

# Tax Abatement Agreement between Navarro County, Texas and Armadillo Solar Center, LLC

*State of Texas*

*County of Navarro*

This Tax Abatement Agreement (the “**Agreement**”) is made and entered into by and between Navarro County, Texas (the “**County**”), acting through its duly elected officers, and Armadillo Solar Center, LLC, a Delaware limited liability company, owner of Eligible Property (as hereinafter defined) to be located on real property located in the Reinvestment Zone 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 ad valorem taxes on property in a Reinvestment Zone as provided herein.
- 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 has achieved Commercial Operations, outlines the Improvements included in the Project (including those that are still under construction), and states the overall Nameplate Capacity of the Project. Upon receipt of a Certificate, the County may inspect the Site within the Reinvestment Zone in accordance with the terms of this Agreement in order to verify that the Improvements are as certified in such Certificate. If the Certificate indicates that certain ancillary facilities not required for Commercial Operations are still under construction on the date that the Certificate is delivered, Owner will deliver an amended Certificate to the County within thirty (30) days after all Project construction is complete.

- F. "Certified Appraised Value," means the appraised value, for property tax purposes, of Owner's Eligible Property (including the Improvements) within the Reinvestment Zone as certified by the Navarro County Appraisal District ("County Appraisal District") for each tax year.
- G. "COD" means the date that the Project commences Commercial Operations.
- H. "Commercial Operations" means that the Project has become commercially operational and placed into service for the purpose of generating electricity for sale on one or more commercial markets.
- I. "Default Notice" means a written notice delivered by one party to the other under Paragraph VII(A) of this Agreement. Default Notices must be delivered in accordance with the requirements of Paragraph X 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 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 and pandemics, 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 *Tax Abatement Guidelines, Criteria and Policy* adopted by the Navarro County Commissioners Court on October 13, 2020 (the "Guidelines and Criteria"), a copy of which is attached hereto as Attachment B to this Agreement.
- M. "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.

- N. "Lender" means any entity or person providing, directly or indirectly, including an assignee of an initial Lender, with respect to the Improvements or Project any of (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.
- O. "Nameplate Capacity" means the total or overall generating capacity of the Improvements on the Site in MWac.
- P. "Notice of Abatement Commencement" has the meaning assigned in Paragraph IV(B)(5) 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" means Armadillo Solar Center, LLC, the entity that owns the Eligible Property for which the Abatement is being granted, and 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" means the photovoltaic solar powered electricity generation facility that will be constructed by Owner on the Site. The Project includes the Improvements and the Eligible Property.
- U. "Reinvestment Zone" means the reinvestment zone, as that term is defined in Chapter 312 of the Texas Tax Code, created by that certain Ordinance establishing Enterprise Zone/Reinvestment Zone 20-101 adopted and approved by the County Commissioners' Court on June 8, 2020, a copy of which resolution is attached as Attachment A to this Agreement.
- V. "Site" means the portion of the Reinvestment Zone leased by Owner and on which Owner makes the 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, and a map of the Site is included as Attachment D to this Agreement.

- W. "Term" means the period commencing on the Effective Date of this Agreement and ending on December 31 of the twentieth Calendar Year after the commencement of the Abatement Period.

### **III. Improvements in Reinvestment Zone**

Owner shall make the following Improvements on the Site:

- A. Owner shall construct Improvements on the Site consisting of a photovoltaic solar powered electricity generation facility (the "Project"). The Project will consist of solar equipment located in the Reinvestment Zone with a total Nameplate Capacity for the Project of not less than 175 megawatts. The total Nameplate Capacity will vary depending on the type of solar equipment used and the size of the facility. The Project will have an overall minimum investment in the County's taxing jurisdiction of not less than \$140,000,000. The Certified Appraised Value will depend upon annual appraisals by the County Appraisal District.
- B. The Improvements will also include any other property in the Reinvestment Zone 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 will achieve Commercial Operations by no later than December 31, 2024.
- D. Owner anticipates construction will begin no later than January 1, 2024.
- E. Owner shall have the right, in its sole and absolute discretion, to terminate this Agreement by written notice delivered to the County delivered any time prior to December 31, 2024. In the event that Owner terminates the Agreement pursuant to its rights in this paragraph, this Agreement shall immediately become null and void and of no further force or effect, and neither Owner nor the County shall owe any liability or have any further obligation to the other under this Agreement.

### **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 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 Zone 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 Zone shall be fully taxable at all times;
  4. During the Abatement Period, all categories of 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 Zone 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 both (i) the ad valorem taxes identified as "County of Navarro-GNV" and (ii) the ad valorem taxes identified as "County Road & Bridge-RBC" on the Eligible Property in the Reinvestment Zone 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 Improvements and Eligible Property owned by Owner and described in the Certificate (and actually in place in the Reinvestment Zone) shall be abated for the entire Abatement Period.
  3. The Base Year value for the proposed Improvements is agreed to be zero.
  4. 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 construction is complete. If they meet the definition of "Eligible Property," such ancillary facilities, once completed, shall become part of the Improvements eligible for the Abatement under this Agreement.
  5. 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.

6. 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 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 Improvements.
- D. Owner agrees that the 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 Improvements prior to that date so long as such replacement does not result in a material reduction of the Certified Appraised Value of the Improvements. IN THE EVENT OF A BREACH OF THIS SECTION 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 WITH INTEREST, LESS ANY TAX PAYMENTS OR PAYMENTS IN LIEU OF TAXES REMITTED WITH RESPECT TO THE REMOVED IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS SECTION 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 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. 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 (which taxable value shall be zero for each of the years during the Abatement Period). 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. Once the Abatement Period commences, Owner agrees to make the following annual PILOT payments during each year of the Abatement Period:

- (1) A PILOT to the County designated for the taxing unit administering the "County of Navarro-GNV" ad valorem tax in the amount of \$525.00 multiplied by the greater of: (i) of the overall Nameplate Capacity of the Project located in the County and described in the Certificate or (ii) 175 megawatts; and
- (2) A PILOT to the COUNTY designated for the taxing unit administering the "County Road & Bridge-RBC" ad valorem tax in the amount of \$367.00 multiplied by the greater of: (i) of the overall Nameplate Capacity of the Project located in the County and described in the Certificate or (ii) 175 megawatts.

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.

## **V. 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 Improvements to be placed on the Site; (ii) construction of the proposed 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, and (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.
- 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 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 Improvements is held, leased, or subleased by a member of the County Commissioners Court, (iv) that the property within the Reinvestment Zone 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 and this Agreement.

## **VI. Access to and Inspection of Property by County Employees**

- A. Owner shall allow the County's employees access to the Site for the purpose of inspecting any 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 Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.

- B. 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.

