

NOTICE OF MEETING OF THE HILL COUNTY COMMISSIONERS COURT

2022 JUL 26 AM 10:03

NOTICE IS HEREBY GIVEN that, in accordance with the Government Code, Chapter 551, (known as the Open Meetings Act), as amended, a REGULAR MEETING OF THE COMMISSIONERS' COURT, the governing body of Hill County, will be held on the **13thth day of September, 2022 at 8:30 a.m.** in the Commissioners Courtroom at the Hill County Courthouse, 1 North Waco Street, Hillsboro, Texas 76645, at which time, the subjects below will be considered and potentially acted upon.

1. Hold public hearing on Hill County's intent to enter into a Tax Abatement Agreement with Sun Valley Storage, LLC relating to a solar energy storage and transmission equipment.

a) Owner of property: The Owner of the Improvements and Additions that would be subject to Tax Abatement is Sun Valley Storage, LLC, c/o Engie Development, LLC, 1360 Post Oak Blvd, Suite 400, Houston, Texas 77056.

b) Applicant for Abatement: Sun Valley Storage, LLC, c/o Engie Development, LLC, 1360 Post Oak Blvd, Suite 400, Houston, Texas 77056.

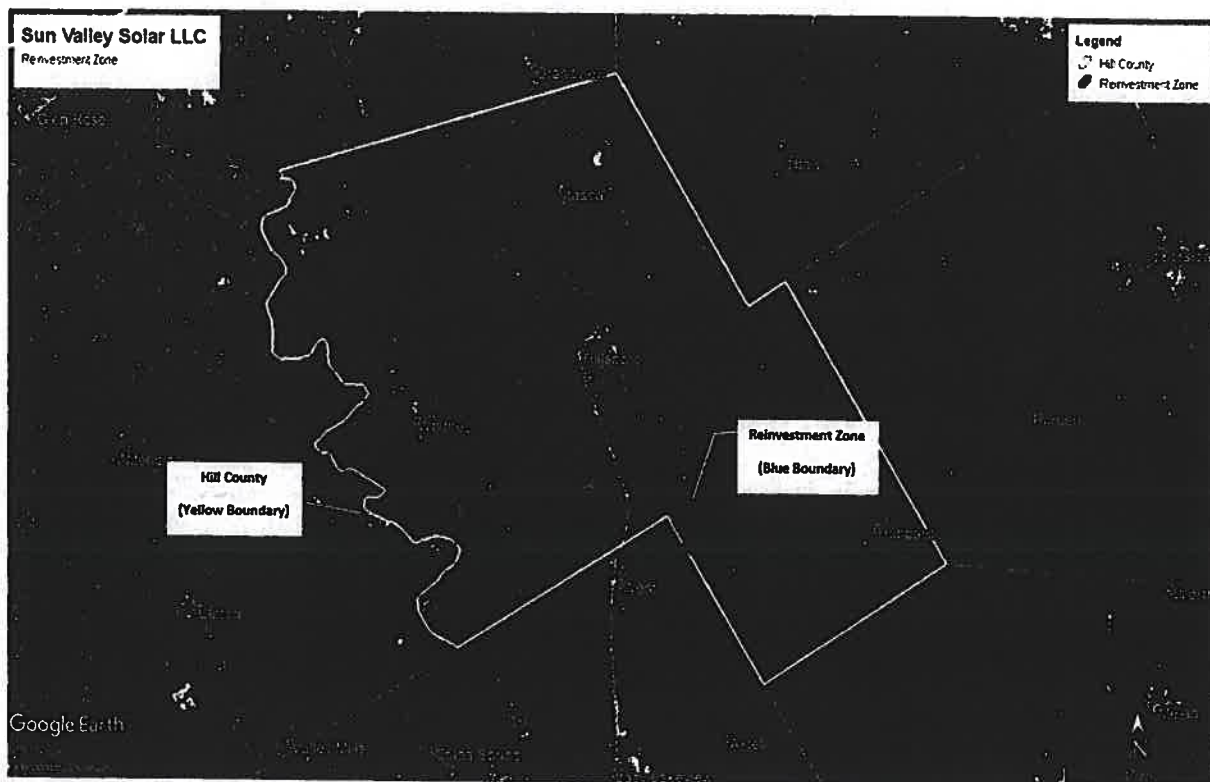
c) Hill County Reinvestment Zone 003 in unincorporated Hill County, Texas The Reinvestment Zone is made up of leased parcels. The entire Reinvestment Zone is described as:

