

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN
 FORT BEND COUNTY AND
 CUTLASS SOLAR II LLC
 FORT BEND COUNTY REINVESTMENT ZONE 23**

This Tax Abatement Agreement hereinafter referred to as "Agreement," is executed by and between FORT BEND COUNTY, TEXAS (a taxing entity, hereinafter referred to as "County,") acting by and through its Commissioners' Court and **CUTLASS SOLAR II LLC** a current Owner of Eligible Property (as hereinafter defined) located near the intersection of FM 1994 and FM 361 which is within the contiguous boundaries of Fort Bend County Reinvestment Zone **23**.

I. Authorization and Findings:

- A. Fort Bend County is authorized to provide Tax Abatement benefits in accordance with the State of Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.
- B. Fort Bend County has adopted GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS and determined that this Owner's request for Tax Abatement conforms with those current Guidelines and Criteria;
- C. In accordance with the GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS currently approved by Commissioners Court, this Agreement shall be controlled by the Guidelines and Criteria adopted on February 26, 2019, (except as may otherwise be noted) because Owner first made application for abatement prior to the adoption of the 2021 Guidelines and Criteria;
- D. Reinvestment Zone No. **23** was created by Fort Bend County in accordance with Texas Tax Code, Chapter 312, and the Property subject to tax abatement under this Agreement is located within said Zone;
- E. Fort Bend County is authorized under Section 312.401 to execute a tax abatement agreement with the owner of Eligible Property located on Real Property in a County created reinvestment zone;
- F. No official of County has an interest in the property subject to this Agreement; and
- G. That the public notice required by Texas Tax Code Section 312.207 has been satisfied prior to the submission of this Agreement for consideration by this taxing entity.

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

- A. "Abatement" means the full or partial exemption from the ad valorem taxes imposed by Fort Bend County on certain property located in a reinvestment zone designated for economic development purposes.
- B. The "Certified Appraised Value" or "Value" appraised value of the Property, Improvements, Eligible Tangible Personal Property, or Ineligible Tangible Personal Property, as applicable, as certified by the Fort Bend Central Appraisal District, and such value for the Effective Tax Years set out in this Agreement.
- C. "County" means the County of Fort Bend, Texas.
- D. "Eligible Property" means that Property that may qualify for Abatement under this Agreement located in Reinvestment Zone 23, all as generally described in Exhibit 1, attached to and incorporated into this Agreement by reference.
- E. "Improvements" are as identified in the Texas Tax Code Chapter One.
- F. "Ineligible Property" means (i) land, (ii) improvements existing within the Reinvestment Zone prior to the effective date of this Agreement, (iii) Tangible Personal Property that the FBCAD classifies as inventory or supplies, (iv) real property used primarily to provide retail sales or services to the public, (v) real property used for residential purposes, (vi) tangible personal property classified as furnishings, (vii) tangible personal property located within the Reinvestment Zone prior to the effective date of this Agreement, (viii) real property with a productive life of less than 10 years, or (ix) any other property for which abatement is not allowed by state law or is not specifically included in the definitions herein for Eligible Property (Improvements and Personal Property).
- G. "Owner" means **CUTLASS SOLAR II LLC** or other person or entity to which this Agreement is assigned in accordance with the terms of this Agreement.
- H. "Personal Property" means property that is not Real Property and consists of intangible and tangible personal property. Intangible Personal Property means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share, account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill.
- I. "Tangible Personal Property" means Personal Property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

III. Subject Property:

- A. "Real Property" means the approximate 1,100 acre tract of land located near the

intersection of FM 1994 and FM 361 which is within the boundaries of Fort Bend County Reinvestment Zone 23, described in Exhibit 1, attached hereto and incorporated herein for all purposes.

- B. Owner intends to build or expand facilities on the Real Property. Owner also intends to locate Eligible Personal Property at the Premises.
- C. Eligible Property under this Agreement:
 - 1. The Eligible Property consists of Improvements and Personal Property used solely in the generation of renewable energy.
 - 2. The Personal Property to be Abated under this Agreement is equipment and machinery owned or leased by Owner, who is also Lessee of the Real Property, that are added to the Real Property subsequent to the execution of this Agreement and is collectively assigned an account number separate and apart from any other personal property by the FBCAD for appraisal purposes.
- D. The FBCAD has established the base year values for all property in the Reinvestment Zone as of January 1, 2021 ("Base Year").
- E. The FBCAD Certified Appraised Value of the Eligible Property each year of the abatement term will conform to the most recent provisions of Texas Tax Code 23.26 which, at the time of this Agreement, provides for (i) a ten year depreciation schedule on Eligible Property that meets the definition of "solar energy property" contained in Texas Tax Code 23.26, and (ii) a residual value of such Eligible Property in the tenth year of the abatement term to be not less than 20% of the certified cost of such Eligible Property provided to the County at completion of initial construction. An exact schedule of the resultant annual minimum cover annual amounts to qualify for the abatement cannot be stated as those commonly accepted costs and other index factors shall not be available to the FBCAD until each successive tax year. An example of these calculations can be viewed in Exhibit Five: Hypothetical Calculations Illustration.
- F. In the event that some of the Eligible Property does not fall within the definition of "solar energy property" in Texas Tax Code 23.26. Any such Eligible Property shall receive the same percentage abatement as the solar energy property but without the value reduction of Texas Tax Code 23.26.