## **VII. 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 (x) excused by the occurrence an event of Force Majeure or (y) 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 ninety (90) additional 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 one hundred fifty (150) day cure period; however, if Owner is undertaking to cure a default by replacing any of the solar energy generating equipment at the Site, then Owner shall be entitled to the initial sixty (60) day cure period and an additional one hundred eighty (180) day cure period so long as Owner has commenced the remedial action and continues to diligently and timely pursue the completion of the remedial action. 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, PLUS RECOVERY OF ATTORNEYS' FEES AND COURT COSTS IF PERMITTED BY LAW.** 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 VII(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 VII(A) above to cure any default. If Owner provides notice to the County of the existence of a Lender under Paragraph IX(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, 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 VII(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.

**VIII. 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.

**IX. Assignment of Agreement**

- A. Owner may assign this Agreement, in whole but not in part, to an Affiliate without County's prior consent such that the Affiliate shall become the party to the Agreement and Owner shall no longer be a party to the Agreement. Owner shall provide notice to the County of any assignment to an Affiliate. Owner's assignment of the Agreement to an Affiliate 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. After the assignment becomes final, the Affiliate shall be solely liable for all of the obligations to the County under this Agreement.
- B. Owner may assign this Agreement, in whole but not in part, to a third party other than an Affiliate such that the third party shall become a party to the Agreement and Owner shall no longer be a party to the Agreement only after obtaining the County's prior consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Any assignment by Owner to a party other than an Affiliate 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 VII above. Owner shall give the County forty-five (45) days' written notice of any intended assignment to a party other than an Affiliate, and the County shall respond with its consent or refusal within thirty-five (35) days after receipt of Owner's notice of 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. After

the assignment becomes final, the third party shall be solely liable for all of the obligations to the County under this Agreement. 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.

- C. No assignment under Paragraph IX(A) or IX(B) 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 ad valorem taxes owed to the County or any other taxing jurisdiction in the County.
- D. The parties agree that a transfer of all or a portion of the equity interests in Owner to a third party, after which transfer Owner remains the party to this Agreement, remains liable for all of the obligations under this Agreement, and remains the sole owner of all of the Improvements, shall not require any consent of the County.
- E. Upon any assignment and assumption under Paragraph IX(A) of IX(B) of Owner's entire interest in the Agreement, Owner shall have no further rights, duties or obligations under the Agreement.
- F. In addition to its rights under Paragraph IX(A) and IX(B), Owner 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 operations of the Project or constructing the Project 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.

## X. 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 VII(F). All Notices (including Default Notices) shall be mailed or delivered to the following addresses:

To the Owner:            Armadillo Solar Center, LLC  
                                 812 San Antonio, Suite 500  
                                 Austin, Texas 78701

AND:  
Jennifer Goodwillie  
Senior Director, Development  
812 San Antonio, Suite 500  
Austin, TX 7871

To the County:            County Judge  
                                 County Judge H.M Davenport, Jr.  
                                 300 W. 3<sup>rd</sup> Avenue  
                                 Corsicana, Texas 75110

AND:  
City of Corsicana, Texas  
Corsicana Government Center  
200 North 12th Street  
Corsicana, Texas 75110

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

#### **XI. 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.

#### **XII. 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 state or federal district courts of the County.

### **XIII. 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.

### **XIV. 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.

### **XV. 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.

### **XVI. Additional Attachments**

The following additional documents are attached to this Agreement:

- Attachment E: Copy of Owner's application for tax abatement
- Attachment F: Estimated Tax Schedule for the Project
- Attachment G: Copy of Owner's Environmental Impact Letter delivered to the County

[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.

**NAVARRO COUNTY, TEXAS**

By: [Signature]  
H.M Davenport, Jr., County Judge

Date: November 9, 2020

[Signature]  
Jason Grant  
Commissioner, Precinct 1

[Signature]  
Eddie Perry  
Commissioner, Precinct 2

[Signature]  
Eddie Moore  
Commissioner, Precinct 3

[Signature]  
James Olsen  
Commissioner, Precinct 4

[Signature]  
Attest: Sherry Dowd,  
County Clerk



*[signatures continue next page]*

**OWNER:**

**ARMADILLO SOLAR CENTER, LLC**

**A Delaware Limited Liability Company**

**By Its Sole Member, Orsted Onshore DevCo, LLC**

**By Its Sole Member, Orsted Onshore North America, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: Philip Moore

Print Title: Sr. Vice President - Development

**Attachment A**

Attached is the Order Designating the Reinvestment Zone

88b 8



**NAVARRO COUNTY COMMISSIONERS' COURT**

**PUBLIC HEARING NOTICE  
NAVARRO COUNTY**

**REINVESTMENT ZONE 20-101**

Navarro County is giving notice of the County's intent to consider establishing a reinvestment zone for approximately 2,332.614 acres in the White, Werner, Berry, Harris, Garlick, Matthews, McGarry, Church, Bright, Reeves and Stroder Surveys in Navarro County, Texas, for the benefit of Armadillo Solar Center LLC. A public hearing will be held on Monday, June 8, 2020, at 10:00 a.m. prior to the Commissioners voting on the matter.

2020-666  
FILED FOR RECORD  
AT 3:45 O'CLOCK P.M.

MAY 29 2020

SHERRY DOWD, County Clerk  
NAVARRO COUNTY, TEXAS  
BY LO DEPUTY



887

Order No. \_\_\_\_\_

**AN ORDER OF THE COMMISSIONERS OF NAVARRO COUNTY, TO CREATE AND DESIGNATE REINVESTMENT ZONE 20-101 PURSUANT TO CHAPTER 312, TEXAS TAX CODE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Commissioners of Navarro County, Texas (the "County") desire to promote the development of a certain area within its jurisdiction by designating it a reinvestment zone; and

**WHEREAS**, the Commissioners desire to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in areas of the County and to provide employment to residents of the County; and

**WHEREAS**, the Commissioners desire to promote the development or redevelopment of a certain geographic area within its jurisdiction by the creation of a reinvestment zone for commercial/industrial reinvestment, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code (the "Act"); and

**WHEREAS**, the County held a public hearing on April 13, 2020, after publishing notice of such hearing, and giving written notice to all taxing units overlapping the territory inside the proposed reinvestment zone; and

**WHEREAS**, the County, at such hearing, invited any interested person, or his attorney, to appear and contend for or against the creation of the reinvestment zone, whether all or part of the territory described in the ordinance calling such hearing should be included in such proposed reinvestment zone, and considered the concept of tax abatement; and

**WHEREAS**, by the approval of a Resolution on October 22, 2018, the County has approved Tax Abatement Guidelines, Criteria and Policies; and

**WHEREAS**, it is the belief of the County that the premises do not include any property that is owned or leased by a member of the Commissioners Court or any other board or commission of the County having responsibility for the approval of the agreement. The parties recognize, and understand, that any property so owned is excluded by law from the property tax abatement.

**NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSIONERS COURT OF NAVARRO COUNTY TEXAS, THAT:**

**SECTION 1.**

**FINDINGS OF COMMISSIONERS**

The County, after conducting such hearings and having heard such evidence and testimony, has made the following finding and determinations based upon the testimony presented to it:

- A. That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by

law and delivered to all taxing units overlapping the territory inside the proposed reinvestment zone; and

- B. That the boundaries of the reinvestment zone should be described and depicted in the attached Exhibit "A and B"; and
- C. That the creation of the reinvestment zone for commercial/industrial tax abatement with the boundaries as described in Exhibits "A and B" will result in benefits to the County and to the land included in the zone, the improvements sought are feasible and practical, and would be a benefit to the land included in the reinvestment zone after the expiration of an agreement entered into under Section 312.204 of the Act; and
- D. That the reinvestment zone defined in Exhibits "A and B" meets the criteria for the creation of a reinvestment zone as set forth in Section 312.201 of the Act; and
- E. That it would reasonably be likely, as a result of the designation, to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would contribute to the economic development of the county.

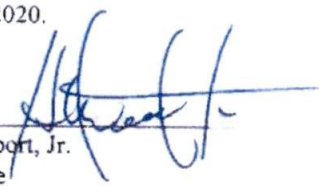
**SECTION 2.**

This Resolution shall become effective from and after its passage.

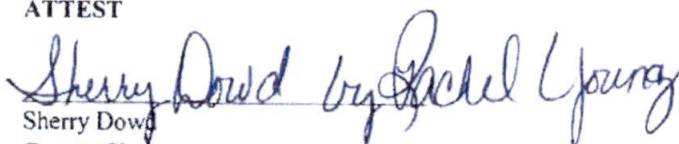
**SECTION 3.**

The zone shall take effect on the effective date of this Resolution and shall be in effect for five (5) years from that date, unless a longer period is authorized by law.

PASSED and APPROVED on this 8 day of June 2020.

  
 H.M. Davenport, Jr.  
 County Judge

**ATTEST**

  
 Sherry Dowd  
 County Clerk

- EXHIBITS ATTACED:**
- A. Location Map
  - B. Description

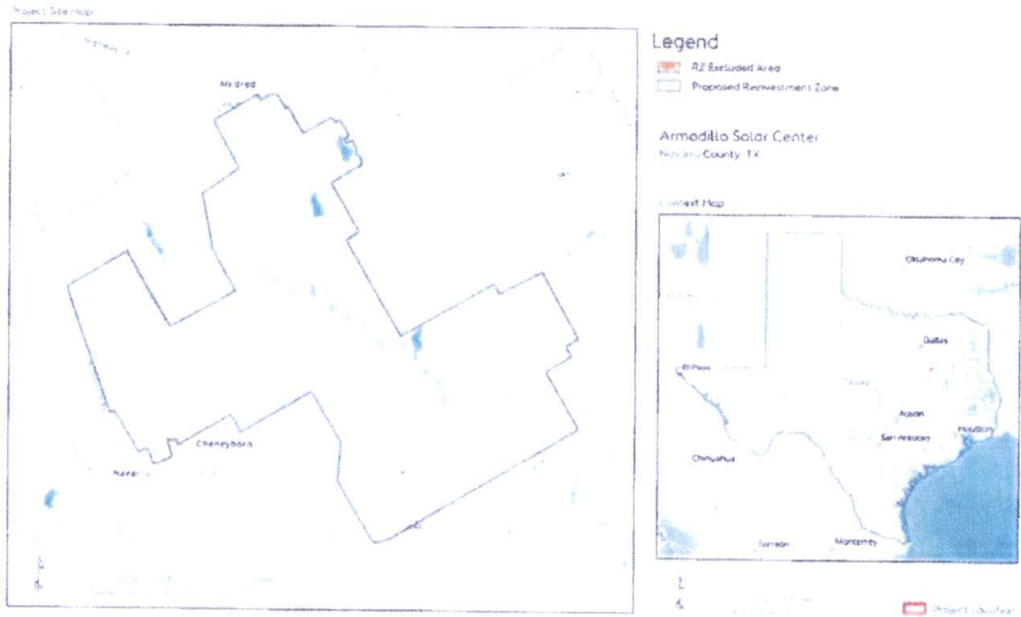


# Exhibit A

Map of the area to be included in the reinvestment zone

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## Proposed Reinvestment Zone for Armadillo Solar Center LLC



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**Exhibit B**  
 Legal description of the reinvestment zone

Grantee	SURVEY	ABSTRACT	COUNTY
F SHRIVER	JOHN WHITE	737	NAVARRO
JOHN WERNER	J WERNER	906	NAVARRO
J BARRY	JAMES B BARRY	93	NAVARRO
J HARRIS	JOHN HARRIS	336	NAVARRO
H GARLICK	HENRY GARLICK	315	NAVARRO
E GARLICK	EDWIN GARLICK	314	NAVARRO
J MATTHEWS	JAMES D MATTHEWS	537	NAVARRO
D MCGARY	DH MCGARY	590	NAVARRO
T CHURCH	THOMAS CHURCH	194	NAVARRO
S BRIGHT	SD BIRGHT	134	NAVARRO
S REEVES	SAMUEL P REEVES	688	NAVARRO
J STRODER	JOHN STRODER	786	NAVARRO

Acres	Parcel ID	Landowner
113.03	43954	Mike Miller, Vic Miller, Rhonda Sherman
50.89	44237	Mike Miller, Vic Miller, Rhonda Sherman
7.6	36382	Mike Miller, Vic Miller, Rhonda Sherman
91.609	42914	Mike Miller, Vic Miller, Rhonda Sherman
3	42476	Mike Miller, Vic Miller, Andra Miller
119.5	43955	Andra Miller
138.638	85945	Scott Miller, Stacy Rogers, Suzanne Keck
14.77	42403	Scott Miller, Stacy Rogers, Suzanne Keck
559.1	42389	Peggy Herod
38.95	43943	Peggy Herod
46	43944	Peggy Herod
85.47	43942	Peggy Herod
121.5	42388	Peggy Herod
10	57426	Peggy Herod
80	57425	Peggy Herod
81.49	43953	W&J Solar Properties, LLC
6	42392	W&J Solar Properties, LLC
150	42402	W&J Solar Properties, LLC
136	42404	W&J Solar Properties, LLC
40.45	42365	Chad Kindle
47	42370	Chad Kindle
52.5	42900	Chad Kindle
166.912	42361	Chad Kindle
100	42363	Chad Kindle
63	42362	Chad Kindle
8.85	42391	Chad Kindle
3.355	50176	Richard & Stephanie Mcvay

