

TAX ABATEMENT AGREEMENT

between

CLAY COUNTY, TEXAS and HECATE ENERGY HAZEL STORAGE, LLC

This Tax Abatement Agreement (**Agreement**) is entered into by and between Clay County, Texas (**County**) duly acting herein by and through its County Judge, and Hecate Energy Hazel Storage LLC, together with its successors and assigns, (**Owner**). This Agreement is effective as of December 11, 2023 (**Effective Date**) and remains in effect until fulfillment of the obligations described herein.

Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, by the Clay County Guidelines and Criteria for Tax Abatement further set forth below, and by other appropriate law.

Recitals

WHEREAS, the County has indicated its election to be eligible to participate in tax abatements in a resolution dated December 11, 2023. The Commissioners Court of Clay County, Texas, by Order dated December 11, 2023, adopted the Clay County Reinvestment Zone 2023-001 for commercial- industrial tax abatement (**Reinvestment Zone**); the Reinvestment Zone is further described in the Order and Exhibits attached hereto; and

WHEREAS, Owner anticipates constructing improvements within the Reinvestment Zone consisting of a battery storage facility (**Project**). The Project is anticipated to consist of solar equipment with a total Nameplate Capacity of battery storage capacity of approximately 500 megawatts, AC, all to be located in the Reinvestment Zone (**Improvements**). The total Nameplate Capacity of battery storage capacity shall be a minimum of 200 megawatts, AC, but this Agreement imposes no maximum Project size. The Certified Appraised Value will depend upon annual appraisals by the Clay County Appraisal County (**Appraisal County**).

- i. The Improvements will also include any other property in the Reinvestment Zone owned or leased by Owner that is used to generate electricity and perform other functions related to the generation, storage distribution, and transmission of electrical power, or that is otherwise related to the sale of electricity.
- ii. Owner anticipates that the Project and Improvements will be connected to the electricity grid and be able to generate electricity for sale (**Commercial Operations**) on or about December 31, 2026.

WHEREAS, the Commissioners Court, after conducting a hearing and having heard evidence and testimony, has concluded, based on the evidence and testimony presented to it, that the Project and Improvements and operations proposed by Owner within the Reinvestment Zone and described in this Agreement and the terms of this Agreement: (i) are consistent with the requirements of Chapter 312 of the Texas Tax Code and the Tax Abatement Guidelines and Criteria adopted by the County on April 24, 2023 (**Guidelines**), or to the extent of any inconsistency with the Guidelines, the Commissioners Court has determined, in its discretion and in accordance with Section 312.002(d) of the Texas Tax Code, that this Agreement should be entered into notwithstanding any such inconsistency, and (ii) constitute a major investment

in the Reinvestment Zone that will be a benefit to the Reinvestment Zone and will contribute to the economic development of the County.

WHEREAS proper notice of the County's intent to enter into this Agreement has been provided to the presiding officers of each of the other taxing units levying taxes in the Reinvestment Zone not less than 7 days prior to the date on which this Agreement was approved by the Commissioners Court.

WHEREAS this Agreement was adopted at a properly scheduled meeting of the Commissioners Court which was preceded by written 30 days written notice pursuant to Section 312.207 of the Texas Tax Code which was properly posted in accordance with the Open Meetings Act and at which a quorum of the Commissioners Court was present.

NOW, THEREFORE, in consideration of these Recitals, premises, the promises, mutual covenants, and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the County and Owner agree as follows:

Section 1

IMPROVEMENTS

1.1 Improvements in Reinvestment Zone. Owner agrees that it will construct the Project and Improvements within the Reinvestment Zone. Owner acknowledges that the abatement granted herein is conditioned upon completion of construction of the Improvements within the Reinvestment Zone as provided in Section 2.2 herein.

1.2 Timing of Improvements. Owner anticipates that construction of the Improvements will begin in 2024 and will be substantially completed by June 30, 2027. If Owner has not substantially completed construction of the Improvements by December 31, 2027, this Agreement shall terminate and no abatement will be granted and neither party shall owe any obligation to the other hereunder; provided however (i) that pursuant to Section 5.1 or 5.2 hereof, the December 31, 2027 deadline shall, upon notification by Owner, and documentation of the nature of the delay, be extended by the number of days during which an event of Force Majeure occurs after the effective date of this Agreement; and in addition; (ii) that Owner may, in writing, request a one-time, one- year extension of such December 31, 2027 deadline to December 31, 2028 (or as such deadline may have been extended by an event of Force Majeure) in the event of permitting delays, interconnection studies, equipment or labor shortages or supply chain disruptions, construction delays, availability of financing, ERCOT curtailment or other events or circumstances impacting construction that are beyond its reasonable control. The County shall not unreasonably withhold, condition or delay its consent to any such extension. For purposes hereof, the term "substantially completed" means that at least 200 MW of Nameplate Capacity (defined below) of the Improvements must be installed and capable of producing electricity.

1.3 Improvements. The Improvements must (i) be located within the Reinvestment Zone, (ii) be eligible for tax abatement pursuant to Chapter 312 of the Texas Tax Code, (iii) meet the definition of an improvement or tangible personal property as provided in Chapter 1 of the Texas Tax Code, and (iv) be constructed or placed in the Reinvestment Zone after the date this Agreement is approved by the Commissioners Court.

1.4 Decommissioning. Pursuant to Section 302.0004 of the Texas Utilities Code, the County

and Owner agree that the intent and purpose of this Section is to require the Owner to return and restore the land to as close as reasonably possible to its previous condition as existed before the Project and Improvements at the end of the useful life of the Project. The County acknowledges that Owner has entered into confidential agreements with each landowner whose property will be utilized by the Project and Improvements within the Reinvestment Zone (**Landowner Agreement**) that requires that Owner decommission the Project and Improvements, including restoring, through soil stabilization and revegetation of native and/or non-native species, pollinators preferred, at least the first three feet of depth of the soil on any land disturbed by the Project and Improvements (**Restoration Obligations**). Each Landowner Agreement requires Owner to provide a form of security or financial assurance to the Landowner in the form of a bond, an escrow deposit, letter of credit, corporate guarantee from investment-grade entity, or cash deposit to secure Owner's performance of the Restoration Obligations (**Restoration Security**). Sample provisions governing Restoration Obligations and Restoration Securities (with other financial terms redacted) are provided in Exhibit F.

Section 2

TERMS AND PROPORTION OF TAX ABATEMENT

2.1 Tax Abatement Granted. Subject to the terms and conditions of this Agreement, the County and Owner agree and acknowledge that the Improvements in the Reinvestment Zone shall be taxable in the following ways:

- 2.1.1 Property not eligible for Abatement, if any, shall be fully taxable at all times;
- 2.1.2 The Certified Appraised Value of property existing in the Reinvestment Zones prior to execution of this Agreement shall be fully taxable at all times;
- 2.1.3 Prior to commencement of the Abatement Period, the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zones shall be fully taxable at all times;
- 2.1.4 During the Abatement Period, 100% of Clay County's Property Taxes on the Certified Appraised Value of the Improvements shall be abated for the periods and in the amounts as provided for herein;
- 2.1.5 After expiration of the Abatement Period, 100% of the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zones shall be fully taxable at all times, including during the remainder of the Term; and
- 2.1.6 As of January 1 of the Base Year, the value of the proposed Improvements is zero.