IV. Term and Termination

- A. This Agreement is effective as of the date of execution hereof and shall continue through **DECEMBER 31, 2032**, unless terminated earlier, as provided elsewhere herein. In no event shall this Agreement extend beyond DECEMBER 31, 2032.
- B. Notwithstanding the foregoing, the Owner's obligations upon default to pay County any taxes abated under this Agreement, and penalty and interest thereon, as herein provided shall not terminate until the abated taxes, plus penalty and interest, are paid.
- C. In each year that this Agreement is in effect, the amount of Abatement shall be an

amount equal to the percentage indicated below of the taxes assessed upon the Eligible Property.

V. Value of Abatement:

- A. Subject to the limitations imposed by law and conditioned upon the representations made by Owner, there shall be granted and allowed hereunder an Abatement applicable to Owner on Eligible Property of Owner for the following years and in the following amounts based upon the Value of the Eligible Property:

Tax Year	Abatement Percentage
Year 1 (2023)	85%
Year 2 (2024)	85%
Year 3 (2025)	80%
Year 4 (2026)	80%
Year 5 (2027)	80%
Year 6 (2028)	70%
Year 7 (2029)	60%
Year 8 (2030)	50%
Year 9 (2031)	40%
Year 10 (2032)	20%

- B. The percentage abatement shown reflects the portion of value abated for Eligible Property located in the stated Reinvestment Zone.
- C. The Abatement granted shall not apply to any Ineligible Property.
- D. During the period that this Agreement is effective, the value of taxes shall be payable by the Owner as follows:
- The value of all property (Eligible and Ineligible Property), shall be determined in the Base Year and each year thereafter by the FBCAD.
 - The value of Ineligible Property shall be fully taxable.
 - The Value of Eligible Property shall be abated as set forth above.

VI. Responsibilities: In consideration of receiving the tax abatement granted herein,

Owner represents and agrees:

A. Performance Measures

Criteria	Required Deliverable	Documentation Required
Date by which Eligible Property will be delivered or constructed	DECEMBER 31, 2023	Owner shall provide certified statement to be provided with the minimum total project costs, as below
Minimum total project costs with respect to the Eligible Property by December 31, 2023	\$140,000,000	Owner shall provide the County's Director of Finance & Investments a certified statement for the total project costs with respect to the Eligible Property (excluding the cost of the Real Property) within thirty (30) days after completion of the Improvements
Minimum Certified Appraised Value for Eligible Property	SEE ATTACHED CHART EX. 5	Owner shall provide the County's Director of Finance & Investments a certified statement for the Minimum Certified Appraised Value each year during the Agreement

B. Additional Requirements

- i. Owner shall ensure that construction on or at the Real Property is in conformity with all applicable Regulations, Ordinances and Restrictions.

- ii. Owner shall ensure that use of the property is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; namely that the use will be as described in Exhibit 2.
 - iii. OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE FBCAD OF THE ABATEMENT, INCLUDING FILING WITH THE FBCAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.
 - iv. On or before September 1 of each year of this Agreement, Owner shall certify in writing to the Fort Bend County Budget Office compliance with each term of this Agreement by submission of the Annual Compliance Statement attached as Exhibit 3.
 - v. Owner shall ensure that taxes on all property owned by it in Fort Bend County are current. Delinquent taxes for any Fort Bend County property of Owner is a default of Owner and Owner's obligations hereunder and will be grounds for termination of this Agreement, regardless of whether the delinquent property is subject to an abatement under this Agreement.
- C. Owner shall annually furnish information necessary for Fort Bend County's evaluation of Applicant's compliance with the terms and conditions of the tax Abatement Agreement and these guidelines and criteria (in the form of an annual report/statement of compliance).
- D. 2021 Performance and 2019 Abatement Values:
- 1. The Parties acknowledge and agree that if the Performance Criteria identified above are not met, and an amendment is not approved and executed by County regarding the failure to meet the measures, that the abatement percentages in the May 28, 2019 Agreement with Cutlass Solar LLC shall be reduced from a total of 650% over 10 years to a total of 400% as shown here:

Tax Year	Reduced Abatement Percentage
Year 1 (2023)	65%
Year 2 (2024)	65%
Year 3 (2025)	60%
Year 4 (2026)	50%

Tax Year	Reduced Abatement Percentage
Year 5 (2027)	40%
Year 6 (2028)	40%
Year 7 (2029)	30%
Year 8 (2030)	20%
Year 9 (2031)	20%
Year 10 (2032)	10%

2. In the event that Owner meets all of the Performance Criteria described herein, there will be no impact to the 2019 Abatement values for failure to comply with the 2021 Performance Criteria.