891

**Exhibit B**

Parcel ID's included in the Reinvestment Zone

Acres	Parcel ID	Landowner
113.03	43954	Mike Miller, Vic Miller, Rhonda Sherman
50.89	44237	Mike Miller, Vic Miller, Rhonda Sherman
7.6	36382	Mike Miller, Vic Miller, Rhonda Sherman
91.609	42914	Mike Miller, Vic Miller, Rhonda Sherman
3	42476	Mike Miller, Vic Miller, Andra Miller
119.5	43955	Andra Miller
138.638	85945	Scott Miller, Stacy Rogers, Suzanne Keck
14.77	42403	Scott Miller, Stacy Rogers, Suzanne Keck
559.1	42389	Peggy Herod
38.95	43943	Peggy Herod
45	43944	Peggy Herod
85.47	43942	Peggy Herod
121.5	42388	Peggy Herod
10	57426	Peggy Herod
80	57425	Peggy Herod
81.49	43953	W&J Solar Properties, LLC
6	42392	W&J Solar Properties, LLC
150	42402	W&J Solar Properties, LLC
136	42404	W&J Solar Properties, LLC
40.45	42365	Chad Kindle
47	42370	Chad Kindle
52.5	42900	Chad Kindle
166.912	42361	Chad Kindle
100	42363	Chad Kindle
63	42362	Chad Kindle
8.85	42391	Chad Kindle
3.355	50176	Richard & Stephanie Mcvay

**Attachment B**

Attached is a copy of the Guidelines and Criteria.

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RESOLUTION NO. 2020.09

**A RESOLUTION OF THE COUNTY OF NAVARRO, TEXAS REESTABLISHING THE CURRENT TAX ABATEMENT POLICY GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN REINVESTMENT ZONES CREATED BY THE CITY OF CORSICANA, TEXAS OR OTHER AUTHORIZED TAXING JURISDICTION; ELECTING TO PARTICIPATE IN TAX ABATEMENTS; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 312 of the Texas Tax Code requires that a taxing unit adopt a resolution stating that it elects to become eligible to participate in tax abatement; and

**WHEREAS**, Chapter 312 of the Texas Tax Code requires cities, which elect to participate in tax abatement programs, to establish guidelines and criteria governing the designation of reinvestment zones and tax abatement programs prior to granting any future tax abatement; and

**WHEREAS**, to assure a common coordinated effort to promote economic development with the City of Corsicana, the Guidelines and Criteria should be adopted; and

**WHEREAS**, any tax incentives offered by Navarro County should be limited to those companies that create new wealth within the Navarro County; and

**WHEREAS**, Navarro County reestablishes the previous Tax Abatement Policy approved and adopted on October 22, 2020.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF NAVARRO COUNTY, TEXAS THAT:**

**SECTION 1.**

The Tax Abatement Guidelines, Criteria and Policy for the Navarro County, Texas attached hereto as Exhibit "A" is hereby reestablished as the guidelines and criteria governing tax abatement in Navarro County. The Tax Abatement Guidelines, Criteria and policy shall be effective for two (2) years from the date of this resolution, and may be amended or repealed by a vote of three-fourths (3/4) of the members of the Commissioners Court. The Commissioners Court hereby elects to participate in tax abatements.

**SECTION 2.**

This resolution shall become effective upon passage.

**PASSED** and **APPROVED** by majority vote of the Commissioners Court of Navarro County, Texas, this **12th** day of **October, 2020**.



ATTEST:

Sherry Dowd  
Sherry Dowd, County Clerk

APPROVED:

H.M. Davenport, Jr.  
H.M. Davenport, Jr., County Judge

**EXHIBIT A**

**TAX ABATEMENT GUIDELINES, CRITERIA AND POLICY  
NAVARRO COUNTY, TEXAS**

**SECTION I. AUTHORITY, PURPOSE AND OBJECTIVES**

- 1.01 Navarro County is committed to the promotion of high quality development in all parts of the County; and to ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, Navarro County will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in Navarro County. It is the policy of Navarro County to make available tax abatement for both new facilities and for the expansion or modernization of existing buildings or structures. For the purpose of establishing a policy on economic development incentives, and pursuant to Chapter 312 of the Texas Property Tax Code, Navarro County, Texas (hereinafter referred to as "County") is authorized to designate Reinvestment Zones and to enter into tax abatement agreements in all areas of the County.
  - 1.02 Section 312.002 of the Texas Property Tax Code requires that the County establish guidelines and criteria governing tax abatement agreements. These guidelines and criteria are for the purpose of promoting the efficient and reasonably consistent administration of tax abatement incentives. These guidelines are effective for two (2) years from the date adopted by the Commissioners Court for Navarro County (hereinafter referred to as "Commissioners Court").
  - 1.03 These guidelines and criteria, and the procedures established herein, do not:
    - a. Limit the discretion of the Commissioners Court to decide whether to enter into a specific tax abatement agreement,
    - b. Limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether or not the Commissioners Court should consider a particular application or request for tax abatement, and
    - c. Create any property right, contract right or other legal right to any person, or firm, or corporation to have the Commissioners Court consider or grant a specific application for a specific request for tax abatement.
  - 1.04 The County is committed to the promotion of quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the County will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in the County. It is the policy on economic development incentives for the County that said consideration will be provided in accordance with the guidelines, criteria and procedures outlined in this document. Nothing herein shall imply or suggest that the County is under any obligation to provide any incentive to any applicant. All applicants shall be considered on a case-by-case basis.
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## SECTION 2. DEFINITIONS

- 2.01 **"Abatement"** means the full or partial exemption from ad valorem taxes of certain real property values and/or tangible personal property values in a reinvestment or enterprise zone designated by the County for economic development purposes.
- 2.02 **"Agreement"** means a contractual agreement between a property owner and/or lessee and the County.
- 2.03 **"Base Year"** means the calendar year in which the abatement contract is executed (signed).
- 2.04 **"Base Year Value"** means the assessed value of eligible property January 1 preceding the execution of the agreement plus the value of eligible property improvements and Tangible Personal Property made after January 1, but before the execution of the Agreement, and which property is owned by the owner, co-owner, and/or its parent companies, subsidiaries, partners, co-venturers, or any entity exercising control over the owner or subject to control by the owner.
- 2.05 **"Deferred Maintenance"** means improvements necessary for continued operation which that do not improve productivity, or alter the process technology, reduce pollution or conserve resources.
- 2.06 **"Eligible Facilities"** or **"Eligible Projects"** means new, expanded or modernized buildings and structures, tangible personal property as defined in the Texas Tax Code, 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 within the County, including facilities which are intended primarily to provide goods and/or services to residents or existing businesses located in the County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to, industrial buildings and warehouses. Eligible facilities may also include facilities designed to serve a regional population greater than the County for medical, scientific, recreational or other purposes.
- 2.07 **"Expansion"** means the addition of buildings, structures, machinery, tangible personal property, equipment, payroll or other taxable value for purposes of increasing production capacity; and/or, a property previously undeveloped which is placed into service by means other than expansion or modernization.
- 2.08 **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment.
- 2.09 **"New Facility"** means a property previously undeveloped which is placed into service by means other than in conjunction with Expansion or Modernization.
- 2.10 **"Productive Life"** means the number of years a property improvement is expected to be in service in a facility.
-

- 2.11 **"Tangible Personal Property"** means tangible personal property classified as such under state law, but excluding inventory and/or supplies and tangible personal property that was located in the investment or enterprise zone at any time before the period covered by the agreement with the County.