2.2 Abatement Period; Commencement Date. The Abatement Period shall begin on the earlier of (a) January 1 of the first calendar year after the commencement of Commercial Operations of the Improvements, or (b) January 1 of the calendar year identified in a Notice of Abatement Commencement (as defined below) delivered by Owner (**Commencement Date**). The period in which taxes are abated (**Abatement Period**) will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this Agreement. Termination of this Agreement shall not relieve either party of any covenants, obligations, or payments owing to the other as of the date the Agreement is terminated. As used in this Section "Notice of Abatement Commencement" means a notice that Owner may, in its sole discretion, deliver to the County stating Owner's desire to commence the Abatement Period prior to January 1 of the

first calendar year after Commercial Operations. 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, 202_"; the date stated in the Notice of Abatement Commencement shall be the Commencement Date. Owner shall deliver the Notice of Abatement Commencement not later than the December 31 that immediately precedes the January 1 Commencement Date.

Owner shall provide a certificate to the County and to the Appraisal County within sixty (60) days after the date Commercial Operations are achieved (**Certificate**). The Certificate shall describe any ancillary facilities not required for Commercial Operations that are still under construction on the date that the Certificate is delivered, and if the Certificate indicates any such facilities exist, Owner will deliver an amended Certificate to the County within thirty (30) days after all Project and Improvement construction is complete.

During the Abatement Period, County shall request that the Appraisal County annually determine both (i) the Certified Appraised Value of Owner's Improvements in the Reinvestment Zone and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of Owner's Improvements in the Reinvestment Zone. The Appraisal County shall record both the Certified Appraised Value and the abated taxable value of the Improvements in the Appraisal County appraisal records. The Certified Appraised Value listed in the Appraisal County's 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. Notwithstanding any of the foregoing, Owner at all times shall have the right to appeal, challenge, or protest appraisals of the Project or the Improvements including any portion thereof. Owner acknowledges that the outcome of any appeal, challenge, or protest appraisals on the Project and Improvements will have no effect on the PILOT payments as identified in Section 2.5 of this agreement.

2.3 Payments In Lieu of Taxes. As consideration for the abatement granted by County under this Agreement, Owner agrees to timely perform all covenants undertaken by Owner pursuant to the terms of this Agreement including the making of an annual payment in lieu of taxes (**PILOT**) to the County for each year during the Abatement Period. The Nameplate Capacity have been derived by formula based on capital cost of Nameplate Capacity, less Investment Tax credits, less Texas depreciation rates, multiplied by the County tax rate, averaged over ten years, and reduced to a PILOT per MW of installed nameplate capacity.

2.4 Annual Certification. On or before May 1 of each calendar year that this Agreement is in effect Owner shall certify to the County its compliance with all material provisions of this Agreement, including without limitation the requirements of Section 2.6 (**Nameplate Capacity**); Section 4 (charitable donation) Section 5 (**Owner's representation**). This annual certification (**Annual Certification**) shall contain a statement, sworn to by an individual who is an authorized officer of Owner, stating that Owner is in compliance with the material terms of this Agreement.

2.5 Calculation of the PILOT And Due Date. During each year of the Abatement Period, Owner agrees to pay the County a PILOT payment for minimum Nameplate Capacity (defined below) in an amount equal to Six hundred dollars (\$600.00) multiplied by the total MW of Nameplate Battery Storage per annum. The first payment required by this Agreement must be paid to the County Treasurer not later than December 1 of the year for which abatement is granted. By way of illustration only, if the Commencement Date is January 15, 2025, then the

PILOT for the first year of the Abatement Period must be paid not later than January 1, 2026. A penalty of \$250.00 per day will be assessed for late payments of the PILOT. There shall be a total of ten (10) PILOTS under this agreement.

2.6 Capacity. As used in this Agreement, the term “**Nameplate Capacity**” shall mean the installed rated amount of the manufacturer's nameplate battery storage capacity of the Improvements, expressed in megawatts measured in alternating current, regardless of the amount of electricity that is actually produced or sold. The Nameplate Capacity shall be determined as of January 1 of each year during the Abatement Period. As a part of the Annual Certification, the individual who is an authorized officer of Owner shall prepare and file with the Commissioners Court a sworn statement of the Nameplate Capacity of the Improvements not later than May 1 of each year during the Abatement Period.

2.7 Payment of Taxes. The payment by Owner prior to delinquency, of all taxes levied by the County, any other taxing unit within the County based on the value of, or levied against, the Project or the Improvements. It shall not be a violation of this provision if the party who is assessed the tax in good faith protests the levy or assessment of a particular tax by the timely filing of appropriate proceedings to prosecute a protest or contest of the tax, makes payment of the disputed tax during such protest or contest as required by applicable law, and pays the tax, as finally determined, prior to delinquency as required by applicable law.

Section 3 INSURANCE, ENVIRONMENTAL, AND INSPECTION

3.1 Insurance. Owner agrees to maintain in full force at all times starting at commencement of construction and continuing throughout the term of this Agreement the following insurance coverage issued by companies authorized to conduct business in the State of Texas:

Commercial general liability covering liability arising out of premises, operations, bodily injury, property damage, products and completed operations and liability under an insured contract (contractual liability) with per occurrence limits of \$1,000,000 with aggregate limits of not less than \$2,000,000; \$2,000,000 completed operations aggregate.

Worker's compensation coverage for all full-time employees to the extent required by Texas law; and Business automobile liability coverage for all owned, non-owned, leased and hired automobiles with limits of not less than \$2,000,000 combined single limit, per occurrence, for bodily injury and property damage.

Owner shall provide certificates of insurance evidencing the above required coverages on throughout the term of this Agreement upon request by the County.

3.2 Environmental and Permit Compliance.

During the term of this Agreement, Owner shall:

Deliver to County not later than forty-five (45) days prior to the commencement of construction of the Project and Improvements the following items which may be subject to change over time;

Engineering drawings illustrating pre and post development topographic information.

Hydrology studies listing required drainage improvements that provide protection against excessive erosion damage.

Internal site-road layouts and relevant site road construction drawings that document Owner's plans to construct all-weather access to accommodate the provision of emergency services, including fire protection.

Project's Geotechnical Report.

Project's Phase I Environmental Site Assessment.

Project's Stormwater Pollution Prevention Plan, including anti-pollution plans to protect surface and groundwater from any leaching of adverse agents due to fire or destruction or degradation of the improvements.

Battery Storage and Data Sheets along with any Material Safety Data Sheets (MSDS) or warnings that are relevant to the handling, installation, or maintenance of the equipment.

List of livestock species allowed for potential agricultural production along with related provisions, if applicable.

List of vegetation control methods to include chemicals planned for application, if applicable.

Assessments from local, state and federal historical entities as to the impact the project will have on the site and surrounding area, if applicable.

Documentation illustrating compliance with the requirements of the Endangered Species Act, if applicable.

Affidavits executed by any Underground Conservation County and or Watershed Authority having jurisdiction regarding the project's impact on natural resources, if applicable.

A landscaping plan designed to minimize the visual impact of the project upon adjoining existing residential properties along existing roadways by use of existing suitable natural vegetation together with the placement of compatible plants, trees, shrubs or other suitable vegetation intended to screen portions of the project from view of adjoining existing residential properties.

