties agree that a transfer of all or a portion of the ownership interests in Owner to a third party shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the County.
- D. Upon any assignment and assumption under Paragraph X(A) of Owner's entire interest in the Agreement, Owner shall have no further rights, duties or obligations under the Agreement. Upon any assignment and assumption under Paragraph X(A) of only a portion of Owner's interest in the Agreement (for example, if only portion of the Project and Improvements is transferred by Owner to a third party), then (i) each of Owner and each assignee of a portion of this Agreement shall be considered an Owner party under this Agreement, (ii) the County shall cause the property taxes owned by each of the Owner parties to be separately assessed, and (iii) neither of the Owner parties shall have any further rights, duties, or obligations under the Agreement as to the portion of the Project and Improvements owned by another Owner party.
- E. In addition to its rights under Paragraph X(A), Owner may, without obtaining the County's consent, mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project and Improvements to a Lender for the purpose of financing the operations of the Project and Improvements or constructing the Project and Improvements or acquiring additional equipment following any initial phase of construction. Owner's encumbering its interest in this Agreement may include an assignment of Owner's rights and obligations under this Agreement for purposes of granting a security interest in this Agreement. In the event Owner takes any of the actions permitted by this subparagraph, it may provide written notice of such action to the County with such notice to include the name and notice information of the Lender. If Owner provides the name and contact information of a Lender to the County, then the County shall be required to provide a copy to such Lender of all Notices delivered to Owner at the same time that the Notice is delivered to Owner. If Owner does not provide the name and contact information of a Lender to the County, then such Lender shall not have the notice rights or other rights of a Lender under this Agreement. The County agrees to reasonably cooperate with Owner and Lenders in the execution of any financing consents, estoppels or amendments requested by the Lenders as a condition of their financing.

XI. Notice

All Notices (including Default Notices) 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 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; 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; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. All Default Notices shall be given by at least two (2) methods of delivery and in a manner consistent with Section VIII(F). All Notices (including Default Notices) shall be mailed or delivered to the following addresses:

To the Owner: Corazon Energy, LLC
17901 Von Karman Avenue, Suite 1050
Irvine, CA 92614
Attn: Bill Gulley, Chief Financial Officer
Phone: 949-398-3915
Email: bill.gulley@baywa-re.com

To the County: County Judge
Webb County Courthouse
1000 Houston Street, 3rd Floor
Laredo, Texas 78040
Phone: 956-523-4600
Fax: 956-523-5065
Email: webbcountyjudge@webbcountytexas.gov

Any party may designate a different address 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

This Agreement shall be construed under the laws of the State of Texas. Venue for any dispute hereunder shall be exclusively in the courts of Webb County, Texas.

XIV. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to 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 Chapter 312 of the Texas Tax Code.

XV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines and Criteria or is inconsistent with any provision of the Guidelines and Criteria, the Guidelines and Criteria are deemed amended for purposes of this Agreement only.

XVI. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner, and supersedes any and 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

Owner enters into this Agreement as, and shall continue to be, an independent contractor. Under no circumstances shall Owner, or any of Owner’s employees, look to Webb County as his/her employer, or as a partner, agent or principal. Neither Owner nor any of Owner’s employees shall be entitled to any benefits accorded to Webb County’s employees, including without limitation worker’s compensation, disability insurance, vacation or sick pay. Owner shall be responsible for providing, at Owner’s expense and election, and in Owner’s name, unemployment, disability, worker’s compensation and other insurance that Owner elects to provide, as well as all licenses and permits that are usual or necessary in connection with the Project and Improvements.

XVIII. Local Outreach Plan

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

XIX. Terminology and Definitions

All personal pronouns used herein, whether used in the masculine, feminine, or neutral, shall include all other genders; the singular shall include the plural and the plural shall include the singular.

XX. Rule of Construction

The parties hereto acknowledge that each party and its legal counsel have reviewed and revised this agreement, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this agreement or any amendments or exhibits hereto.

XXI. Immunity

Webb 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 performance of the functions and obligations described herein.

XXII. 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.

XXIII. 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.

XXIV. 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.

XXV. Incorporation of Recitals and Exhibits

The Recitals and each exhibit attached hereto are hereby incorporated herein by reference for all intents and purposes.