### SECTION 3. REINVESTMENT ZONE DESIGNATION

- 3.01 A Reinvestment Zone may only be designated in accordance with Subchapter B of Chapter 312 of the Texas Property Tax Code, as amended. The procedures set forth in this section apply to County-created reinvestment zones.
- 3.02 A Reinvestment Zone under § 312.201 of the Texas Property Tax Code may by ordinance be designated by the Commissioners Court, in an area of the County, that is found by the County to satisfy the requirements of § 312.202 of the Texas Property Tax Code.
- 3.03 An area may be designated as a Reinvestment Zone if the Commissioners Court, after a public hearing on the proposed designation, finds that the designation would contribute to the retention or expansion of primary employment within the County or would attract major investment in the Reinvestment Zone and would contribute to the economic development of the County.
- 3.04 A public hearing on the proposed Reinvestment Zone designation must be held prior to the findings and action of the Commissioners Court on the proposal. At this hearing, all interested persons are entitled to speak and present evidence for or against the designation. Not later than the seventh (7<sup>th</sup>) day before the date of the public hearing, notice of the public hearing shall be: (1) published in a notice in a newspaper having general circulation in the County, and (2) delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the Reinvestment Zone. The public hearing must also be posted as an agenda item on the Commissioners Court agenda to comply with the Tax Code and the Texas Open Meetings Act.
- 3.05 A delivered notice made under subsection 3.04 in the paragraph above is presumed to be delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.
- 3.06 If the Commissioners Court finds that designation of the area as a Reinvestment Zone is proper, such proposed designation shall be put to a vote of the Commissioners Court, and will pass if a majority of the members of the Commissioners Court in attendance vote to approve the designation.
- 3.07 The ordinance of the Commissioners Court designating the area as a Reinvestment Zone (Zone) shall contain a description of the boundaries of the Zone and the eligibility of the zone for residential tax abatement, or commercial-industrial tax abatement, or tax increment financing as provided for in Chapter 311 of the Texas Property Tax Code.
- 3.08 The designation of the Reinvestment Zone may be for a period of up to five (5) years. No designation shall exceed five (5) years, and may be for a shorter period at the discretion of
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the Commissioners Court. The designation shall automatically expire five (5) years after the date of the designation unless renewed by the Commissioners Court for subsequent periods not to exceed five (5) years each. Pursuant to § 312.203 of the Texas Property Tax Code, the expiration of the designation of a Reinvestment Zone does not affect an existing tax abatement.

- 3.09 Designation of an area as an Enterprise Zone under the Texas Enterprise Zone Act (Chapter 2303, Government Code) constitutes designation of the area as a Reinvestment Zone without further hearing or other procedural requirements other than those set out in the Texas Enterprise Zone Act.
- 3.10 Pursuant to § 312.002 and § 312.204(a) of the Texas Property Tax Code, the County may agree in writing with the owner of taxable real property that is located in a reinvestment zone, but that is not in an improvement project financed by tax increment bonds, to exempt from taxation a portion of the value of the real property or of tangible personal property located on the real property, or both, for a period not to exceed ten (10) years, on the condition that the owner of the property make specific improvements or repairs to the property.
- 3.11 Section 312.204(b) of the Texas Property Tax Code requires that the agreements made with the owners of property in a reinvestment zone contain identical terms for the portion of the value of the property that is to be exempt and the duration of the exemption.

#### SECTION 4. ABATEMENT AUTHORIZED

- 4.01 Tax Abatement is authorized, subject to the approval of the Commissioners Court and execution of a lawful tax abatement agreement, for properties located within a Reinvestment Zone designated by the Commissioners Court or other authorized taxing jurisdiction.
  - 4.02 Authorized Facilities: Tax abatement may be granted for new facilities and for expansion or modernization of existing facilities. The Productive Life of a facility or improvements must exceed the life of the tax abatement agreement.
  - 4.03 Eligible Property: Tax abatement may be granted for Eligible Facilities or Projects and increased value to real property or tangible personal property to the extent allowed by state law.
  - 4.04 Value of Abatement: Eligible Facilities may be granted abatement on all or a portion of the increased value of eligible property over the Base Year for a period to be determined by the Commissioners Court. Taxes may be abated for real property or improvements, to the extent that the value of the real property exceeds the value for the Base Year. Taxes on eligible Tangible Personal Property may be abated to the extent of additions, but cannot be abated for Tangible Personal Property located on the real property at any time before the period covered by the tax abatement agreement, and cannot be abated for inventory and supplies.
  - 4.05 Pursuant to § 312.007 of the Texas Property Tax Code, public notice of a meeting at which the governing body will consider approval of a tax abatement agreement with a property owner must contain:
    - (1) the name of the property owner and the name of the applicant for the tax abatement agreement;
    - (2) the name and location of the reinvestment zone in which the property subject to the agreement is located;
-

- (3) a general description of the nature of the improvements in which the property subject to the agreement is located;
- (4) the estimated cost of the improvements.

The notice required in this section must be provided at least 30 days prior to the scheduled meeting.

#### SECTION 5. CRITERIA FOR TAX ABATEMENT

- 5.01 The following threshold criteria shall be used to determine whether any tax abatement incentives shall be considered:
- a. The project must create an investment of at least five hundred thousand dollars (\$500,000.00) in property improvements or in personal property must be made, not including purchase price of the land.
  - b. At the discretion of the Commissioners Court, a partial (investment pro-rated) tax abatement may be granted in the event the project does not create a capital investment of at least five hundred thousand dollars (\$500,000.00) in property improvements or in personal property, but other threshold requirements must be met.
  - c. The project must create at least fifteen (15) new, full time equivalent jobs (40 hours per week).
  - d. A partial (employment pro-rated) tax abatement may be granted in the event the project does not create at least fifteen (15) new, full time jobs, but other threshold requirements must be met. The partial (employment pro-rated) tax abatement shall be calculated as a ratio of actual new, full time jobs created (numerator) and the threshold employment level (fifteen [15] new jobs) (denominator) multiplied by the percentage tax abatement granted for the capital investment and the creation of fifteen (15) new jobs.
  - e. The project must obtain all required permits and meet all relevant planning and zoning requirements as applicable.
- 5.02 In addition to the minimum requirements stated above, the following subjective criteria shall be considered prior to granting any economic development incentive:
- a. Is the project consistent with the preferred development or redevelopment of the County?
  - b. What types and cost of public improvements and services (roads, bridges, etc.) will be required of the County? What types and values of public improvements, if any, will be made by the applicant?
  - c. What impact will the project have on the local consumer and business communities?
-

- d. How many full time jobs directly and indirectly are created by the Company?