3.3 Inspections.

Right to Inspect, Obtain Information. Subject to the further provisions of this Section, at all times during the term of this Agreement, the County, acting through its officers or a designated agent or employee, shall have reasonable access to the Improvements and the Project: (i) to verify that the Improvements are constructed in accordance with the Plans and Specifications and conditions of this Agreement, (ii) to verify that the Project are operated in a manner consistent with this Agreement, (iii) to verify compliance with the terms of this Agreement and the truth of any representations made by Owner pursuant to the terms of this Agreement, (iv) to determine the Nameplate Capacity, (v) to obtain, or verify, information reasonably necessary to ascertain the Certified Appraised Value of the Project or (vi) any other fact or circumstance pertinent to the

performance of this Agreement.

Conduct of Inspections. The County agrees to provide Owner with at least twenty-four (24) hours advance written notice of any such on-site inspection and further agrees that any such on-site inspection shall be conducted at a mutually agreed time and date and in a manner that will not unreasonably interfere with the construction of the Improvements or the operation of the Project. All such inspections shall be made with one or more representatives of Owner and in accordance with all applicable Project and governmental safety standards. The rights of inspection set forth herein may be exercised by officers, agents or employees of the County or the Appraisal County. Nothing herein shall be construed to limit or diminish the authority of the County or the Appraisal County to conduct inspections or obtain information under applicable law.

Section 4

LOCAL SPENDING, IMPACTS, AND SUPPORT

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

4.1.1. Utilize Clay County individuals and businesses for materials, labor and services, provided that nothing in this paragraph shall require Owner to use services and supplies that are not of similar quality to those provided by residents of businesses outside of Clay County or are not made available on terms and/or at prices comparable to those offered by residents or businesses outside of Clay County; and

4.1.2 In filling positions of employment connected with the Project and Improvements, Owner and its contractors and agents shall use commercially reasonable efforts to employ individuals who reside within the borders of Clay County, provided that nothing in this paragraph shall require Owner or its contractors or agents to employ Clay County residents who are not (i) equally or more qualified than nonresidents; or (ii) are not available for employment on terms and/or at salaries comparable to those required by nonresidents.

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

4.2. Job Fair. Not later than one month prior to the start of construction of the Improvements, Owner will hold a job fair within thirty miles of the Reinvestment Zone advertising construction employment positions and soliciting those persons or firms that are interested in selling goods or providing services with respect to the construction of the Improvements. No later than two weeks prior to the job fair, Owner shall publish a notice in the local newspaper announcing the date, time and location of the job fair and the procedure for application. Applications from the job fair shall be distributed to the various subcontractors for consideration. Owner will compile and maintain, throughout the construction process, a list of local prospective employees, vendors, contractors and service providers interested in participating in the construction process.

4.3 Fire Protection Donation. Separate from the PILOT payment, Owner agrees to fund, not later than June 1 of each year, an annual charitable donation of \$30,000.00 for each year of the abatement period, payable to the County for the use and benefit of Volunteer Fire Departments most likely to respond to the Project location in the event of fire.

4.4 Fire Training. Owner agrees to annually provide on-Site training to County and Volunteer Fire Department key responders with respect to Owner's emergency response plan(s). The Project will be designed to meet or exceed industry standards for fire suppression and mitigation. Any specialized equipment recognized in established industry standards that is necessary to fight fire originating with the Project's battery storage (and that is not otherwise commonly used in fighting fires) will be maintained by the Owner and in accordance with the emergency response plan and provided for the use of any responding Volunteer Fire Department responding to a fire event on the Project site. Should the need arise in accordance with the Owner's emergency response plan, Owner will reimburse the responding volunteer fire departments for actual documented costs incurred in responding to a fire emergency caused by the Project's equipment (and not by natural causes such as lightning) at the Project location.

4.5 Road Repair. Owner and its contractors, subcontractors, and service providers shall have the right to use County roads identified in a Road Use Agreement entered into by the parties, which is incorporated hereby by reference.

Section 5 REPRESENTATIONS

5.1 By the County. The County hereby warrants and represents that this Agreement was authorized by an order of the Commissioners Court adopted on the date recited above authorizing the County Judge to execute this Agreement on behalf of the County. 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 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 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 Texas Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

5.2 By Owner. Owner hereby warrants and represents to the County:

Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Project and Improvements to be placed on the Site; (ii) construction of the proposed Project and Improvements will be performed by Owner, its successors and/or assigns and/or their contractors or subcontractors; (iii) Owner's and its successors' and assigns' use of the Project will be limited to the use described in this Agreement (and ancillary uses) during the Abatement Period; (iv) all representations made in this Agreement are true and correct in all material respects to the best of Owner's knowledge; (v) Owner will make any filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required now or in the future; (vi) Owner agrees to conduct a Phase I Environmental Site Assessment for the Project and Improvements in accordance with state and federal law and meet or exceed the permit requirements identified by the environmental study; (vii) Owner agrees to observe all state and federal law restricting the diversion and impoundment of the natural flow of surface water across the Project and Improvements; (viii) Owner shall make best efforts to utilize processes, products and materials that minimize the risk of environmental toxicity emitted by the Project and Improvements ; and (ix) Owner agrees that in the event of any assignment of this agreement, said assignment shall

include a commitment by the successor and/or assignee to and be bound the terms and conditions of this Agreement.

That Owner is a limited liability company in good standing under the laws of its state of organization and authorized to do business in the State of Texas; or in the case of a permitted assignee of this Agreement, that such assignee is authorized to do business in the State of Texas.

That Owner is not in default in the payment of any taxes owing to the federal, state or any local governmental units within the County.

That the officer of Owner signing this Agreement is properly authorized to enter into this Agreement and bind Owner to the terms thereof and Owner is thereby authorized to perform all covenants undertaken by Owner pursuant to this Agreement.

That there is no operating agreement, certificate of formation provision, or agreement between Owner and any third party which in any way limits Owner's authority to enter into this Agreement and perform all covenants and agreements set forth herein.

That none of the tangible personal property that is intended to be part of the Improvements located within the Reinvestment Zone is located within the Reinvestment Zone as of the Effective Date of this Agreement.

Section 6

DEFAULT; REMEDIES

6.1 Default In Constructing Improvements. If Owner fails to complete the Improvements in the manner, and within the time period stated in this Agreement, and Owner's failure to comply with those provisions of this Agreement are not cured following notice to Owner pursuant to Section 6.3 below, Owner shall be in default under the terms of this Agreement, provided however, that failure to construct a minimum of 200 megawatts of Nameplate Capacity (i) shall not reduce the minimum PILOT payment due under Section 2.5 of this Agreement; and (ii) shall not be deemed a breach of this Agreement. In the event of a default in the construction of the Improvements the County may terminate or cancel this Agreement and Owner shall pay to the County all property tax revenues (including penalties, interest, attorney's fees and costs) that would have been payable to the County in the absence of this Agreement for any portion of the Improvements that are constructed less a credit for any PILOT payments made by Owner.