VII. Administration

- A. This Agreement shall be administered in accordance with the GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS.
- B. Fort Bend Central Appraisal District annually determines an assessment of the real and personal property comprising the reinvestment zone. Each year, Owner shall furnish the FBCAD with such information as may be necessary for the Abatement. After value has been established, Fort Bend County receives the certified appraised value from the FBCAD.
- C. The Chief Appraiser of the FBCAD shall annually determine (1) the taxable value under the terms of this abatement of any Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Eligible Property located on the Real Property. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture of abated taxes.
- D. Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the Texas Tax Code as may be necessary for the administration of this Agreement. Such information shall also be provided annually to the Director of Finance & Investments in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.
- E. Upon completion of the construction, placement and/or installation of the Eligible Property, County shall annually evaluate the Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.

- F. Owner shall allow employees or other representatives of County who have been designated by Commissioner's Court to have reasonable access to the Real Property to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
 - i. Inspection shall be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility and in accordance with its safety standards;
 - i. Twenty-four (24) hours prior notice shall be given; and
 - ii. One or more representatives of the company or individual shall be present

VIII. Recapture/Default

- A. Failure to Commence Operation During Term of Agreement: In the event that the facility is not completed and does not begin operation by the January 1st following the completion of construction, no tax Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the owner of such a facility fails to begin operation by the next January 1st, then the tax Abatement Agreement shall terminate and all abated taxes shall be recaptured and paid within sixty (60) days of such termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- B. Discontinuance of Operations During Term of Agreement: In the event the facility is completed and begins operation, but subsequently discontinues operations during the term of the Agreement after the completion of construction, (i) for more than 120 consecutive days due to major equipment failure, renovation, or replacement; or (ii) for a temporary basis due to fire, explosion or other casualty or accident, pandemic, or natural disaster, the Agreement may be terminated by the Fort Bend County and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within sixty (60) days from the date of termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- C. Delinquent Taxes: In the event that the owner allows any ad valorem taxes to become delinquent on any property in Fort Bend County (whether abated or not) and fails to timely and properly follow the legal procedures for their protest and/or contest, the tax Abatement Agreement shall terminate and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- D. Performance Criteria: In the event that the owner fails to meet any other performance criteria provided by this Agreement, then this Agreement may

terminate and so shall the Abatement of the taxes for the tax year of the non-performance. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.

- E. Actual Capital Investment: Should County determine that the total level of capital investment in the Eligible Property is lower than provided in the Agreement, the County, at its sole discretion, reserves the right to adjust the tax Abatement percentage to reflect the actual capital investment as determined.
- F. Undocumented Workers. This paragraph is required by Chapter 2264, Texas Government Code and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, Texas Government Code. If Owner is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, County shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from County to Owner. In the event of termination under this paragraph (d), Owner shall repay to County the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes.
- G. Procedure for "other" default, not specified herein:
 - i. For a default of any other requirement of this Agreement not specifically identified in this Section "Recapture and Default" County will notify Owner of the default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure the default.
 - ii. If Owner fails to cure the default, County may terminate this Agreement by written notice. Any default notice issued in accordance this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN CANCELLATION OF THE TAX ABATEMENT AGREEMENT AND ACTION TO RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT.

- H. Owner's obligations upon termination to pay County monies owed for taxes abated, interest and penalties thereon shall survive termination of this

Agreement, and the County shall have a lien against the Owner's Real Property and any Improvements or Tangible Personal Property located thereon for the monies owed until paid.

IX. Notice

- A. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been hand delivered, deposited with a nationally recognized overnight courier, or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and certified, return receipt requested, in a United States Post Office, addressed to County and Owner and at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail.
- B. Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that any notice required to be given under the provisions of this Agreement may be made by e-mail provided that it shall also be given by one of the other methods for giving notice provided for herein.
- C. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or County at the following addresses:

**To the Director of
Finance & Investments:**

Fort Bend County
Director of
Finance & Investments
301 Jackson Street, Ste.
Richmond, Texas 77469

To County:

Fort Bend County
401 Jackson
Richmond, Texas 77469
Attention: County Judge

To Owner:

Cutlass Solar II LLC
Attn: Collin Brown, Director of Development
155 Federal Street, 17th Floor
Boston, MA 0210

- D. Any party may designate a different physical mailing or e-mail address by giving the other parties thirty (30) days prior written notice thereof.

X. Indemnity

- A. IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT OWNER IN PERFORMING OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND COUNTY ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THEREWITH TO THIRD PARTIES. OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE FBCAD FROM ANY AND ALL NON-OWNER CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S BREACH OF ITS OBLIGATIONS HEREUNDER. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION.
- B. The Parties expressly acknowledge that the County's authority to indemnify and hold harmless any third party is governed by Article XI, Section 7 of the Texas Constitution, and any provision that purports to require indemnification by the County is invalid. Nothing in this Agreement requires that the County incur debt, assess or collect funds, or create a sinking fund.