Approximately 2,477 acres of land near Abbott, Hill County, Texas proposed to be leased, which land is in adjoining parcels capable of combination for use in a Project qualifying for tax abatement. Such parcels making up the Reinvestment Zone being--

Parcel ID	Owner Name	Address	Acreage	Legal Description
109611	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	99.70	S HOLLOWAY A-367 TR 8B 99.70 AC
109610	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	3.00	S HOLLOWAY A-367 TR 8A 3.00 AC
109605	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	10.80	S HOLLOWAY A-367 TR 8 10.80 AC
108984	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	5.60	I LAY A-553 TR 6 5.60 AC
108720	Mynar, Rose Marie	680 HCR 3112, ABBOTT, TX 76621	138.47	S HOLLOWAY A-367 TR 4, 4A, 4B, 5 & 5A 138.47 AC
108719	2-M Brothers	HCR 3112 TX, ABBOTT, TX 76621	75.37	S HOLLOWAY A-367 TR 3 75.372 AC
109600	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	165.35	C GILBREATH A-352 TR 6 165.35 AC
105966	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	145.36	S HOLLOWAY A-367 TR 6 145.364 AC
381465	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	55.00	C GILBREATH A-352 TR 6A 55.00 AC
109007	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	10.00	T MCCULLUM A-629 TR 1 10.00 AC
109008	Mach, Joe F.	HCR 3203, ABBOTT, TX 76621	100.00	T MCCULLUM A-629 TR 2 100.00 AC
109009	Mach, Joe F.	HCR 3203, ABBOTT, TX 76621	40.00	T MCCULLUM A-629 TR 3 40.00 AC (PT A352 HERE)
109010	Mach, Joe F.	HCR 3203, ABBOTT, TX 76621	68.47	T MCCULLUM A-629 TR 4 68.47 AC
108715	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	9.00	C GILBREATH A-352 TR 5 9.00 AC

108714	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	89.00	C GILBREATH A-352 TR 4 89.00 AC
108716	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	1.00	C GILBREATH A-352 TR 4A 1.00 AC
109598	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	97.06	C GILBREATH A-352 TR 1 97.06 AC
109251	Cocek, Mary Ann	HCR 3110 S, ABBOTT, TX 76621	110.00	J WALLACE A-938 TR 34 110.00 AC
103680	Pibil, Albert & Doris Trust	HCR 3110 S, ABBOTT, TX 76621	39.50	S MARSHALL A-570 TR 1 39.50 AC
103676	Pibil, Albert & Doris Trust	HCR 3110, ABBOTT, TX 76621	167.63	C GILBREATH A-352 TR 2 & 2B 167.63 AC
103679	Pibil, Albert & Doris Trust	HCR 3206, ABBOTT, TX 76621	102.00	S HOLLOWAY A-367 TR 10 102.00 AC
135074	Pibil, Albert & Doris Trust	855 HCR 3110 S ABBOTT, TX 76621	1.00	C GILBREATH A-352 TR 3 1.00 AC
103678	Pibil, Albert & Doris Trust	HCR 3206, ABBOTT, TX 76621	150.00	S HOLLOWAY A-367 TR 9 150.00 AC
109603	Pibil, Albert & Doris Trust	815 HCR 3110 S ABBOTT, TX 76621	0.25	C GILBREATH A-352 TR 2A 0.25 AC
109250	Mach, Richard J.	HCR 3110 S, ABBOTT, TX 76621	100.00	J WALLACE A-938 TR 33 100.00 AC
108718	Ginder, William L.	HCR 3112 TX, ABBOTT, TX 76621	102.00	S HOLLOWAY A-367 TR 2 102.00 AC
108998	Ginder, William L.	HCR 3112 TX, ABBOTT, TX 76621	230.00	MORROW A-579 TR 1 230.00 AC
377039	Eckols, Dane	HCR 3206, ABBOTT, TX 76621	14.54	S HOLLOWAY A-367 TR 1 14.54 AC (UDI)
108556	Helona Family Revocable Trust	HCR 3112 & HCR 3203, ABBOTT TX 76621	158.00	M Campbell A-154 TR 3 158.00 TR
108558	Helona Family Revoc. Trust	HCR 3112, ABBOTT TX 76621	2.00	M CAMPBELL A-154 TR 3A 2.00 TR
108704	Helona Family Revoc. Trust	HCR 3203 & HCR 3110 S, ABBOTT TX 76621	53.90	E GOSS A-345 TR 1 & 1A 53.90 TR
108633	Helona Family Revocable Trust	HCR 3208, ABBOTT TX 76621	133.00	J ELDRIDGE A-255 TR 5 133.00 AC

The boundary of the proposed Reinvestment Zone is delineated by the outside boundary lines of the outermost parcels forming the 2,477 acre unit intended for production of solar energy.



e) Improvements and Additions:

The current scope of the project is contemplated to include:

d) Improvements and Additions

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

e) Capital Investment: Capital investment is estimated to be over \$44,000,000.