6.2 Default In Operations, Payments, or Performance of Other Covenants. The occurrence of any of the following circumstances shall be an event of default under the terms of this Agreement:

- 6.2.1 The Project is not operated in accordance with the material terms of this Agreement for the period of time required by this Agreement;
- 6.2.2 Owner fails to timely pay any amounts owing to County pursuant to this Agreement, including any ad valorem taxes owed to the County or any other taxing unit within the County, or fails to timely and properly follow applicable procedures for protest or contest of any such ad valorem taxes; or
- 6.2.3 Owner fails to timely perform any material covenant, condition or agreement it has undertaken pursuant to the terms of this Agreement;
- 6.2.4 Any representation made by Owner in Section 5.2 of this Agreement is materially untrue

or, with the passage of time, becomes materially untrue; or

6.2.5 Owner fails to maintain continued operations in accordance with Section 2.4(f).

6.2.6 Notice, Right to Cure. Upon the Occurrence of an event of default (including default under Sections 6.1 or 6.2 above), the County shall give the Owner written notice specifying the default.

6.3 Monetary Defaults. If the event of default relates to the payment of money, Owner shall cure such default within 90 days of the date of the notice from the County.

6.4 Non-Monetary Defaults. If the event of default is based upon an event other than a default in the payment of money, Owner shall cure such default within 30 days of the date of the notice of default by the County. This cure period shall be extended such additional time period as the documentation demonstrates is reasonably necessary to cure the default provided that Owner has commenced the cure and is diligently proceeding with such cure, but not longer than 180 days without the approval of the County, which approval shall not be unreasonably withheld, conditioned or delayed.

6.5 Remedies. If an event of default is not cured in accordance with Section 6.3 above, then the County may terminate this Agreement. If there is a default (other than a default pursuant to Section 6.1 above) that is not cured by Owner within the time permitted by Section 6.3, Owner shall not be entitled to abatement of taxes for the calendar year in which the default occurs and any subsequent calendar year on which the default remains uncured for any period. If a default continues over more than one day, it will be considered to have occurred on the date on which it first occurred.

If an event of default occurring during the Abatement Period is not cured in accordance with Section 6.3 above, then the County may by written notice terminate this Agreement and require Owner to make a recapture payment within sixty (60) days of such notice of termination that shall be equal to all ad valorem taxes abated pursuant to the terms of this Agreement to the date of any default minus a credit to Owner for the sum of the PILOTs paid to the date of the default. The County shall have a lien securing such recapture payment amount which shall be equivalent to a tax lien created pursuant to Section 32.01 of the Texas Tax Code. This lien shall attach to the Improvements as provided in Section 32.01 of the Texas Tax Code and shall have the same priority as a tax lien existing under Section 32.01 of the Texas Tax Code. Notwithstanding the foregoing the County's right to foreclose this lien shall be subject to the County's compliance with the notice and right to cure provisions of Section 6.8 below.

6.6 Mortgagee Protection. Notwithstanding any other provision hereof, County agrees that Owner may, without any further consent from the County, mortgage, pledge, or otherwise encumber its interest in this Agreement, the Project, and Owner's lease and easement agreements related to the land on which the Improvements are located (**Leases**), to any lender or to any Commissioner or beneficiary under a deed of trust or to any master or special services (**Mortgagee**) for the purpose of financing operations of the Project, constructing the Improvements or acquiring additional equipment for the Project following any initial phase of construction (**Financing**). Any Mortgagee shall be entitled to receive the same written notice of any default as County is required to provide Owner hereunder so long as County has been provided notice of the identity and address of such Mortgagee, and such Mortgagee shall be entitled to cure or commence cure of any such defaults in the same manner as Owner. This provision shall not be construed to limit or diminish the

County's lien priority for taxes owed pursuant to the Texas Tax Code.

6.7 LIMITATION OF LIABILITY. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, TERMINATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE), RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN THIS AGREEMENT, AND/OR RECOVERY OF THE AMOUNTS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED HEREIN, 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 MAKE THE SPECIFIED IMPROVEMENTS OR TAKE OTHER 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 SECTION 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.

Section 7

ASSIGNMENT or TRANSFER OF OWNERSHIP

7.1 Assignment or Transfer of Ownership. So long as no default exists and is continuing at the time of the proposed assignment or transfer, Owner may, without the consent of the County, assign or transfer, in whole or in part, any of its rights or obligations under the terms of this Agreement or in the Improvements, Leases or the Project. Owner shall provide written notice of any assignment or Transfer to the County and comply with Section 7 hereof, and a penalty of \$250.00 per day will be assessed if any notices required by this Section 7 are provided late. The consent of the County for any other purported assignment or transfer may only be withheld under those circumstances described in this section. After an assignment that is completed in accordance with the requirements of this Agreement, Owner shall have no further rights, duties, or obligations under this Agreement to the extent such rights, duties, and obligations have been assumed by the assignee.

7.2 Information on Assignee or transferee to be Provided to County, Timing of Consent. In the event Owner proposes to assign all or any portion of its interest in the Project in a transaction that requires the County's consent, Owner agrees to provide the County the Background Information on the proposed assignee. Owner agrees to reimburse the County, up to a maximum of \$5,000 for any expenses incurred by the County in obtaining or analyzing any of the Background Information.

7.3 County May Withhold Consent. To the extent that the consent of the County is required for a purported transfer or assignment by Owner other than as provided in Section 7.1 (above), the County may withhold its consent to a proposed assignment or transfer in its reasonable discretion only if: (i) the proposed assignee cannot demonstrate that it reasonably can expect to have, during the term of this Agreement, annual revenues sufficient to comply with the Agreement and pay the ad valorem tax assessments from Clay County as they are made, or the proposed assignee cannot otherwise reasonably demonstrate its financial ability to abide by all terms and conditions set forth herein, (ii) the proposed assignee has a record of violations or defaults with respect to its operations of battery storage projects such that the assignee does not have the capability and reliability to

perform the requirements of the Agreement, and (iii) the assignee does not comply with each of the conditions to assignment set forth in Section 7 below.

If the County reasonably requests additional information of the Owner, in order to satisfy this obligation, the Owner and the prospective assignee/transferee agree to negotiate in good faith regarding what information will, and will not, be made available to the County and any conditions to the disclosure of such information. The County shall advise Owner in writing of its objection to the proposed assignment or transfer not later than ten (10) business days from the date the County is provided with all Background Information.

7.4 Conditions to Assignment. Owner's assignment or transfer shall also be conditioned on the following:

Delivery to the County of an assignment and assumption agreement by and between Owner and the assignee, pursuant to which: (i) in the case of a partial assignment, each of Owner and assignee assume and agree to timely discharge all covenants and obligations under the terms of this Agreement (as applicable), and (ii) in the case of a full assignment, assignee assumes and agrees to timely discharge all covenants and obligations undertaken by Owner under the terms of this Agreement;

Proof reasonably acceptable to the County (which may be in the form of an opinion of legal counsel) that the assignee is authorized to sign the addendum and perform the covenants and obligations thereby undertaken;

The absence of any event of default under the terms of this Agreement for which a notice of default has been given and the cure period has expired; and

Proof that the proposed assignee has obtained or will obtain the insurance coverage required by this Agreement.

7.5 Sale or Transfer to Non-taxable Entity.

If, during the Abatement Period or the period of time during which Owner is required to maintain continued operations pursuant to Section 2.4(f) above, the Owner proposes a Transfer to a Non-taxable entity, Owner shall pay to the County an amount equal to: (i) for the five tax years preceding the year in which the Transfer to a Non-taxable Entity occurs, all ad valorem taxes abated under the terms of this Agreement but giving credit to Owner for the sum of all PILOTs made to the date of the proposed assignment, and (ii) all ad valorem taxes which would be due and owing for the year during which the Transfer to a Non-taxable Entity is made, even though such taxes may not yet be billed or finally assessed. Such payment shall be made prior to or on the effective date of any such assignment to a Non-taxable Entity.