XI. Miscellaneous:

- A. Assignments- The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may be transferred or assigned by Owner only upon written permission by County, which permission shall not be unreasonably withheld. No assignment shall be approved if the assignor or assignee is indebted to the County for ad valorem taxes or other obligations. All requirements regarding assignments shall be governed by the Criteria and Guidelines currently adopted by Commissioners Court and will not be determined based on the date the application for abatement was received.
- B. Changes in Tax Laws. The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.
- C. Compliance with State and Local Regulations. Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any ordinance, rule, or regulation or law.
- D. Public Information. This Agreement is public information. To the extent, if any, that any provision of this Agreement is in conflict with the Texas Government

Code Chapter 552, as amended (the "Texas Public Information Act"), such provision shall be void and have no force or effect.

E. Severability and Reformation.

- i. Unless a deciding court applies subsection (ii), if any provision of this Agreement or the application thereof to any person or circumstance is ever judicially declared invalid, such provision shall be deemed severed from this Agreement, and the remaining portions of this Agreement shall remain in effect.
- ii. If any provision of this Agreement or the application thereof to any person or circumstance is prohibited by or invalid under applicable law, it shall be deemed modified to conform with the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any such other provision being prohibited or invalid.

F. Venue: This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

G. Prior Agreement: Except as expressly set forth herein, the terms of that certain Tax Abatement Agreement Between Fort Bend County and Cutlass Solar LLC dated May 28, 2019 as amended contemporaneously herewith (the "Prior Agreement") shall not apply to or control the terms of this Agreement or the contractual relationship of the parties hereto.

XII. Entire Agreement.

This executed instrument is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this agreement. Any oral representations or modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by all the parties hereto.

Attached hereto are:

Exhibit No.	Attachment:	Title:
Exhibit 1		RZ ORDER creating FBC RZ 23
	Attachment A	Legal Description
	Attachment B	a Legal description of Real Property (land) comprising the Reinvestment Zone 23
	Attachment C	RZ 23 Real Property Information
Exhibit 2		EIS Application
	Attachment A	Letter of Request 10/30/2020
	Attachment B	EIS of 1/15/2021
Exhibit 3		Annual Compliance Certificate
Exhibit 4:		Site Map of showing division of Cutlass Soar, LLC 700 acres and Cutlass Solar II LLC -1,100 acres within RZ 23
Exhibit 5		Hypothetical Calculations Illustration

XIII. Conflict

Conflicts among documents shall be resolved in favor of:

First: RZ ORDER and legal description of Real Property (land) comprising the Reinvestment Zone (including Attachment A to this Exhibit);

Second: this document titled TAX ABATEMENT AGREEMENT between Fort Bend County and Cutlass Solar II LLC

Third: Economic Impact Statement

Last: Annual Compliance Certificate (attached as form document)

XIV. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by County and Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Owner have full authority to execute this Agreement and bind Owner to the same.

"COUNTY:"

FORT BEND COUNTY, TEXAS

By: KP George

KP George, County Judge

Date: 9.28.2021



ATTEST:

Laura Richard
Laura Richard, County Clerk

"OWNER"

CUTLASS SOLAR II LLC

By: JHW: C

Printed Name: Jonathan Winslow

Title: Vice President

Date: Sep 23rd 2021

APPROVED AS TO LEGAL FORM:

Michelle Turner

Digitally signed by Turner, Michelle
DN: dc=us, dc=tx, dc=fort-bend, dc=co, dc=fortbend,
ou=Fortbend, ou=Departments, ou=County Attorney,
ou=Users, cn=Turner, Michelle
Date: 2021.09.29 13:56:45 -05'00'

Michelle L. Turner
General Counsel Division Chief
County Attorney Office*

*By law, the County Attorney's Office may only advise or approve contracts or legal documents on behalf of the County. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of the County. Our approval of this document was offered solely for the benefit of the County. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney.

COUNTY'S ORIGINAL EXECUTED DOCUMENT
TO BE RETURNED TO:

BUDGET OFFICE
ATTN: DIRECTOR OF FINANCE & INVESTMENTS
ADDRESS: 301 JACKSON ST. RICHMOND, TX 77469
TELEPHONE: 281-344-3922
FAX: 281-344-3954

OWNER SHALL SEND A COPY TO:

FORT BEND ECONOMIC DEVELOPMENT COUNCIL
1 FLUOR DANIEL DRIVE
SUGAR LAND, TX 77478

i:\michelle\tax assessor-collector\abatements\2021\cutlass\cutlass 11\2 cutlass solar ii abatement all changes redline template mlt 6.7.docx
9.20.21

Exhibit 1
RZ ORDER creating FBC RZ 23

THE STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

The Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), acting for and on behalf of Fort Bend County, Texas, convened in regular session at a regular term of said Court, open to the public, on the 7th day of May 2019, in the Commissioners Courtroom, 401 Jackson St., 2nd Floor, Richmond, Texas.