#### **SECTION 6. DISCRETION OF THE COUNTY**

- 6.01 It is the policy of the County to customize offers of economic development incentives on a case-by-case basis. The individualized design of a total incentive package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the County to better respond to the changing needs of the community.
- 6.02 The criteria outlined in Section 5 above will be used to determine whether it is in the best interest of the County to provide any economic development incentives to a particular applicant. The degree to which the specified project furthers goals and objectives of the County and the relative impact of the specified project will be used to determine the total value of the incentives provided. As a general rule, no tax abatement will be provided to any applicant in an amount exceeding the value of the following:
- a. No incentive shall be provided which abates taxes on real property or personal property by more than a total of five hundred percent (500%) over ten (10) years of the specific project (i.e., 50% level of abatement for a term of 10 years). For capital investments greater than \$500 million, the Commissioners Court may at their discretion, consider granting abatements up to a total of seven hundred percent (700%) over ten (10) years.
  - b. An Eligible Project located within the boundaries of County that meets all tax abatement criteria stated herein is eligible for, but not entitled to, the maximum tax abatement.

#### **SECTION 7. APPLICATION PROCEDURES**

- 7.01 Any developer desiring that the County consider providing economic development incentives to encourage location of an Eligible Project within the County shall be required to comply with the following application procedures and process. However, nothing within these guidelines shall imply or suggest that the County is under any obligation to provide any incentive to any applicant.
- 7.02 Applicant shall file an application for tax abatement (Exhibit 1) with the County which shall include at least the following information to be considered, if applicable, in the determination whether to grant tax abatement.
- a. A cover letter on Company letterhead addressed to the County Judge from the Company signed by a corporate officer requesting tax abatement consideration by the Commissioners Court.
  - b. A survey plat showing the precise location of the property, all roadways proximate to the site, and all existing zoning (as applicable) and land uses proximate to the site.
-

- c. A metes and bounds legal description of the property considered for designation as a reinvestment zone.
  - d. A completed *Application for Tax Abatement* consisting of the following data and information:
    1. Date of application;
    2. Name of firm, partnership, or corporation and mailing address;
      - (a) Previous tax abatement received from County (Yes/No);
      - (b) If previous abatement has been received, date it was received
    3. Number of new full time (40 hour work week) employees to be added;
    4. Number of acres of property to be developed
      - (a) Plat of property and development or site plan attachment (Yes/No);
    5. Estimated value of existing real property to be developed;
    6. Estimated value of real property improvements;
    7. Estimated value of existing inventory;
    8. Estimated value of inventory to be added;
    9. Estimated value of existing personal property;
    10. Estimated value of taxable personal property improvements;
    11. Total estimated value of taxable investment to be made;
    12. Description of public services for project development and new facilities and/or services required;
    13. Development schedule for all improvements;
    14. Estimate impact on the local school district(s);
    15. Expected benefit to the local economy;
    16. Estimated annual payroll of new employees;
    17. Description or product to manufactured or distributed;
    18. Expected Productive Life of all real property improvements;
-

19. Identification and quantity of all pollutants and emissions;
  20. Certification of no materially adverse environmental impact as a result of the improvements and operations;
  21. Certification that project is compliant with relevant zoning requirements;
  22. Declaration by company official with signature that all information provided is correct.
  23. Reasonable proof of financial ability.
  24. References from past communities, if applicable.
- c. An environmental compliance letter (Exhibit 2) addressed to the County Judge written on company letterhead and signed by a company official confirming that the proposed project will fully comply with all requirements and regulations from the U.S. Environmental Protection Agency, Texas Commission on Environmental Quality, and all local environmental requirements, regulations, and codes.

#### SECTION 8. ABATEMENT AGREEMENT

- 8.01 Not later than the seventh (7<sup>th</sup>) day before the date on which the County enters into the tax abatement agreement (Agreement), the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property is located a written notice that the County intends to enter into the Agreement. The notice shall include a copy of the prepared Agreement.
- 8.02 The County shall formally pass a resolution authorizing the execution of an agreement with the owner (hereinafter referred to as Company). The Agreement shall contain at least:
- a. The Base Year Value;
  - b. The percent of value to be abated each year;
  - c. The commencement date and the termination date of abatement;
  - d. The proposed use of the facility, property survey and property description, and list of property improvements;
  - e. Contractual obligations in the event of default;
  - f. A provision for access to and authorization for inspection of the property by County employees to make certain the improvements or repairs are being made according to the specifications and conditions of the agreement;
-

- g. A provision for access to and authorization for inspection by appraisal district representatives for ad valorem property tax appraisal for all real property, improvements to real property, tangible personal property, inventory and equipment.
- h. The limitations on the uses of the property consistent with the general purpose of encouraging development and/or redevelopment of the zone during the period that property tax exemptions are in effect;
- i. A provision for recapturing property tax revenue lost as a result of the agreement in accordance with Section 9;
- j. A provision that all permanent jobs be registered with the Texas Workforce Commission and that all contractors be encouraged to seek qualified workers through the Texas Workforce Commission;
- k. Each and every term and condition agreed to by the County and the Company;
- l. A requirement that the Company certify annually to governing body of each taxing unit granting tax abatement is in compliance with applicable terms and conditions of the agreement; and
- m. All terms required by Texas Property Tax Code § 312.205, as amended, and any other terms deemed appropriate by the Commissioners Court.

#### **SECTION 9. RECAPTURE OF TAXES AND TERMINATION OF AGREEMENT**

- 9.01 The Commissioners Court shall have the authority to require recapture of all taxes abated in the event the Company violates any term or condition of the Agreement.
  - 9.02 In the event that the facility is completed and begins operation as required by the Agreement, but during the term of the Agreement subsequently discontinues such operation, or fails to maintain property values as required by the Agreement, for any reason excepting fire, explosion, or other casualty or accident or natural disaster, then the Agreement may terminate and all taxes previously abated by virtue of the Agreement shall be recaptured and paid to the County within sixty (60) days of the termination.
  - 9.03 In the event that the company or individual:
    - a. allows its ad valorem taxes owed the County or other affected jurisdiction to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
    - b. fails to make improvements or repairs as provided in the Agreement, the Agreement then shall be terminated and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within sixty (60) days of the termination.
  - 9.04 Should the County determine that the Company or individual is in default according to the terms and conditions of the abatement agreement, the County shall notify the company or individual, in
-



writing, at the address stated in the agreement, and if such non-compliance is not resolved within sixty (60) days from the date of such notice, then the agreement shall be terminated.