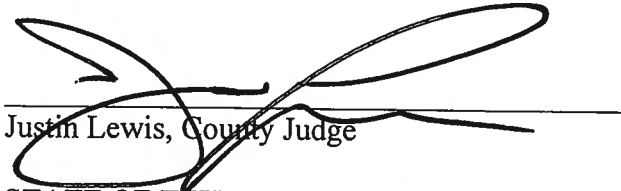
f) Taxable Value: The estimated Taxable Value is a minimum of \$44,000,000.

2. Close Public Hearing.

3. Discussion and possible action on approval of Tax Abatement Agreement between Hill County, Texas and Sun Valley Storage, LLC.

4. Adjourn.

Signed this 26th day of July 2022.



Justin Lewis, County Judge

STATE OF TEXAS *
COUNTY OF HILL *

I, Nicole Tanner, County Clerk, and the Ex-Officio Clerk to the Commissioners Court, hereby certify that the above and foregoing is a true and correct copy of a NOTICE OF MEETING posted by me at the Courthouse door in Hillsboro, Hill County, Texas, where notices are customarily posted this 26th day of July, 2022.

Witness my hand and seal of office at Hillsboro, Hill County, Texas the 26th day of July, 2022 at 10:00 A.m.

(SEAL)

Nicole Tanner
County Clerk
Hill County, Texas

TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement (hereinafter "Agreement") is entered into by and between Hill County, Texas (hereinafter "County") and Sun Valley Storage, LLC (hereinafter "Owner") on the ___ day of ___, 2022 ("Effective Date").

WHEREAS, the County is authorized to enter into Tax Abatement Agreements pursuant to Chapter 312 of the *Texas Property Tax Code* (the "Tax Code"), and

WHEREAS, by Order passed _____, _____, the County has adopted the Fourth Amended and Restated Hill County Tax Abatement Guidelines (the "Guidelines") which provide criteria governing tax abatement agreements to be entered into by the County as contemplated by the Texas Property Tax Code; and

WHEREAS, the County has adopted a resolution stating that it elects to be eligible to participate in tax abatement in accordance with the Texas Property Tax Code; and

WHEREAS, by Order passed July 8, 2019, the County Commissioners Court has established County Reinvestment Zone No. 003 ("Reinvestment Zone") in accordance with Section 312.401 of the Texas Property Tax Code; and

WHEREAS, the Premises is located within the Reinvestment Zone; and

WHEREAS, the County Commissioners Court finds that the improvements and additions proposed by the Owner will benefit the economy of the County and the State of Texas, provide Texas industry with clean power, and increase the local tax base; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Texas Property Tax Code, to the presiding officers of the governing bodies of each of the taxing units in which the Owner's the Premises is located; and

WHEREAS, the Commissioners Court finds that the Owner's project is feasible and practicable and would be of benefit to the Land included in the Zone, and the taxing units with jurisdiction over the land after expiration of this Agreement.

WHEREAS, the Commissioners Court has concluded that the improvements and additions proposed by the Owner within the Reinvestment Zone and described in this Agreement, and the terms of this Agreement: (i) are consistent with the requirements of the Tax Code and the Guidelines or, to the extent of any inconsistency with the Guidelines, the Commissioners Court has determined, in its discretion and in accordance with Tex. Tax Code §312.002(d), that this Agreement should be entered into notwithstanding any such inconsistency, and (ii) constitute a major investment in the Reinvestment Zone that will be a benefit to the Reinvestment Zone and will contribute to the economic development of the County.

WHEREAS, written notice of the date, time and place of the meeting at which the Commissioners Court acted on this Agreement was sent to the presiding office of each other

taxing unit as required by Tex. Tax Code §§312.402(a-2) and 312.2041, by certified mail, return receipt requested, and included a copy of this proposed Agreement not less than 7 days prior to the meeting.

WHEREAS, this Agreement was adopted at a regularly scheduled meeting of the Commissioners Court, as required by Tex. Tax Code §312.207(a) at which a quorum of the County Commissioners were present at the meeting and not less than a majority of those Commissioners present voted in favor of the approval of this Agreement.