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

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 23

The Order was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried by the following vote:

AYES: 5

NAYES: 0

The County Judge thereupon announced that the Motion had duly and lawfully carried and that the Order had been duly and lawfully adopted. The Order thus adopted follows:

ORDER DESIGNATING FORT BEND COUNTY
REINVESTMENT ZONE NO. 23

WHEREAS, the County Commissioners Court passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created in Fort Bend County, Texas, on February 26, 2019;

WHEREAS, pursuant to the Guidelines, the County has received a request for designation of a Reinvestment Zone and Tax Abatement;

WHEREAS, notice was given to all taxing entities where the proposed zone is to be located;

WHEREAS, after proper notice had been given in the April 26, 2019 edition of the Fort Bend Herald, the County has held a public hearing on May 7, 2019, where all interested persons were given an opportunity to speak, and evidence for and against the designation of Fort Bend County Reinvestment Zone No. 23 was gathered;

WHEREAS, the County Commissioners Court has determined, based on evidence gathered, that the improvements sought to be located in proposed Reinvestment Zone No.23 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone No. 23 and to the County after the expiration of the Tax Abatement Agreement; and

WHEREAS, the designation of Reinvestment Zone No. 23 will reasonably likely contribute to the retention or expansion of primary employment, increase business opportunities in Fort Bend County and contribute to the economic development of both the property in Reinvestment Zone No. 23 and to Fort Bend County;

NOW THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSIONERS COURT OF FORT BEND COUNTY:

SECTION ONE

That the findings and provisions set out in the preamble of this Order are hereby found to be true and correct, and are made a part of this Order for all purposes.

SECTION TWO

That Fort Bend County Reinvestment Zone No. 23 is hereby designated pursuant to the Guidelines for the purpose of encouraging economic development in Fort Bend County through tax abatement.

SECTION THREE

This designation shall be effective for five (5) years from the date of passage of this Order and may be renewed for five (5) year periods thereafter.

SECTION FOUR

The attached Exhibit A described tract(s) are to be combined and designated as Reinvestment Zone No. 23.

PASSED AND APPROVED this the 7th day of May 2019.

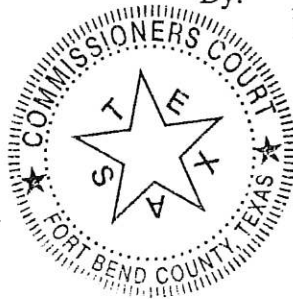
FORT BEND COUNTY, TEXAS

By:

KP George
KP George, County Judge

ATTEST:

Laura Richard
Laura Richard, County Clerk



Attachment: Exhibit A – Legal Description of All Parcels within the Reinvestment Zone
Exhibit B - Map of Reinvestment Zone

Exhibit A - Legal Description of All Parcels within the Reinvestment Zone

R-34736: 0051 E LIPPINCOTT, ACRES 1247.85 0051 E LIPPINCOTT, ACRES 1247.85; Needville Abst Group 5.

R-228995: 0051 E LIPPINCOTT, ACRES 548.959 0051 E LIPPINCOTT, ACRES 548.959; Needville Abst Group 5.

R-34728: 0051 E Lippincott, TRACT A (Pt), ACRES 216.316 0051 E Lippincott, TRACT A (Pt), ACRES 216.316; Needville Abst Group 5.

R-152289: 0051 E LIPPINCOTT, ACRES 211.0123 0051 E LIPPINCOTT, ACRES 211.0123; Needville Abst Group 5.

R-311517: 0051 E LIPPINCOTT, TRACT B, ACRES 226.6625 0051 E LIPPINCOTT, TRACT B, ACRES 226.6625; Needville Abst Group 5.

R-34730: 0051 E. Lippincott, Tract 1, Acres 623.925, Needville Abstract Group 5.

R-34739: 0051 E LIPPINCOTT, ACRES 210 0051 E LIPPINCOTT, ACRES 210; Needville Abst Group 5.

R-34734: 0051 E LIPPINCOTT, ACRES 412 0051 E LIPPINCOTT, ACRES 412; Needville Abst Group 5.