[remainder of this page intentionally blank]

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

WEBB COUNTY, TEXAS

By: _____
Tano E. Tijerina, County Judge

Date: _____

Attest: Margie Ramirez Ibarra
County Clerk

[Signatures continue next page]

OWNER:

CORAZON ENERGY, LLC

By: BayWa r.e., its Sole Member

By: _____

Date: _____

Print Name: _____

Print Title: _____

Attachment A

Attached is the Order Designating the Webb County Corazon Solar Reinvestment Zone(s)

Attachment B

Attached is a copy of Webb County's Guidelines and Criteria.

Attachment C

Attached is a description of the Site of the Project and Improvements.

Attachment D

LOCAL OUTREACH PLAN

A. In connection with the preparation, construction and operation of the Project and Improvements in Webb County, Owner and its agents shall make reasonable attempts to:

1. Utilize Webb County individuals and businesses for materials, labor and services, provided that nothing in this paragraph shall require Owner to use services and supplies that are not of similar quality to those provided by residents of businesses outside of Webb County or are not made available on terms and/or at prices comparable to those offered by residents or businesses outside of Webb County; and
2. In filling positions of employment connected with the Project and Improvements, Owner and its contractors and agents shall use commercially reasonable efforts to employ individuals who reside within the borders of Webb County, provided that nothing in this paragraph shall require Owner or its contractors or agents to employ Webb 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.

B. In no event shall Owner or its contractors discriminate against Webb County residents or businesses in employment or in the purchase of goods and services in connection with the construction and operation of the Project and Improvements in Webb County.

C. Owner and any contractors or agents which Owner plans to use to complete any phase of the development or operation of the Project and Improvements and who may require additional labor and/or services to complete said construction and/or operation, shall hold a job and contracting information session in Laredo, Texas, prior to beginning physical construction of the Project and Improvements at which information will be provided regarding the development and construction and hiring needs of the Project and Improvements.

Attachment E

COUNTY ROADS TO BE UTILIZED FOR PROJECT AND IMPROVEMENTS

Attachment F

LANDOWNER AGREEMENT

Sample Restoration Requirements

Sample A

6.7 Removal of Improvements. Within 9 months of any termination, surrender, or expiration of this Agreement, Lessee shall raze, and/or demolish and remove all Project Facilities, Transmission Facilities, and any other improvements, whether above ground or below, installed, constructed, or located on the Property, by Lessee or for Lessee's or the Project's benefit, to not less than four (4) feet below grade (except all concrete foundations must be removed regardless of their depth) and shall restore the surface of the Property as required by 6.7 (a), below. Lessee shall not have any obligation to remove any cables, lines, or conduit that is buried four (4) feet or more below-grade. The obligations and duties assumed by Lessee under this Section and any succeeding subsection shall survive the termination, surrender, or expiration of this Agreement.

(a) Restoration. Pursuant to Section 6.7, above, Lessee shall complete restoration of the surface of the Property, within 9 months of any termination, surrender, or expiration of this Agreement, to as near the Property's original condition as is reasonably practicable. [REDACTED]. Landlord hereby grants to Lessee a license to enter upon the Property to perform Lessee's restoration obligation. All restoration work shall be done by a restoration contractor and based on a contract in form and substance as reasonably approved by Landlord. In that regard, Lessee shall, at a minimum, perform the following work on the Property (collectively, "**Restoration**"): (i) remove all Project Facilities, Transmission Facilities and any other improvements to a depth of at least four (4) feet below the surface of the Property, except as otherwise provided in Section 6.7; (ii) backfill, pack, and level any trench, ditch, depressions, mounds, or ridges that were installed or created by Lessee; and (iii) disk and seed with five pounds per acre buffalo or native grass seed (as designated by Landowner). The obligations of the foregoing provisions of Section 6.7 and 6.7(a) shall survive the termination of this Agreement. In exercising Lessee's Construction Right and in complying with Lessee's Restoration obligations under this Agreement, Lessee will use the "double ditch" method; that is, topsoil will be removed first and stored separately from the subsurface soil; and filling will be in reverse order; that is, subsoil will be placed in the excavated area on top of the pipe, and the topsoil on the surface.