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual obligations and promises set forth below, and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the County and Owner agree as follows:

1. Premises. As used herein "Premises" refers to the real property shown and described in Exhibit "A" which is attached hereto and incorporated herein. Owner will not own the real property, but rather will be leasing the real property as a lessee. However, Owner will be the owner of all personal property, fixtures, equipment and related improvements that it installs on the Premises pursuant to this Agreement.

2, General Project Description. Development and construction/installation of a Battery Energy Storage System to store and discharge energy generated from the solar facilities. The Battery Energy Storage System shall have a capacity 100 Megawatts AC, along with other improvements and additions on the list attached as Exhibit "B" hereto and incorporated by reference herein (hereafter "Project").

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

a. "Additions and Improvements" means the personal property, fixtures and equipment installed or constructed on the Premises by the Owner for the Project.

b. "Premises" means the tract(s) of leased (or proposed to be leased) land described in Exhibit "A" attached hereto and incorporated herein for all purposes.

c. "Taxable Value" means the appraised value, for property tax purposes, as certified by the Hill County Appraisal District.

d. "Start Date" means January 1 of the calendar year immediately following the Completion Date, unless otherwise specified herein.

e. "Completion Date" means the date that the construction and installation of the Project is substantially complete as certified by Owner to the County.

f. "Projected Capital Investment" means the level of capital investment proposed in the Owner's Application for Tax Abatement. Owner has projected a Capital Investment of **\$44,000,000**.

g. "Minimum Capital Investment" is the minimum Capital Investment Owner promises to invest in the Project under any circumstances. Owner has promised a Minimum Capital Investment of **\$44,000,000**.

h. "Actual Capital Investment" for purposes of this Agreement shall be the actual cost of the Project on the Completion Date as certified by the Owner to the County. Owner shall provide the County and the Appraisal District with all reasonably requested information as to the actual cost of the Project. Actual cost as used herein relates to the design, acquisition, construction and installation of components of the Project that will add taxable value to the tax rolls of Hill County and does not include permit fees, main office overhead, or capitalized interest. The Actual Capital Investment must be reported by Owner with the Certificate of Completion to the County. Any item that is separately excluded from property taxation by state law does not count towards the Capital Investment of the Owner.

i. "Force Majeure" means any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God and the public enemy, strikes, lockouts or other industrial disturbances, inability to obtain material or equipment or labor, 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 equipment that makes the Project inoperable.

j. "Reinvestment Zone" means County Reinvestment Zone No. 003 created by the Order of the Hill County Commissioners court dated July 8, 2019.

k. "Base Year" means the 2022 tax year.

l. "Term of Abatement" or "Abatement Period", unless terminated sooner as provided elsewhere herein, means a period of six (6) tax years beginning on the Start Date.

m. "Abatement Year" means a tax year included in the Abatement Period.

n. "Secured Party Lender" means any entity providing financing for the Project and/or who have liens or security interests on the Additions and Improvements, and any assignees thereof.

4. Term of Agreement. This Agreement becomes effective upon the Effective Date and unless terminated sooner as provided elsewhere herein, shall terminate at the expiration of the Abatement Period.

5. Term of Abatement and Abatement Percentages. As set forth above the Term of the Abatement shall be six (6) tax years beginning on the Start Date. The Abatement Percentages shall be:

- Year 1: 50%
- Year 2: 50%
- Year 3: 40%
- Year 4: 40%
- Year 5: 35%
- Year 6: 20%

6. Zero Base Year Value. Because the Premises are leased by the Owner, this is a zero (\$0) Base Year Value abatement where the only matter of importance is the Taxable Value from one Tax Year to the next of the Additions and Improvements installed or constructed by the Owner.

7. Failure to Meet Taxable Value Requirement. If the Project, as completed, does not have an initial Taxable Value of \$44,000,000, the abatement percentages for each year shall be reduced by percentage points determined by the percentage that the Project's Taxable Value is less than \$44,000,000.

8. Projected Completion Date. Owner shall complete the Project by December 31, 2023, delays for Force Majeure excepted. Each 30 days of delay thereafter shall result in a one-quarter percent (.0025) reduction to the Abatement Percentage for the first Abatement Year for the first 6 months of delay, and one-half percent (.005) reduction for each 30 days thereafter. In no circumstance shall the time exceed 365 days from the promised Completion Date. If it does exceed 365 days from the promised completion date this Agreement will be terminated by the County. The Commissioners Court, by majority vote, can extend the Completion Date.