Any Transfer to a Non-taxable Entity by Owner without compliance with Section 6.5(a) above shall be considered a default under the terms of this Agreement without the requirement of any notice by the County to Owner or opportunity to cure. Following any such default the County will be entitled to: (i) recapture the taxes abated pursuant to this Agreement in accordance with Section 6.5(a) above and/or (ii) pursue, without election of remedies, any other remedy available to it under this Agreement or applicable law.

As used in this Agreement, a "Transfer to a Non-taxable Entity" shall mean any sale, transfer or assignment, in whole or in part, of the Project under circumstances where the assignee is

exempt from property taxation, under applicable law, with respect to the Improvements or the Project, or any portion thereof, sold, transferred or assigned to the assignee.

If Owner Transfers to a Non-taxable Entity only a portion of the Project, then this Section, including any recapture obligation, shall apply pro rata only to those the portion of the Project that is Transferred to a Non-taxable Entity, and the Agreement will remain in effect with respect to the portion of the Project not Transferred to a Non-taxable Entity, subject to a pro rata reduction in the PILOT to reflect the Capacity retained by Owner.

7.6 Change in Control. Owner shall, at least 30-day prior to such event, notify the County in writing of any actual or anticipated change in the control or ownership of the Owner.

DEFINITIONS

As used in this Agreement, the following terms shall have the respective meanings assigned to them below:

“Background Information” shall include, without limitation, in the case of a proposed assignee or partial assignee and any specific Affiliate or Affiliates of a proposed assignee or partial assignee identified by the County and reasonably pertinent to the County's consent under Section 6.3 hereof:

its legal name or identity;

the address of its local office in the County, if applicable, its registered office and address maintained with the Secretary of State of the State of Texas and its principal or home office;

the state in which it was chartered and its registered office and agent in that state, the name and address of its registered agent and office in the State of Texas, and the names and addresses of all governing persons (as that term is defined by the Texas Business Organizations Code);

all public filings made in the year of the proposed assignment and the preceding two years with the Securities and Exchange Commission of the United States or with the agency of any state regulating securities transactions, if any; and

a report from an independent financial rating firm selected by the County, such as Dunn and Bradstreet or Moody's, if such report exists.

“Base Year” shall mean the calendar year this Agreement is entered into.

“Certified Appraised Value” shall mean the appraised value of property that is subject to property taxation under the Texas Tax Code determined and certified by the Chief Appraiser of the Clay County Central Appraisal County for each taxable year.

“Term” shall mean the period from the Effective Date through the last day of the Abatement Period.

Section 8
NOTICES

8.1 Notices. All notices or other communications required or permitted by this Agreement shall be in writing and shall be deemed to be properly given when delivered personally to any of the hereinafter designated addresses or the named representatives thereof, or when mailed by prepaid certified mail, return receipt requested, addressed to such party at the respective addresses set forth below:

If to the County:
Clay County, Texas
Attn: County Judge
P.O. Box 548
214 N. Main St.,
Henrietta, Texas 76365

If to the Owner:

Hecate Energy Hazel Storage, LLC
621 Randolph St.,
Chicago, IL 60661
Attn: Andrew Boggs
612-636-7953
aboggs@hecateenergy.com

and

Steven L. Van Dyck
713-266-4456 ext 104
svandyck@cwlp.net

Either party may change the address for notices by a written notice forwarded in accordance with the foregoing.

Section 9
MISCELLANEOUS

9.1 Governing Law; Venue. This Agreement shall be construed and governed in accordance with the laws of the State of Texas without giving effect to its conflict of law rules. Venue for any action relating to the interpretation or performance of this Agreement or to enforce any right or obligation relating to this Agreement shall be in a court of competent jurisdiction in Clay County, Texas, or in a United States County Court of Texas having Clay County within its original jurisdiction. Venue may not be assigned or transferred elsewhere.

9.2 Relationship of Parties. Under no circumstances shall Owner, or any of Owner's employees, look to Clay County as his/her employer, or as a partner, agent or principal. Neither Owner nor any of Owner's employees shall be entitled to any benefits accorded to Clay County's employees, including without limitation worker's compensation, disability insurance, vacation or sick pay. Owner shall be responsible for providing, at Owner's expense and election, and in Owner's name,

unemployment, disability, worker's compensation and other insurance that Owner elects to provide, as well as all licenses and permits that are usual or necessary in connection with the Project and Improvements.

9.3 Waiver. The failure of either party to enforce any right or demand strict performance of any obligation of the other party under this Agreement shall not operate as, or be construed to be, a waiver of such right or obligation.

9.4 Entire Agreement, Interpretation. This Agreement, including Exhibits attached hereto and which are incorporated herein by reference, collectively constitute the entire agreement between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous discussions, representations, correspondence or agreements, written or oral. This Agreement may only be amended by a written instrument signed by both parties or their duly authorized officers or representatives. The language of this Agreement shall be construed as a whole according to its fair and common meaning and shall not be construed for or against either of the parties hereto. All titles or headings to sections or other divisions of this Agreement are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the content of this Agreement, such content being controlling as to the agreement between the parties hereto.

9.5 Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement.

9.6 Owner as Party to Litigation. In the event any litigation is initiated questioning or challenging the validity of this Agreement or any part hereof or any of the underlying orders or the Commissioners Court actions authorizing the same, the County agrees not to object to the Owner's joinder or intervention in such litigation.

9.7 Force Majeure. If Owner's performance of any obligation or obligations under this Agreement is interrupted, delayed, or prevented by any contingency or cause beyond the control of Owner, then Owner shall be excused from the performance of any such obligation or obligations during the period of time that Owner is reasonably unable to perform such obligation or obligations as a result of such contingency or cause, and no default will have occurred with respect to such circumstances. 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. Contingencies or causes beyond the control of Owner include, without limitation: wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body, civil disturbances, explosions, breakage or accident to machinery or lines, freezing of lines any laws, rules, orders, acts or restraint of government or governmental body or court, or the partial or entire failure of fuel supply or any other event that is beyond the reasonable control of the party claiming Force Majeure.

9.8 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively,

one agreement. Once all parties to this Agreement have signed a counterpart, this Agreement shall be binding upon all parties in accordance with the terms hereof.

9.9 Creation of Agreement. The County agrees that any other taxing unit eligible to enter into agreements relating to the abatement of taxes may adopt all or any portion of this Agreement.

9.10 Further Acts. The parties each agree to cooperate fully with the other and to take such further action and execute such other documents or instruments as necessary or appropriate to implement the terms of this Agreement.

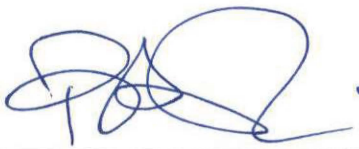
9.11 Conflict with Guidelines. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines, those Guidelines are deemed amended for purposes of this Agreement only.