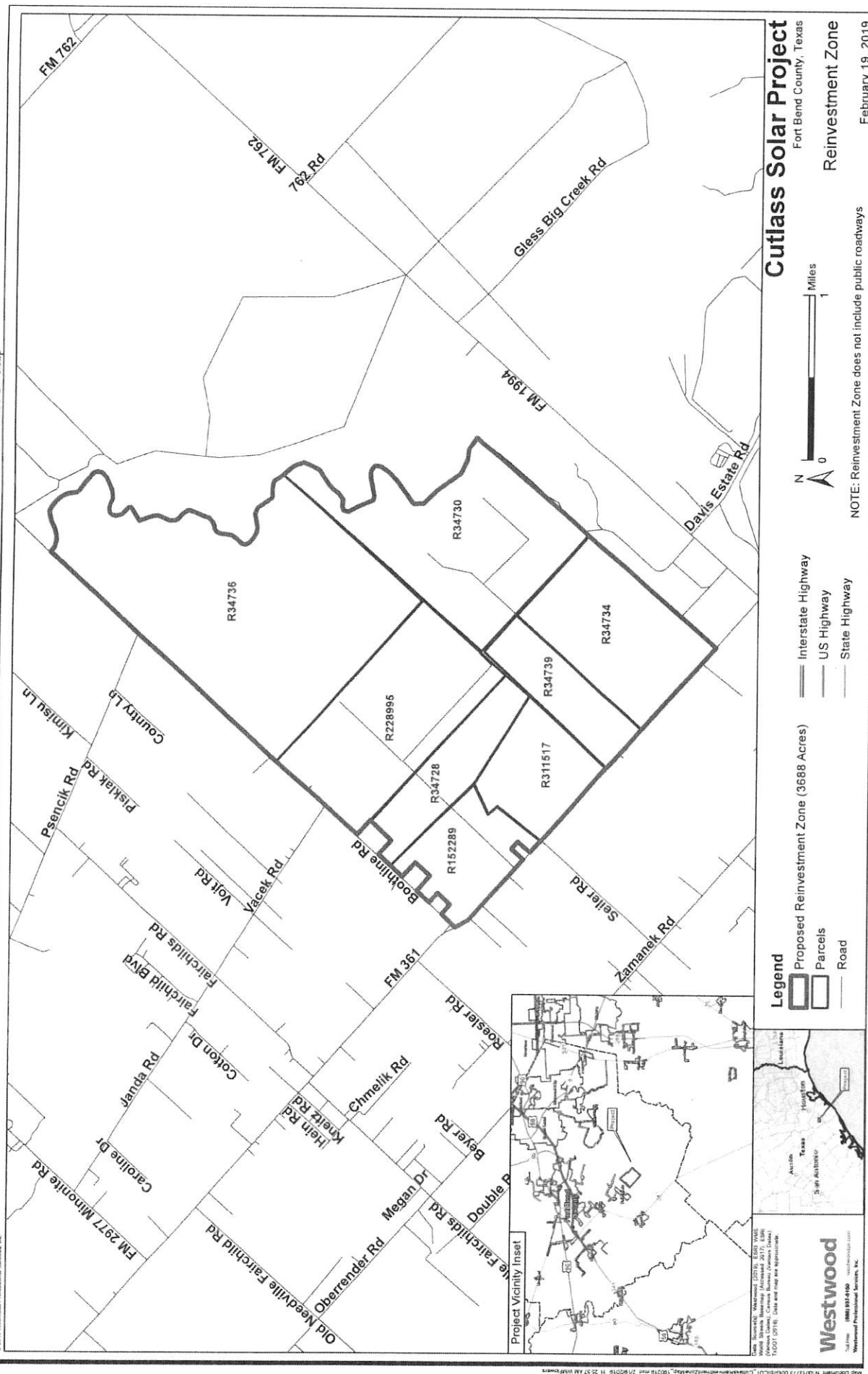


Exhibit 2

EIS Application



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) will begin prequalification of your project. The information you provide will allow the GFBEDC to begin to develop your application and economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the city's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the County.

Please provide a brief history and description of the company:

Cutlass Solar II LLC plans to develop, build, own and operate an approximate 220MWac solar electric generating facility.

1. Please describe how the proposed new property will be owned and operated. If the Improvements will be owned by one entity and leased to another, or if one company will own the Improvements, Personal Property, and operate out of the space, please answer the questions below for both entities/one entity as appropriate:

Applicant/Single Owner of both the Improvements and Personal Property (including Equipment and Machinery) for Cutlass Solar II LLC /If N/A, leave blank.

- a. Contact Person: Collin Brown Title: Director,
Development
b. Current Address: 155 Federal Street, 17th Floor Boston, MA 02110
c. Office #: 617-456-2200
d. Mobile #: 857-206-4175
e. Fax #: 617-456-2201
f. Website: www.advancedpower.ch
g. Email Address: cbrown@advancedpowerna.com
h. The Company's Primary SIC Code:
i. Public or Privately Held: Private

Applicant/Owner of the Improvements Only/If N/A, leave blank.

- a. Contact Person: Title:
b. Current Address:
c. Office #:
d. Mobile #:
e. Fax #:
f. Website:
g. Email Address:
h. The Company's Primary SIC Code:

i. Public or Privately Held:

Applicant/Lessee of the Improvements and also Owner of Personal Property:/If N/A. Leave blank.

- a. Contact Person: Title:
b. Current Address:
c. Office #:
d. Mobile #:
e. Fax #:
f. Website:
g. Email Address:
h. The Company's Primary SIC Code:
i. Public or Privately Held:

2. Type of project (check all that apply for the company that will be operating in the space):

- ☐ Existing business in Fort Bend County
☒ New business to Fort Bend County
☐ Expansion of existing facility
☒ Construction of new facility
☐ Renovation of existing facility
☐ Corporate/Regional Headquarters

3. Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated): Near intersection of FM 1994 and FM 361 in Fairchilds

4. Scope of project:

Size of new facility/expansion:	220MWac solar electric generating facility
Size of existing facility (if applicable):	n/a
Size of lease space in existing facility (if applicable):	n/a
Number of acres at facility site:	1,100 acres
Type of Construction (tilt wall, metal, concrete, etc.):	Installation of solar panels and related equipment

5. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.): n/a

- a. Office
b. Distribution

- c. Fabrication
- d. Warehouse
- e. Other

6. Truck traffic to be generated (# daily or weekly): n/a
7. Targeted start of construction: December 2021
8. Targeted start of operations: December 2022
9. Estimated costs of taxable assets that would be located at the facility in Fort Bend (new property to Fort Bend):

Land	Completion Cost of Improvements	Initial Cost of Equipment & Machinery	Estimated Annual Inventory	Cost of Other Taxable Prop-fixtures, Furniture, etc Property	Total
\$0	\$ 2,000,000	\$ 138,000,000	\$ 0	\$ 0	\$ 140,000,000

10. Estimated percent of inventory that would be Freeport qualified, if any: 0 %
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired by a business and held for no more than 175 days before being shipped out of state. Fort Bend County does not offer the Freeport Exemption.