9. Grant of Partial Abatement. Subject to the terms and conditions of this Agreement, County hereby grants Owner a partial abatement of County property taxes during the Abatement Period and at the Abatement Percentages shown above. This Abatement applies to the Taxable Value of the Additions and Improvements in each Abatement Year. **This does not include abatement of Farm- to- Market-Lateral Road Taxes.** Upon expiration of the Abatement Period the Additions and Improvements become fully taxable. This partial abatement does not apply to any additions or improvements existing on the Premises at the Effective Date; and does not include inventory.

10. No Sale or Assignment to Tax Exempt Entity.

a) If a sale, lease, or allocation of the Project or its output is made to an entity exempt from property taxation, and such results in a portion of the Project becoming exempt from property taxation, the County may terminate this Tax Abatement Agreement and the Abatement granted hereunder. If this occurs, the owner must repay the County any taxes abated related to the portion of the Project that has become exempt from year 1 to when the portion of the Project

became tax exempt. Payment will be made no less than 30 days after the sale, lease or allocation occurs.

b) Alternatively, to keep the tax abatement agreement in place for the rest of the property, the Owner shall pay in a lump sum the present value of taxes that will be lost to the County with regard to the exempt portion of the property over the 20 year period after the portion of the Project becomes exempt using a calculation agreed to by the parties in writing, but if unable to be agreed to, resolved by binding mediation to take place in Hill County, Texas before a mediator selected by the County from the approved list of mediators maintained by the Federal District Court in Waco.

c) If title to, use of, or an interest in the lease of the Premises or the Additions and Improvements, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental unit or agency, or by any person, firm or corporation acting under governmental authority or statutory authority, other than a taxing unit that assesses or could assess ad valorem taxes against the property, a local or county governmental entity having taxing jurisdiction over the subject property or another party acting under such governmental entity's authority, and Owner does not contest the condemnation up to and including the final, non-agreed judgment of a state district court (or County Court-at-Law if applicable); then Owner shall pay as a first and priority obligation to the County out of the condemnation proceeds the same payment as would have been paid to the County under 10(a) above if the transfer was an agreed sale to a tax exempt entity.

11. Unabated Taxes. Owner shall pay all unabated taxes when due. Failure to do so may result in termination of this Agreement. If Owner protests the Taxable Value of the property, the Owner shall pay the taxes due to the County on the portion of the Taxable Value not protested after application of the Abatement Percentage. Once the protested Taxable Value is determined, the Abatement Percentage shall be applied and the Owner shall pay the taxes due on the protested Taxable Value within 30 days.

Taxes assessed prior to the beginning of the Abatement Period are not abated and shall be paid by Owner prior to such taxes becoming delinquent, subject to the right of Owner to timely and properly protest such taxes in accordance with Tax Code, Chapter 42 or its successor. Owner shall notify County in writing of any such protest, and keep the County informed of the results thereof. If the protest is denied, Owner shall have the right to appeal the matter to state district court but shall pay the portion of the tax required by Tax Code, Section 42.08 or its successor.

Nothing herein shall prevent the County from enforcing the collection of taxes owed to the County in any manner provided under the Texas Property Tax Code, including placing a lien on the Additions and Improvements. The County shall be entitled to recover any penalties, interest, court costs and attorney's fees allowed under the Texas Property Tax Code, and this includes for the collection of previously abated taxes that must be repaid under any provision of this Agreement.

12. Insurance; Use. Owner shall keep the Additions and Improvements insured. In the event of a substantial loss the Owner may elect either to rebuild, during which time the abatement would be stayed and the Term of the Abatement would be extended for the period of such stay with the Abatement Percentage in effect at the commencement of such stay recommencing as of the end of such stay, or terminate this Agreement by paying the County all abated owner property taxes to that date. The Additions and Improvements and Premises shall be used solely for the Project during the term of this Agreement in furtherance of the County's development goals to achieve a major investment in the Reinvestment Zone.