#### **SECTION 10. AMENDMENTS TO THESE GUIDELINES AND CRITERIA**

The guidelines and criteria adopted herein shall not be amended or repealed except by three-fourths (3/4<sup>th</sup>) vote of the Commissioners Court.

#### **SECTION 11. EFFECTIVE DATE**

These guidelines and criteria adopted herein shall be effective from the date of passage and remain effective for two (2) years from such date of adoption, unless otherwise repealed or amended by a three-fourths (3/4) vote of the Commissioners Court for the Navarro County, Texas.

#### **EXHIBITS:**

1. Application for Tax Abatement
  2. Sample Environmental Compliance Letter
-

## EXHIBIT 1 – APPLICATION FOR TAX ABATEMENT

2020 APPLICATION FOR TAX ABATEMENT											
<b>Instructions:</b> Please print or type. Submit the completed and signed original copy of the 2020 Application for Tax Abatement with attachments to: The City of Corsicana Economic Development Department, 200 North 12th Street, Corsicana, Texas 75110											
1 Date _____											
2 Name of Firm, Partnership or Corporation and mailing address Please print or type <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	2a Have you received a previous tax abatement from the City of Corsicana? <input type="checkbox"/> YES <input type="checkbox"/> NO (YES/NO)  2b If yes when? _____										
3 Number of new full-time employees to be added <i>(A minimum of 15 new full-time (e.g. 40 hours/week) jobs are required)</i>	<input style="width: 100%;" type="text"/>										
4 Number of acres of property to be developed	<input style="width: 100%;" type="text"/>										
4a Plat of property and Development or Site Plan attached? <i>(Official Property Survey with meters and bounds required)</i>	<input style="width: 100%;" type="text"/> (YES/NO)										
5 Estimated value of existing real property to be developed	\$ <input style="width: 100%;" type="text"/>										
6 Estimated value of real property improvements <i>(A minimum \$500,000 investment required, unless otherwise approved by City Council)</i>	\$ <input style="width: 100%;" type="text"/>										
7 Estimated value of existing inventory	\$ <input style="width: 100%;" type="text"/>										
8 Estimated value of inventory to be added	\$ <input style="width: 100%;" type="text"/>										
9 Estimated value of existing personal property	\$ <input style="width: 100%;" type="text"/>										
10 Estimated value of taxable personal property improvements	\$ <input style="width: 100%;" type="text"/>										
11 Total estimated value of new taxable investment to be made (Total of items 4, 6, 8 & 10)	\$ <input style="width: 100%;" type="text"/>										
12 Description of real property improvements to be made	<div style="border: 1px solid black; height: 50px;"></div>										
12 Description of Public Services available for project development and new facilities and / or services required	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">Water</td><td></td></tr> <tr><td>Wastewater</td><td></td></tr> <tr><td>Railways</td><td></td></tr> <tr><td>Natural Gas</td><td></td></tr> <tr><td>Electricity</td><td></td></tr> </table>	Water		Wastewater		Railways		Natural Gas		Electricity	
Water											
Wastewater											
Railways											
Natural Gas											
Electricity											
13 One Year Development Schedule for all improvements	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">1st Quarter</td><td></td></tr> <tr><td>2nd Quarter</td><td></td></tr> <tr><td>3rd Quarter</td><td></td></tr> <tr><td>4th Quarter</td><td></td></tr> </table>	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter			
1st Quarter											
2nd Quarter											
3rd Quarter											
4th Quarter											
<small>* Qualification for providing new employees is determined on a case-by-case basis.            The City of Corsicana Economic Development Department            200 North 12th Street, Corsicana, Texas 75110</small>											

**2020 APPLICATION FOR TAX ABATEMENT (Page 2)**

14. Expected impact on the Corsicana Independent School District

15. Expected benefit to the local economy

16. Estimated annual payroll of new employees

17. Description of product to be manufactured or distributed

18. Expected productive life of all real property improvements

19. Identification and quantity of all Pollutants and Emissions

TYPE	QUANTITY
AIR	
NOISE	
SOLID WASTE	
WASTEWATER	

20. Certification of no materially adverse environmental impact as a result of the improvements and operations

21. Project in compliance with relevant zoning requirements

22. Reasonable proof of financial ability

23. References from past communities, if applicable

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief

**sign here >**

Phone:  Date:

Submitted By (Please Print)	
Name	<input type="text"/>
Title	<input type="text"/>
Date	<input type="text"/>

Received by the City of Corsicana	
Name	<input type="text"/>
Title	<input type="text"/>
Date	<input type="text"/>

EXHIBIT 2 – SAMPLE ENVIRONMENTAL COMPLIANCE LETTER

CORPORATION  
LETTERHEAD

DATE

H.M. Davenport, Jr.  
County Judge  
Navarro County, Texas  
300 West 3<sup>rd</sup> Avenue  
Corsicana, TX 75110

Dear Judge Davenport:

The purpose of this correspondence is to provide assurances that the planned (approximate dollar value) expansion of (Company) at its Navarro County, Texas location will have no unacceptable environmental impact according to the Environmental Protection Agency (EPA, Texas Commission on Environmental Quality (TCEQ), and the Navarro County, Texas codes, guidelines and environmental regulations.

Sincerely,

(Signature block)

---

## **Attachment C**

### **Description of the Site**

Armadillo Solar Center, LLC plans to construct a 175-200 MW solar farm (the "Project") in Navarro County. All qualified property in the reinvestment zone and project boundary is within Mildred ISD.

Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and the inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed.

Construction of the project will include, but is not limited to, the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery system, underground conduit, communication cables, electric collection system wiring, combiner boxes, DC-to-AC converter stations, a project substation including breakers, a transformer, and meters, overhead transmission lines, inverter boxes on concrete pads, operations and maintenance facility, fencing for safety and security, telephone and internet communication system, access and service roads, and meteorological equipment to measure solar radiation and weather conditions.