11. Does the company require a Foreign Trade Zone (FTZ)? No If so, what percent of the inventory would be FTZ qualified: 0 %

12. Employment information:

Number of new jobs to Fort Bend County	Number of existing jobs to be retained (if company currently located in Fort Bend)	Total Number of Jobs
2 (O&M contractor FTE)	0	2

13. Average salary (before benefits): n/a (provided by contractor)
14. Amount of initial, annual local payroll to be created: n/a (provided by contractor)
15. What are the estimated annual total sales at the new facility? What portion of the total sales will be subject to local (city) sales taxes? Wholesale electricity revenue not expected to be subject to local taxes
16. Does the company own a corporate airplane that would be housed at a local corporate airport in Fort Bend (i.e., Sugar Land Regional Airport or Houston Southwest Airport)? No, the company will not house a plane in Fort Bend County

If so, what is the plane's value: N/A

17. Will the company's local business practices necessitate business travel that will bring clients or employees to the Fort Bend facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally: n/a
18. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: The company has no other operations in the state of Texas.
19. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): n/a
20. Current owner of real property (land/building) at the time of application: The James B. Harrison Foundation, Kevin Horak and Patricia Horak, Phyllis Gould Myers Abercrombie and Milo H. Abercrombie, as Co-Trustees of the James Wyatt Myers Trust, Desiree Myers Becerra (aka Desiree Myers), Nydia Duran (aka Nydia Myers), Ryon Myers (aka Wyatt Ryon Myers), Rubye Myers Kucera (aka Rubye Myers), Hilary Myers and Andrea Myers
21. Have you received or are you currently receiving tax abatement in Fort Bend:
____ Yes ☒ No
22. Is this land currently under Agriculture Exemption: ☒ Yes ____ No
- a. If so, what will be the increase in taxes paid annually to taxing authorities: *To be answered by GFBEDC*
- b. What is the value of roll back taxes to be collected as a result of being taken out of Ag Exemption: *To be answered by GFBEDC*
23. What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC)
24. Productive life of proposed improvements and/or initial term of lease: The productive life of the improvements is expected to be 35 years
25. Time of day activities will be taking place (i.e, # of shifts): daytime
26. The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements: n/a
Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any.
27. Please provide wastewater information, including activities, facilities, plant processes, products, services, chemicals, materials, and hazardous substances that

may be used or that may result from the activities to be conducted within the proposed improvements: No wastewater will be generated by the facility

28. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system: There will be no discharge into the sanitary sewer system related to the project
29. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system: There will be no discharge into the sanitary sewer system related to the project
30. Public improvements to be made by the Company in which the public may benefit (please list if any): None
31. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: Cutlass Solar, Fighting Jays Solar, Fort Bend Solar, Old 300 Solar
32. Are there possibilities for local businesses to become suppliers? n/a Any new retail opportunities? n/a Please explain.
33. Do you anticipate your relocation to attract other new businesses to the area? Please explain: n/a
34. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: The business will not produce any emissions
35. The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a Trustee/Board member (\$6,000/yr) or a Regular member (\$2,000/yr) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement: ☒ Yes ☐ No.
Type: Trustee _____ Regular ☒ _____
The County Commissioners' Court encourages the company's participation in the Council to support the continued economic growth in the County. The Court considers your decision in their evaluation of the project.
36. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a. Repayment will be due no later than the 120th day after the date the City/County notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:

- a. (1) lawfully admitted for permanent residence to the United States; or

b. (2) authorized under law to be employed in that manner in the United States.

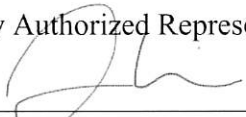
In order to prepare the documents creating the Reinvestment Zone, in which all eligible property placed therein would receive any property tax abatement, and the Abatement Agreement itself, a Site Plan and Legal Description, including a metes and bounds description is necessary. Please provide these as soon as possible if they are not available at the time this EIS is submitted.

CERTIFICATION:

I. APPLICANT:

(Name of Company) Cutlass Solar II LLC does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:



Signature

Date: 7/7/21

Printed Name: Jonathan Winslow

Title: Vice President

II. CO-APPLICANT: If N/A, leave blank.

(Name of Company) _____ does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:

Signature

Date: _____

Printed Name: _____

Title: _____ FBEDC

III. GFBEDC

The Greater Fort Bend Economic Development Council certifies that _____

Has/have met the standard requirements and is qualified for value added tax abatement in Fort Bend County.