13. Owner's Obligations. As a condition precedent to the granting of the partial tax abatement as set forth in this Agreement, Owner shall, subject to events of Force Majeure and casualty where applicable:

- a. Acquire enforceable leases for the Premises;
- b. Install and construct the Additions and Improvements requiring at least the Minimum Capital Investment to be completed by December 31, 2023;
- c. Provide the Appraisal District with documentation and information reasonably requested for each Tax Year that will assist in determining the Taxable Value. This information shall be provided no later than April 15, subject to extension as allowed by law.
- d. Comply with all certification and reporting requirements set forth in this Agreement;
- e. Comply with the Guidelines which are incorporated by reference herein, except to the extent inconsistent with this Agreement;
- f. In good faith consider, to the extent reasonable and logistically practical, contracting with companies and businesses located within the County that are economically competitive and qualified to provide goods and services for the Project. Nothing herein requires the Owner to contract with local vendors as a condition of abatement.
- g. Comply with applicable federal, state and local laws in its operations.
- j. Indemnify and hold harmless the County and all County officials and employees from any liability arising from the Owner's negligence in developing, constructing or installing the Additions and Improvements or operation thereof.**

14. Default, Remedies and Recapture.

14.1 Upon breach by Owner of any material obligation under this Agreement, the County shall notify Owner in writing, and Owner shall have sixty (60) days from receipt of the notice in

which to cure any such breach. If the breach cannot reasonably be cured within a sixty (60) day period, and Owner has diligently pursued such remedies as shall be reasonably necessary to cure such default, then such period shall be extended for an additional sixty (60) days. If Owner fails to cure the breach within the time provided as specified above or, as such time period may be extended, then the County, at its sole option, shall have the right to terminate this Agreement by written notice to Owner.

However, if the breach of this Agreement is caused by an event of Force Majeure, the cure period shall be extended as reasonably appropriate to cure the breach, subject to the Owner providing to the County a plan of action to cure the breach that is of a reasonable duration. The time to cure shall not extend the Abatement Period. A breach of this Agreement caused by an event of Force Majeure that is incapable of being cured shall not give rise to the recovery of previously abated taxes, however, the County may terminate this Agreement as to any future abatement.

14.2 In the event of a breach by Owner, the County, in addition to any notice to Owner, shall promptly provide written notice of such breach to any Secured Party Lender to the extent known to the County. For a Secured Party Lender to be entitled to this notice, the Owner or the Secured Party Lender must have notified the County in writing of the Secured Party Lender's interest in the Project and its address for notices hereunder. Any Secured Party Lender shall have the right to cure such breach in accordance with the provisions of this Agreement, provided that no cure period shall commence until receipt of written notice of breach from County by such Secured Party Lender. Owner and its Secured Party Lender shall provide written notice of any assignment of a financing obligation or security interest or lien. Absent such notice of assignment, notice to the last known Secured Party Lender shall be effective.

14.3 Termination by the County because of an uncured breach automatically terminates the tax abatement granted herein, and the Owner will not be entitled to any abatement from that date forward. If the nature of the breach resulted in the Owner receiving tax abatement in one or more previous years to which the Owner was not entitled, the County may recover from the Owner the taxes that should have been paid in those years but for the abatement.

15. Miscellaneous Terms and Conditions.

15.1 Attorney's Fees. If on account of any breach or default by either party of its obligations under the terms, conditions, or covenants of this Agreement, it shall be necessary for the other party to employ an attorney or attorneys to enforce or defend any of the rights or remedies hereunder, and should the party prevail, the party shall be entitled to any reasonable attorney's fees, costs, or expenses it incurs in connection herewith.

15.2 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, unless such would destroy a material benefit of the bargain to either party.

15.3 Texas Law to Apply. This Agreement shall be construed under and in accordance the laws of the State of Texas without regard to conflicts of law principles, and all obligations of the parties created hereunder are performable in Hill County, Texas, and venue of all disputes shall lie in a court of competent jurisdiction in Hill County, Texas.

15.5 Amendments. No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

15.6 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

15.7 No Waiver. No waiver by a party in any event of default, or breach of any covenant, condition or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition or stipulation hereof.

15.8 Assignment. This Agreement shall be binding on and inures to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement may be assigned by Owner upon written notice to the County and written assumption of the obligations hereunder by such assignee. Such assignment is subject to approval of the County, which shall not be unreasonably withheld or delayed. The approval of the County shall be deemed to have occurred if the County fails to take action with respect to any such assignment within thirty (30) days after receipt of notice of such assignment. In addition, the Owner, without approval of the County, may assign, transfer, mortgage or pledge this Agreement in whole or in part to create a security interest for the benefit of a "Secured Party Lender" provided however, that any rights of the Secured Party Lender or third-party assignee or purchaser are subject to the same provisions as set forth in this Agreement. The County will provide a Secured Party Lender who is known of a copy of any Owner Default Notice. The County does not subordinate its right to collect property taxes to any security interest or assignment. Further, an assignment does not re-start the time to cure under a notice of default.