# Attachment D

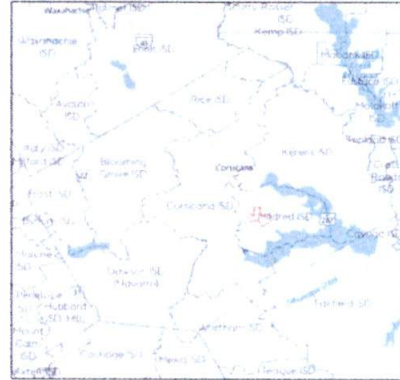
## Map of the Site



### Legend

- Point of Interconnection
- - - Project Transmission
- Parcels
- Solar Panel Layout
- RZ Excluded Area
- Proposed Reinvestment Zone

### Vicinity Map



- ISD Boundary
- Project Location

# Attachment E

## Application for Tax Abatement

2018 APPLICATION FOR TAX ABATEMENT	
<b>Instructions:</b> Please print or type. Submit the completed and signed original copy of the 2014 Application for Tax Abatement attachments to: The City of Corsicana Economic Development Department, 200 North 12th Street, Corsicana, Texas 751	
1. Date	11-Sep-20
2. Name of Firm, Partnership or Corporation and mailing address. Have you received a previous tax abatement from the City of Corsicana?	
Please print or type: Armadillo Solar Center, LLC 812 San Antonio, Suite 500 Austin, TX 7870	No
2b. If yes, when?	
3. Number of new full time employees to be added <input type="text" value="2 FT, 200 construction"/> (A minimum of 16 new, full-time [e.g. 40 hours/week] jobs are required.)	
4. Number of acres of property to be developed <input type="text" value="-2368"/>	
4a. Plat of property and Development or Site Plan attached? <input type="text" value="Yes"/> (Official Property Survey with metes and bounds required)	
5. Estimated value of existing real property to be developed <input type="text"/>	
6. Estimated value of real property improvements <input type="text" value="0"/> (A minimum \$500,000.00 investment required, unless otherwise approved by City Council)	
7. Estimated value of existing inventory <input type="text" value="0.00"/>	
8. Estimated value of inventory to be added <input type="text" value="0.00"/>	
9. Estimated value of existing personal property <input type="text" value="0.00"/>	
10. Estimated value of taxable personal property improvements <input type="text" value="204,250,000.00"/>	
11. Total estimated value of new taxable investment to be made (Total <input type="text" value="204,250,000"/>	
12. Description of real property improvements to be made:	

Amadillo Solar Center, LLC plans to construct a 200 MWac solar electric generating facility, Amadillo Solar Center, in Navajo County. The estimated total investment for the project is \$204,250,000.000. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and the inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed.

Construction of the project will include, but is not limited to, the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery system, underground conduit, communication cables, electric collection system wiring, combiner boxes, DC-to-AC converter stations, a project substation including breakers, a transformer, and meters, overhead transmission lines, inverter boxes on concrete pads, operations and maintenance facility, fencing for safety and security, telephone and internet communication system, access and service roads, and meteorological equipment to measure solar irradiation and weather conditions.

Amadillo Solar Center will be construction in the eastern portion of the county across approximately 26 parcels of leased land.

12. Description of Public Services available for project development and new facilities and / or services required.

Water:	TBD
Wastewater:	TBD
Railways:	TBD
Natural Gas:	TBD
Electricity:	TBD

13. One Year Development Schedule for all improvements.

1st Qtr	2022	Commencement of Construction
2nd Qtr	2023	Commercial Operations Commence
3rd Quarter:		
4th Quarter:		

\* Qualification for pro-rating new employees is determined on a case-by-case basis.



**2018 APPLICATION FOR TAX ABATEMENT (Page 2)**

14. Expected impact on the Corsicana Independent School District.

The establishment of Armadillo Solar Center, LLC will have no impact on Corsicana Independent School District, as 100% of the project is located in Midred Independent School District

15. Expected benefit to the local economy.

The Armadillo Solar Center will provide a significant economic boost to the local community over the life of the project. The project will generate stable income for project landowners and new tax revenue for the Midred Independent School District, Navarro County, Navarro College, and other taxing entities. The project will create at least 200 jobs during construction and will require ongoing support for operations and maintenance.

16. Estimated annual payroll of new employees.

Armadillo Solar Center, LLC estimates that the payroll will be over \$100,000 per year during operations.

17. Description of product to be manufactured or distributed.

solar-generated electricity

18. Expected productive life of all real property improvements.

There will be no real property improvements; however, the anticipated life of the solar facility is 35 years.

19. Identification and quantity of all Pollutants and Emissions:

TYPE	QUANTITY
AFC:	N/A
NOISE:	N/A
SOLID WASTE:	TBD
WASTEWATER:	TBD

20. Certification of no material adverse environmental impact as a result of the improvements and operations

Yes. See attached

21. Project in compliance with relevant zoning requirements.

Yes

22. Reasonable proof of financial ability.

Yes

23. References from past communities, if applicable.

TBD

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.

sign *Victoria Alexander*  
here >

Phone: 434-887-7889 9/1/20

Submitted By (Please Print)	
Name:	Victoria Alexander
Title:	Project Manager, Developer
Date:	11-Sep-20

Received by the City of Corsicana	
Name:	
Title:	
Date:	

For assistance in completing this form call the City of Corsicana, Texas - 903.654.4808. An Equal Opportunity Employer.

The City of Corsicana Economic Development Department  
209 North 12th Street, Corsicana, Texas 75110

## Attachment F

### Estimated Tax Schedule

Estimated Tax Schedule for Armadillo Solar Center LLC

Years	Estimated Taxable Value	County PILOT \$/MW	Road & Bridge PILOT #/MW	County + Road & Bridge Estimated PILOT (2023-2032) and Taxes (2033-2042)
2023	\$ 156,403,927.00	\$ 525.00	\$ 367.00	\$ 156,100.00
2024	\$ 134,688,169.00	\$ 525.00	\$ 367.00	\$ 156,100.00
2025	\$ 113,575,765.63	\$ 525.00	\$ 367.00	\$ 156,100.00
2026	\$ 93,570,703.63	\$ 525.00	\$ 367.00	\$ 156,100.00
2027	\$ 61,750,902.50	\$ 525.00	\$ 367.00	\$ 156,100.00
2028	\$ 48,052,110.31	\$ 525.00	\$ 367.00	\$ 156,100.00
2029	\$ 33,259,500.89	\$ 525.00	\$ 367.00	\$ 156,100.00
2030	\$ 25,020,625.00	\$ 525.00	\$ 367.00	\$ 156,100.00
2031	\$ 25,020,625.00	\$ 525.00	\$ 367.00	\$ 156,100.00
2032	\$ 25,020,625.00	\$ 525.00	\$ 367.00	\$ 156,100.00
2033	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2034	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2035	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2036	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2037	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2038	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2039	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2040	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2041	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46
2042	\$ 25,020,625.00	n/a	n/a	\$ 154,627.46

Total MW	175
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Attachment G

Copy of Environmental Impact Letter



Exhibit E

H.M. Davenport, Jr.  
County Judge  
Navarro County, Texas  
300 West 3<sup>rd</sup> Avenue  
Corsicana, TX 75110

Honorable Judge Davenport,

The purpose of this correspondence is to provide that the planned \$204,250,000 project of Armadillo Solar Center at its Navarro County, Texas location will have no unacceptable environmental impact according to the Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TCEQ), and the Navarro County, Texas codes, guidelines, and environmental regulations.

Armadillo Solar Center, LLC, a Delaware limited liability company  
By: Orsted Onshore Devco, LLC, a Delaware limited liability company  
By: Orsted Onshore North America, LLC, a Delaware limited liability company

By: 

Name: Philip Moore

Its: Sr. Vice President