9.12 Indemnity. Owner agrees to indemnify, defend, and hold County harmless against and from all liabilities, damages, claims, and expenses, including without limitation reasonable attorneys' fees, that may be imposed upon or asserted against County by any third party in connection with Owner's alleged breach of this Agreement. Owner shall not be required to indemnify, defend, and hold County harmless against third party claims asserting procedural defects relating to the County's creation of this Agreement. Owner will reimburse the County for all costs, including reasonable and necessary legal fees, in any final disposition of a claim that is subject to indemnification by Owner under the first sentence of this Section, whether by adjudication in court or alternative dispute resolution procedures, provided that Owner shall not be responsible for reimbursement of County for any matter that the County agrees to settle without the approval of Owner.

9.13 Expenses of Negotiation and Compliance. Owner agrees to pay the County's reasonable expenses incurred as a result of the negotiation, including all costs of publication or other required procedures under applicable statutes, of this Agreement including all reasonable and necessary attorney fees incurred during the negotiation and preparation of this Agreement. Payment is to be made within 30 days of receipt by Company of invoice from Clay County, with supporting documentation sufficient to enable the Owner to verify such expenses. Notwithstanding anything in this paragraph, the maximum reimbursement to be paid by Owner under this Section is \$10,000.00 per abatement application.

9.14 Remediation. Pursuant to Chapter 301, Texas Utilities Code, Owner will, at the conclusion of the useful life of the project (including as and if subsequently repowered) and termination of the project leases (including as and if extended, whether by exercise of options or entering into amendments with the landowners party thereto), shall take such steps as necessary to reasonably remediate and return the property to its former state of usefulness, provided that if the project leases include terms for decommissioning of the project and restoring the property, then Owner shall not be required to return the property to a condition that exceeds the condition required under the terms of the leases. The County assumes no responsibility for remediation under this Agreement.

Signed and adopted this 11th day of DECEMBER, 2023.



Ben Pharris, Commissioner, Pct. 1



Mike Campbell, County Judge



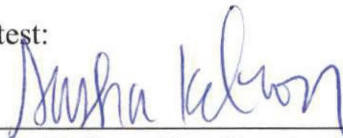
Jack Pickett, Commissioner, Pct. 2



Retta Collins, Commissioner, Pct. 3

Chase Broussard, Commissioner, Pct. 4

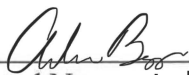
Attest:



Sasha Kelton, Clay County Clerk



HECATE ENERGY HAZEL STORAGE, LLC

By: 
Printed Name: Andrew Boggs
Title Authorized Signatory

Date: 12/18/2023

Attachments:

- Exhibit A:** Order Creating Reinvestment Zone
- Exhibit B:** Guidelines and Criteria for Tax Abatement and Other Economic Development Incentives
- Exhibit C:** Application for Tax Abatement and Other Economic Development Incentives
- Exhibit D:** Project Description, Site Map, Property List
- Exhibit E:** Road Use Agreement
- Exhibit F:** Restoration Obligations and Securities

Exhibit A



CLAY COUNTY, TEXAS ORDER AND RESOLUTOIN DECLARING ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT AND CREATING CLAY COUNTY REINVESTMENT ZONE 2023-001

WHEREAS, Clay County, Texas, as authorized by the property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, on the 11th day of December, 2023, wishes to designate a new reinvestment zone in an effort to attract major investment in the zone that would be a benefit to the property to be included in the zone and would contribute to the economic development of the county; and

WHEREAS, Clay County Commissioners Court, after conducting a public hearing, hearing evidence and testimony of all persons wishing to be heard, hereby makes the following findings and determinations:

- a) That a public hearing on the adoption of the Reinvestment Zone 2023-001 has been properly called, held and conducted and that the required notice of such hearing has been given to the public and to all taxing units overlapping the territory inside the proposed reinvestment zone;
- b) That the application filed by Hecate Energy Hazel, LLC and the application filed by Hecate Energy Storage, LLC meet the applicable guidelines and criteria adopted by the Commissioners Court, and that tax abatement agreements between the County and Hecate Energy Hazel, LLC and between the County and Hecate Energy Storage, LLC would be in compliance with the established guidelines and criteria for tax abatement; and
- c) That the designation of an area as a reinvestment zone would contribute to the retention or expansion of primary employment in Clay County, Texas, and would contribute to the economic development of the County.

WHEREAS, attached to this Order are the following descriptive documents:

A description of the project and property to be contained within the Clay County Reinvestment Zone 2023-001 said description being included within above referenced tax abatements, said application being incorporated herein by reference.

The Application, including maps and property descriptions contained within the Application attached to this Order are intended to more fully and accurately describe the geographic region included within the Reinvestment Zone to be known as Clay County Reinvestment Zone 2023-001.

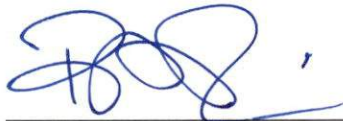
THEREFORE, pursuant to the Clay County Guidelines and Criteria for Tax Abatement and Chapter 312 of the Texas Tax Code, the Commissioners Court of Clay County, Texas does hereby create the Clay County Reinvestment Zone 2023-001 as described more fully in the attachments to this Order, which are incorporated herein by reference and are to be filed in the minutes of the Commissioners Court with this Order.

It is further ORDERED by the Commissioners Court that the County Judge is hereby authorized to

execute, on behalf of Clay County, Texas such-documents as may be necessary to facilitate and implement this Order.

FURTHERMORE, if for any reason, any section, paragraph, subdivision, clause, phrase, or provision of this ordinance shall be held invalid, it shall not affect any valid provision of this or any other Resolution of the County.

Signed and adopted this 14th day of DECEMBER, 2023.



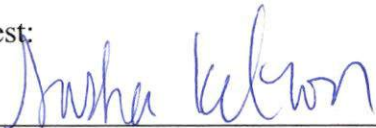
Ben Pharries, Commissioner, Pct. 1


Mike Campbell, County Judge
Jack Pickett, Commissioner, Pct. 2

Retta Collins, Commissioner, Pct. 3

Chase Broussard, Commissioner, Pct. 4

Attest:



Sasha Kelton, Clay County Clerk





WHITMAN
 Environmental • Diagnostic • Earth
 Water Management • EHS Services
 100 Franklin Square Drive, Suite 200
 Southfield, MI 48034
 TEL: (734) 380-5100
 FAX: (734) 390-9496
 CERTIFICATE OF AUTHORIZATION
 No. 2462300000

SCALE

DRAWING NOTES

- IF THIS DRAWING DOES NOT CONTAIN THE ORIGINAL SEAL OF THE PROFESSIONAL ENGINEER, IT IS NOT A VALID DOCUMENT AND NO LIABILITY IS ASSUMED FOR THE INFORMATION SHOWN.
- THIS DRAWING HAS BEEN PREPARED AS A D-SEE DOCUMENT. DO NOT SCALE THIS DRAWING IF IT IS PRINTED AS ANY OTHER SIZE.