15.9 No Conflicts. Owner represents and warrants that no member of the Commissioners Court has an interest in the Project subject to this Agreement and the Premises used for the Project is not owned or leased by any member of the Commissioners Court.

15.10 No Joint Venture. The County, by approving the application and this Agreement, assumes no liability or responsibility therefore or for any defect in any additions made to the Premises. The relationship between County and Owner at all times shall not be deemed a partnership or joint venture for purposes of this Agreement.

15.11 Other Abatements. It is further understood that this is not a joint agreement between taxing units and, Owner shall not be entitled to any additional abatement from County above what is granted herein under any other law by virtue of entry into this Agreement. Should Owner receive or be adjudged entitled to any additional abatement from the County of any form

of tax under the law by virtue of entry into this Agreement, the amount of the abatement under this Agreement shall, to the extent allowed by law, be reduced by the amount of such additional abatement.

15.12 Approvals. Assuming Owner is not in breach of this Agreement, any approvals required to be obtained from the County under this Agreement shall not be unreasonably withheld, denied or delayed by the County.

15.13 Notices. All notices required by this Agreement shall be addressed to the following, or other such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand or overnight delivery:

If intended for Owner, to:

Sun Valley Storage, LLC
c/o Engie Development, LLC
1360 Post Oak Blvd, Suite 400
Houston, Texas 77056

If intended for County, to:

Hill County, Texas
Attention: County Judge
P.O. Box 457
Hillsboro, Texas 76645

With copy to:

County Attorney
Hill County, Texas
P.O. Box 253
Hillsboro, Texas 76645-2353

15.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

15.15 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement

15.16 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

15.17 Authorizations.

a. This Agreement was entered into by Owner pursuant to authority granted by one or more of its officers to execute this Agreement on behalf of Owner.

b. This Agreement was authorized by the Commissioners Court at a regularly scheduled meeting at which a quorum of the County Commissioners were present at the meeting and not less than a majority of those Commissioners present voted in favor of the approval of this Agreement, as reflected in the minutes of the Commissioners Court of Hill County, Texas authorizing the County Judge, or designee, to execute the Agreement on behalf of Hill County, Texas.

15.18. Negotiation Costs. To show its commitment to the community and that it intends to be a good corporate neighbor, and in recognition of the expense incurred by the County in coming to a mutually acceptable agreement, Owner agrees to reimburse the County for its reasonable and necessary attorney's fees incurred in negotiation of this Agreement, not to exceed \$10,000.

15.19. Road Use. The Road Addendum to Tax Abatement Agreement attached hereto as Exhibit "C" has been authorized by Owner and the County pursuant to the authorizations referenced in Section 15.17 above, shall be executed and delivered with this Agreement and is incorporated herein by this reference.

15.20. Conflict with Guidelines. To the extent this Agreement modifies or varies from any requirement or procedure set forth in the Guidelines, those Guidelines are deemed amended for purposes of this Agreement only.

15.21. Right to Inspect, Obtain Information. The County, acting through its officers or a designated agent or employee, shall have reasonable access to the Additions and Improvements: (i) to verify that the Additions and Improvements are constructed in accordance with this Agreement, (ii) to verify compliance with the terms of this Agreement, or (iii) to obtain or verify information reasonably necessary to ascertain any other fact or circumstance pertinent to the performance of this Agreement.

15.22. Annual Certification. On or before January 31 of each calendar year that this Agreement is in effect Owner shall certify to the County its compliance with all material provisions of this Agreement. This annual certification shall be by an individual who is an authorized officer of Owner.

15.23. Limitation of Liability. Owner's liability pursuant to this Agreement shall be limited to recapture of property taxes abated under the circumstances as provided herein, recovery of other amounts as provided herein, and any reasonably incurred court costs and attorneys' fees. For avoidance of doubt, amounts payable under this agreement by Owner shall be subject to all statutory rights for the payment and collection of taxes, including penalties and interest, in accordance with the Texas Tax Code and a lien securing such amounts as provided herein.

EXECUTED in this ____ day of _____, 2022.

HILL COUNTY, TEXAS

By: _____
Justin Lewis
Hill County Judge

ATTEST:

By: _____
County Clerk

EXECUTED in this the ____ day of _____, 2022.