(b) Security for Removal & Restoration. On or before the 12th anniversary of the Generation Commencement Date, Lessee shall provide security to cover the estimated removal and restoration costs associated with removing the Project Facilities, Transmission Facilities, and all other improvements as well as the cost of restoring the surface of the Property in accordance with Section 6.7 & 6.7 (a), above. The security shall be, at Lessee's option, either a surety bond from an issuer reasonably acceptable to Landowner, a letter of credit issued by a financial institution acceptable to Landowner, a cash deposit, or other security reasonably acceptable to Landowner (the selected security being herein referred to as the "**Removal Bond**"). The amount of the Removal Bond shall be the estimated actual cost of removing the foregoing facilities and improvements and restoring the surface, less the salvage value of the Property Facilities and Transmission Facilities to be removed, as determined by the Third Party Expert. Once in place, Lessee shall keep such Removal Bond, or similar financial assurance, in force throughout the remainder of the Term of this Agreement. The amount of the Removal Bond shall be set and

updated every 5 years by agreement of the Parties, or, if the Parties cannot agree, based on an estimate provided by a disinterested third-party appraiser, construction company or engineer ("*Third Party Expert*") mutually selected by the Parties, or if the Parties cannot agree upon the selection of such a third-party, then by a disinterested appraiser, construction company or engineer selected by the district or county judge for the County. All costs associated with obtaining and updating the Removal Bond shall be borne entirely by Lessee. Landlord shall be permitted to draw upon such Removal Bond or other financial assurance in the event that Lessee fails to remove the facilities and other improvements and restore the Property as required pursuant to the terms of this Agreement.

Sample B

"6.7 Removal of Improvements. Within 9 months of any termination, surrender, or expiration of this Agreement, Lessee shall raze, and/or demolish and remove all Project Facilities, Transmission Facilities, and any other improvements, whether above ground or below, installed, constructed, or located on the Property, by Lessee or for Lessee's or the Project's benefit, to not less than four (4) feet below grade (except all concrete foundations must be removed regardless of their depth) and shall restore the surface of the Property as required by 6.7 (a), below. Lessee shall not have any obligation to remove any cables, lines, or conduit that is buried four (4) feet or more below-grade. The obligations and duties assumed by Lessee under this Section and any succeeding subsection shall survive the termination, surrender, or expiration of this Agreement.

(a) **Restoration.** Pursuant to Section 6.7, above, Lessee shall restore the surface of the Property, within 9 months of any termination, surrender, or expiration of this Agreement, to as near the Property's original condition as is reasonably practicable. In that regard, Lessee shall, at a minimum, perform the following work on the Property (collectively, "**Restoration**"): (i) remove all Project Facilities, Transmission Facilities and any other improvements to a depth of at least four (4) feet below the surface of the Property, except as otherwise provided in Section 6.7; (ii) backfill, pack, and level any trench, ditch, depressions, mounds, or ridges that were installed or created by Lessee; and (iii) disk and seed with five pounds per acre buffalo or native grass seed (as designated by Landowner). The obligations of the foregoing provisions of Section 6.7 and 6.7(a) shall survive the termination of this Agreement. In exercising Lessee's Construction Right and in complying with Lessee's Restoration obligations under this Agreement, Lessee will use the "double ditch" method; that is, topsoil will be removed first and stored separately from the subsurface soil; and filling will be in reverse order; that is, subsoil will be placed in the excavated area on top of the pipe, and the topsoil on the surface. [*Provisions regarding compensation to landowners redacted*]

(b) **Security for Removal & Restoration.** On or before the 12th anniversary of the Generation Commencement Date, Lessee shall provide security to cover the estimated removal and restoration costs associated with removing the Project Facilities, Transmission Facilities, and all other improvements as well as the cost of restoring the surface of the Property in accordance with Section 6.7 & 6.7 (a), above. The security shall be, at Lessee's option, either a surety bond from an issuer reasonably acceptable to Landowner, a corporate guarantee (from a financially responsible entity whose credit rating is investment grade; provided, if such entity's credit rating ceases to be investment grade, Lessee shall promptly replace such guarantee with a guarantee from a financially responsible entity whose credit rating is investment grade or with another form of security contemplated by this Section 6.7 (b)), a letter of credit issued by a financial institution acceptable to Landowner, a cash deposit, or other security reasonably acceptable to Landowner (the selected security being herein referred to as the "**Removal Bond**"). The amount of the Removal Bond shall be the estimated actual cost of removing the foregoing facilities and improvements and restoring the surface, less the salvage value of the Project Facilities and Transmission Facilities to be removed, as determined by the Third Party Expert. The amount of the Removal Bond shall be set and updated every 5 years by agreement of the Parties, or, if the Parties cannot agree, based on an estimate provided by a disinterested third-party appraiser, construction company or engineer ("*Third Party Expert*") mutually selected by the Parties, or if the Parties cannot agree upon the selection of such a third-party, then by a disinterested appraiser, construction company or engineer selected by the district or county judge for the County. All costs associated with obtaining the Removal Bond shall be borne entirely by Lessee."