Hecate Energy
 HECATE ENERGY
 621 W. RANDOLPH STREET
 CHICAGO, IL 60661
 hecateenergy.com

NO.	DATE	REVISION DESCRIPTION
1	10/20/2017	PRELIMINARY SUBMISSION
2	07/27/2017	CONTRACT DOCUMENTS
3	07/27/2017	CONTRACT DOCUMENTS

PROJECT: #614 MW (AC) GROUND MOUNTED PHOTOVOLTAIC SYSTEM

HAZEL SOLAR

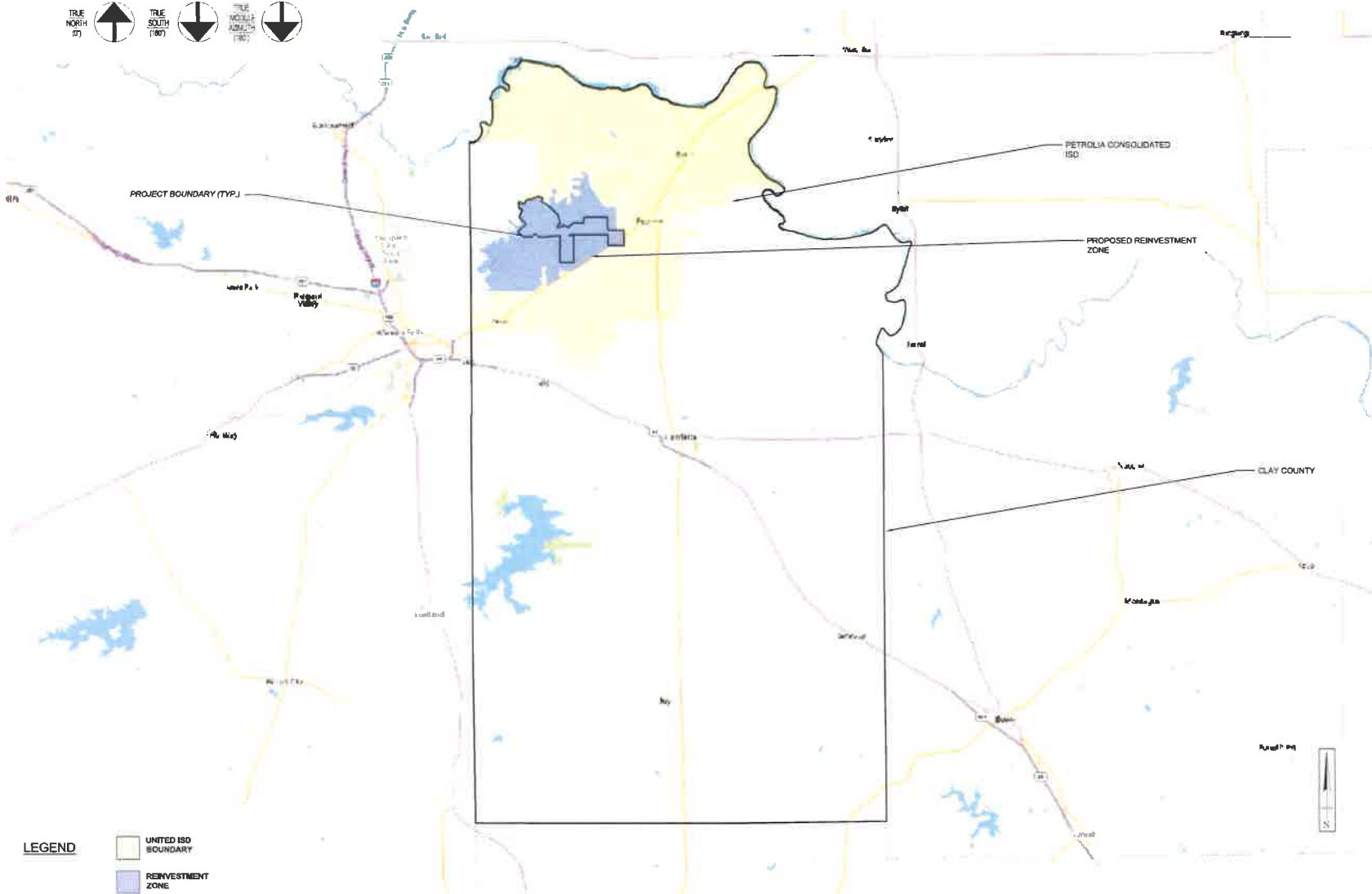
HAZEL TX
CLAY COUNTY

NO.	DATE	BY	CHKD.

DRAWING TITLE:
VICINITY MAP

DRAWING NO.:
CP-2

SHEET NO.:
2 OF 2



LEGEND

- UNITED ISO BOUNDARY
- REINVESTMENT ZONE

1 VICINITY MAP
SCALE: 1:15000

GRAPHIC SCALE
 0 1000 2000 3000 4000
 0 100 200 300 400
 0 100 200 300 400

W:\00\181845-01\VARIOUS TEXAS PROJECTS\01 ENGINEERING CAD\MIKEL SOLAR\ITX PLAN\REV 21845-01T CP-2

Name	Zip	County	Company Name	Owner Group	Primary Owner First Name	Primary Owner Last Name	Primary Owner	Acres (Deed)	APN/PIN
Hb Investm	76305	Clay	Investmen ts LP	Company			Hb Investm ents LP	167	15169
Fleming No	76305	Clay	Nova Trust	Company , Trust			Fleming Nova Trustee	160	1289
Arnhold Th	76305	Clay		Person	Thomas	Arnhold	Arnhold	168	1268
Carter Willi	76305	Clay	William Wayn	Company , Trust			William Wayne Rev Trust	640	3347
Fleming No	76305	Clay	Nova Trust	Company , Trust			Fleming Nova Trustee	149	1301
Julie P Swai	76305	Clay	Julie P Swan da Living	Company , Trust			Julie P Swanda Living Trust	48.75	15243
Marshall Li	76305	Clay		Person	Lloyd	Marshall	Marsha ll	12.68	36512
Arnhold Th	76305	Clay		Person	Thomas	Arnhold	Arnhold	160	1284
Hb Investm	76305	Clay	Investmen ts LP	Company			Hb Investm ents LP Waggn	30.68	1824
Wagner R	76377	Clay		Person	Robert	Wagner	er	45	2339
Fleming No	76305	Clay		Person	Nova	Fleming	Nova	2	7144
Harding An	76305	Clay		Person	Andy	Harding	Andy	440	3362
Stevenson	76305	Clay		Person	Kelly	Stevenson	on	97.3	7134
Harrison L	76377	Clay		Person		Harrison	C	105	2340

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 REVOLUTION CREATING HECAETE HAZEL REINVESTMENT FUND NO. 1
 September 19, 2022
 Page 5

Harrison L (76377 Clay	Person	Harrison C	320	7379
Hb Investm 76305 Clay	Investments LP Company	Hb Investments LP	556.6	15244
Bachman T 76305 Clay	Person	Travis Bachman	201	35205
Julie P Swai 76305 Clay	Julie P Swanda Living Trust	Julie P Swanda Living Trust	284.6	15346
Fleming No 76305 Clay	Fleming Nova Trust Company	Fleming Nova Trustee	160	1290
Fleming No 76305 Clay	Fleming Nova Trust Company	Fleming Nova Trustee	160	1291
Waggnr R 76377 Clay	Person	Robert Waggnr	160	2413
Julie P Swai 76305 Clay	Julie P Swanda Living Trust	Julie P Swanda Living Trust	639.6	12874
Fleming No 76305 Clay	Fleming Nova Trust Company	Fleming Nova Trustee	37.95	1293
Krottinger I 76305 Clay	Person	Lynda Krottinger	332	7397