SUN VALLEY STORAGE, LLC

By: _____

Title: _____

Date: _____

EXHIBIT A

Description of Premises

Approximately 2,130 acres of land near Abbott, Hill County, Texas proposed to be leased, which land is in adjoining parcels capable of combination for use in a Project qualifying for tax abatement. Such parcels making up the Reinvestment Zone being--

Parcel ID	Owner Name	Address	Acreage	Legal Description
109611	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	99.70	S HOLLOWAY A-367 TR 8B 99.70 AC
109610	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	3.00	S HOLLOWAY A-367 TR 8A 3.00 AC
109605	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	10.80	S HOLLOWAY A-367 TR 8 10.80 AC
108984	Joe & Evelyn Soukup	386 HCR 3112, ABBOTT, TX 76621	5.60	I LAY A-553 TR 6 5.60 AC
108720	Mynar, Rose Marie	680 HCR 3112, ABBOTT, TX 76621	138.47	S HOLLOWAY A-367 TR 4, 4A, 4B, 5 & 5A 138.47 AC
108719	2-M Brothers	HCR 3112 TX, ABBOTT, TX 76621	75.37	S HOLLOWAY A-367 TR 3 75.372 AC
109600	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	165.35	C GILBREATH A-352 TR 6 165.35 AC
105966	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	145.36	S HOLLOWAY A-367 TR 6 145.364 AC
381465	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	55.00	C GILBREATH A-352 TR 6A 55.00 AC
109007	Kimmey Partners, Ltd	HCR 3206, ABBOTT, TX 76621	10.00	T MCCULLUM A-629 TR 1 10.00 AC
109008	Mach, Joe F.	HCR 3203, ABBOTT, TX 76621	100.00	T MCCULLUM A-629 TR 2 100.00 AC
109009	Mach, Joe F.	HCR 3203, ABBOTT, TX 76621	40.00	T MCCULLUM A-629 TR 3 40.00 AC (PT A352 HERE)
109010	Mach, Joe F.	HCR 3203, ABBOTT, TX 76621	68.47	T MCCULLUM A-629 TR 4 68.47 AC
108715	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	9.00	C GILBREATH A-352 TR 5 9.00 AC
108714	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	89.00	C GILBREATH A-352 TR 4 89.00 AC
108716	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	1.00	C GILBREATH A-352 TR 4A 1.00 AC
109598	Mach, Joe F.	HCR 3206, ABBOTT, TX 76621	97.06	C GILBREATH A-352 TR 1 97.06 AC
109251	Cocek, Mary Ann	HCR 3110 S, ABBOTT, TX 76621	110.00	J WALLACE A-938 TR 34 110.00 AC
103680	Pibil, Albert & Doris Trust	HCR 3110 S, ABBOTT, TX 76621	39.50	S MARSHALL A-570 TR 1 39.50 AC
103676	Pibil, Albert & Doris Trust	HCR 3110, ABBOTT, TX 76621	167.63	C GILBREATH A-352 TR 2 & 2B 167.63 AC
103679	Pibil, Albert & Doris Trust	HCR 3206, ABBOTT, TX 76621	102.00	S HOLLOWAY A-367 TR 10 102.00 AC
135074	Pibil, Albert & Doris Trust	855 HCR 3110 S ABBOTT, TX 76621	1.00	C GILBREATH A-352 TR 3 1.00 AC
103678	Pibil, Albert & Doris Trust	HCR 3206, ABBOTT, TX 76621	150.00	S HOLLOWAY A-367 TR 9 150.00 AC
109603	Pibil, Albert & Doris Trust	815 HCR 3110 S ABBOTT, TX 76621	0.25	C GILBREATH A-352 TR 2A 0.25 AC

109250	Mach, Richard J.	HCR 3110 S, ABBOTT, TX 76621	100.00	J WALLACE A-938 TR 33 100.00 AC
108718	Ginder, William L.	HCR 3112 TX, ABBOTT, TX 76621	102.00	S HOLLOWAY A-367 TR 2 102.00 AC
108998	Ginder, William L.	HCR 3112 TX, ABBOTT, TX 76621	230.00	MORROW A-579 TR 1 230.00 AC
377039	Eckols, Dane	HCR 3206, ABBOTT, TX 76621	14.54	S HOLLOWAY A-367 TR 1 14.54 AC (UDI)

The boundary of the proposed Reinvestment Zone is delineated by the outside boundary lines of the outermost parcels forming the 2,130 acre unit intended for production of solar energy.

EXHIBIT B

DESCRIPTION OF ADDITIONS & IMPROVEMENTS

Property Location & Description:

The Sun Valley Storage BESS is a planned facility to be owned by Sun Valley Storage, LLC, and located in Abbott ISD and southern Hill County, Texas.

Improvements Description:

The current scope of the project is contemplated to include:

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

EXHIBIT C

Road Addendum

[Attached Following This Page]