W. Jackson Belt
Executive Vice President
Greater Fort Bend Economic
Development Council

Date

Exhibit 3

Annual Compliance Certificate

FORT BEND COUNTY TAX ABATEMENT ANNUAL COMPLIANCE CERTIFICATE

Due by September 1 of current tax year

Current Tax Year _____

**This certification is being made on behalf of the OWNER / LESSEE (circle one)
Each must prepare a separate report**

Per the terms of the tax abatement agreement between Fort Bend County, Fort Bend County
Drainage District and

Owner _____ and

Lessee (if applicable) _____

dated _____ we are in compliance
with the following terms of the agreement:

1. Construction of the improvements was completed on: _____
2. Certified statement regarding project costs was provided to the Fort Bend County Tax
Assessor/Collector on: _____ (date)
3. Certificate of Occupancy was provided to the Fort Bend County Tax
Assessor/Collector on: _____ (date)
4. Certified appraised value of the improvements as of January 1 _____ (current tax
year) was \$ _____ which meets the required minimum value
requirement of \$ _____.
5. Certified appraised value of the eligible property (if included in abatement agreement) as
of January 1 _____ (current tax year) was \$ _____ which
meets the required minimum value requirement of \$ _____.
6. Total number of employees employed at the improvement for current tax year is
_____ which meets the required minimum value requirement of _____.
7. Owner / lessee (circle one) applied for/renewed membership in the Greater Fort Bend
Economic Development Council as required in the abatement agreement on
_____ (date).

8. Owner / lessee (circle one) filed the annual Application(s) for Property Tax Abatement Exemption (Form 50-116) with Fort Bend Central Appraisal District on

_____ (date).

9. If there are additional requirements under the specific abatement agreement(s) by and between Fort Bend County, Fort Bend County Drainage District, Owner / Lessee noted above, please list requirement(s) and certify compliance here:

At this time, Owner/Lessee (circle one) wishes to designate a different mailing address for notices under the terms of this abatement agreement.

NEW NOTIFICATION ADDRESS:

To Owner / Lessee :
(circle one)

Please indicate the basis for your authority to represent the property owner in filing this certificate:

_____ Officer of the company

_____ General Partner of the company

_____ Attorney for property owner

_____ Agent for tax matters appointed under Tax Code Section 1.111 (copy of completed Form 50-162 filed with Fort Bend Central Appraisal District)

I _____, swear or affirm the following:
(print name)

- To the best of Company's knowledge and belief, each fact contained in this certificate is true and correct, and that Company is in compliance with the terms of the Agreement.
- Company understands that this Certificate is being relied upon by the County in connection with the tax abatement provided for in the Agreement.
- Company understands the consequences for noncompliance with the abatement agreement.
- The undersigned signatory has the legal and express authority to sign this Certificate on behalf of Company.

Signature of Authorized Representative: _____

Title of Authorized Representative: _____

Phone Number: _____

Email Address: _____

Mailing Address: _____

SWORN TO and SUBSCRIBED before me on this the _____ day

of _____ A.D. _____

NOTARY PUBLIC _____

STATE OF _____, COUNTY OF _____

MY COMMISSION EXPIRES _____



Exhibit 4

Site Map of showing division of Cutlass Soar, LLC 700 acres and
Cutlass Solar II LLC -1,100 acres within RZ 23

Exhibit 5

Hypothetical Calculations Illustration

EXHIBIT FIVE:
HYPOTHETICAL CALCULATIONS ILLUSTRATION
REFERENCE ONLY, NOT TO BE USED FOR ACTUAL VALUES

The following is provided as an attachment to this Agreement as an example of how the minimum annual certified FBCAD values might be calculated using a straight line ten year depreciation schedule, but not including the commonly accepted cost and other index factors. This is an example only. Although the annual amounts will be changed after applying the index factors, the resulting difference between a ten year straight line schedule and the schedule with cost index factors applied is expected to not differ materially for taxable property that meets the definition of “solar energy property” in Texas Tax Code 23.26. It is possible that not all of the Eligible Property will fall within the definition of “solar energy property” in Texas Tax Code 23.26.

THIS IS AN EXAMPLE ONLY. NUMBERS AND VALUES USED ARE STRICTLY FOR DEMONSTRATION PURPOSES ONLY.

Tax Year	Percentage Abatement of the value calculated under Tax Code 23.26	<i>Demonstration Calculation</i>
Year 1	85%	\$188,000,000
Year 2	85%	\$169,200,00
Year 3	85%	\$152,280,000
Year 4	80%	\$137,052,000
Year 5	80%	\$123,346,800
Year 6	65%	\$111,012,120
Year 7	50%	\$99,910,908
Year 8	30%	\$89,919,817
Year 9	20%	\$80,927,835
Year 10	20%	\$72,835,052

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2021-808145

Date Filed:
09/30/2021

Date Acknowledged:
10/01/2021

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Cutlass Solar LLC
Boston, MA United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Fort Bend County

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

FBC Abtmnt09292021GF
Create a tax revenue source from a renewable electric generating facility.

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Advanced Power Energy Holdings, Inc.	Boston, MA United States	X	
	Jackson Walker LLP	Austin, TX United States		X

5 Check only if there is NO Interested Party.

☐

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)