Antone M	76305 Clay	Antone M Swanda Living Company Trust , Trust Fleming Nova Trust Company ee , Trust	Antone M Swanda Living Trust	168.2	15487
Fleming No	76305 Clay	Donald S Praeger Jr Liv Company Trust , Trust Fleming Nova Trust Company ee , Trust	Fleming Nova Trustee	63	1302
Donald S Pr	76305 Clay	Donald S Praeger Jr Liv Company Trust , Trust Fleming Nova Trust Company ee , Trust	Donald S Praeger Jr Liv Trust	269.7	7133
Fleming No	76305 Clay	Thomas Arnhold Jr Person	Fleming Nova Trustee Thomas D Arnhold Jr	15	1299
Arnhold Th	76305 Clay	Thomas Arnhold Jr	Thomas D Arnhold Jr	91	1308
Julie P Swa	76305 Clay	Julie P Swanda Living Company Trust , Trust	Julie P Swanda Living Trust	34.72	15168
Turner Stev	76305 Clay	Person Steve Turner	Steve Turner	160	36012

Fleming No 76305 Clay	Fleming Nova Trust Company ee , Trust			Fleming Nova Trustee Thomas D Arnhold Jr	63	1E+05
Arnhold Th 76305 Clay	Person	Thomas	Arnhold	Jr	145	1278
Julie P Swanda Living Company Trust , Trust	Julie P Swanda Living Company Trust , Trust			Julie P Swanda Living Trust	639.5	5479
Julie P Swa 76305 Clay	Donald S Praeger Jr Liv Company Trust , Trust			Donald S Praeger Jr Liv Trust	5	7146
Donald S Pr 76305 Clay	Person	Lynda	Krottinger	Lynda G Krottinger	68.95	15795
Krottinger I 76305 Clay	Hb Investments LP Company			Hb Investments LP	279.1	15489
Hb Investm 76305 Clay	Person	Thomas	Arnhold	Thomas D Arnhold Jr	171	1275
Arnhold Th 76305 Clay	Person	Lloyd	Marshall	Lloyd Marshall II	80.7	37038
Marshall Ll 76305 Clay						

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 RESOLUTION CREATING HECCATE HAZEL REINVESTMENT BOND NO. 1
 September 19, 2022
 Page 8

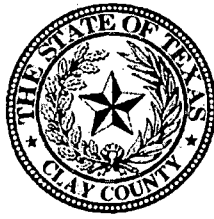
Simmons Jr 76377 Clay	Person	Johnny Simmons	Johnny Simmons	164	2414
Rosinbaum 76305 Clay	Person	Olga Rosinbaum	Olga Rosinbaum	34.16	7137
Turner Steve 76305 Clay	Person	Steve Turner	Steve Turner	59.62	36721
Fleming Nova Trust Company, Trust	Person	Fleming Nova Trust Company	Fleming Nova Trustee	126	1303
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas Arnhold Jr	165	1269
Marshall Lli 76305 Clay	Person	Lloyd Marshall	Lloyd Marshall II	530	5439
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas Arnhold Jr	232	1274
Julie P Swanda Living Company Trust, Trust	Person	Julie P Swanda Living Company Trust	Julie P Swanda Living Trust	293	155020
Marshall Lli 76305 Clay	Person	Lloyd Marshall	Lloyd Marshall II	123.5	36384

Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	192	1307
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	305	1273
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	126	1276
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	219.7	1288
Turner Stev 76305 Clay	Person	Steve Turner	Steve Turner	156.7	1283
Turner Stev 76305 Clay	Person	Steve Turner	Steve Turner	156.7	1282
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	148	3123
Harding An 76305 Clay	Person	Anne Harding	Anne Harding	411	35228
Harding An 76305 Clay	Person	Andy Harding	Andy Harding	321.4	3161
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	271	1267
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	180	1304

Harding An 76305 Clay	Person	Andy	Harding	Andy Harding Worsha m W	199	1626
Harding D\ 76377 Clay	Person	m	Harding	Harding	311	3385

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 RESOLUTION CREATING HECAFE HAZEL REINVESTMENT ZONE NO. 1
 September 19, 2022
 Page 12

Exhibit B



CLAY COUNTY, TEXAS GUIDELINES AND CRITERIA FOR TAX ABATEMENT AND OTHER ECONOMIC DEVELOPMENT INCENTIVES

Section A. Definitions

The following words, terms and phrases shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. The Commissioners Court shall have the power from time to time to provide such additional and/or modified definitions that they may find desirable and necessary. The words and phrases as herein set out shall be deemed and understood to mean:

1. **Abatement** shall mean the full or partial exemption from ad valorem taxes of certain real property and certain limited types of tangible personal property, as herein after provided, located in a reinvestment zone designated by the County of Clay for economic development purposes.
2. **Agreement** shall mean a contractual agreement (Tax Abatement Agreement) between a property owner and/or lessee and the County of Clay.
3. **Base year value** shall mean the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
4. **County** shall mean the County of Clay, Texas.
5. **Commissioners Court** shall mean the governing body of the County of Clay, Texas.
6. **Eligible facilities** shall mean new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which are 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, or that would contribute to economic development within the County. Eligible facilities may include, but shall not be limited to: retail sales establishments generating municipal sales taxes and providing goods and services to an intended wide distribution area, or that have the potential to stem the export of retail expenditures from the County, or have the potential to draw new retail expenditures into the County; manufacturing facilities; office buildings; hotels/motels; distribution facilities; service facilities; tourism facilities; and other facilities not herein expressly deemed ineligible; which in the sole opinion of Commissioners Court will have a positive impact on the economic well-being of the County.

7. **Expansion** shall mean the addition of buildings, structures, fixed machinery, as that term is defined herein, equipment, or payroll for the purposes of increasing production, efficiency, services, or combination thereof.
8. **Facility** shall mean property improvements completed or in the process of construction which together comprise an integral whole.
9. **Ineligible property** shall mean land; supplies; inventory; tools; furnishings; other moveable personal property; rolling stock, railroad cars, trucks, aircraft, or other forms of transportation; housing; deferred maintenance; property to be rented or leased.
10. **Manufacturing** shall mean a facility with the primary purpose being the manufacture or whole or partial assembly of tangible goods or materials by physical or chemical change.
11. **Office** shall mean a facility providing primarily office space which may be owner occupied and/or leased. Also included are corporate offices, which serve, as the principal office for a business enterprise, and from which orders for goods and billing for same may take place.
12. **Personal property** shall mean tangible machinery, equipment, or personal property, which is securely placed or fastened, and stationary within a building or structure, or permanently resides in the reinvestment zone.
13. **Reinvestment zone** shall mean any area of the County of Clay, which Commissioners Court has designated as such, a zone for the purpose of granting tax abatements. It is the intent of the County of Clay to create reinvestment zones on a case-by-case basis, so long as the abatement contemplated conforms to the guidelines herein contained.
14. **Retail facility** shall mean a facility providing for the storage and sale of goods directly to the consumer.

Section B. Purpose

1. The County of Clay, Texas (County), is committed to the promotion of economic development in all parts of the County to achieve the following goals and purposes:
 - a. to improve the quality of life for its citizens and taxpayers
 - b. to avoid harming, creating a diminution of existing value, discriminating against, or unduly affecting the quality of life for its citizens and taxpayers
 - c. to promote economic development in all parts of the County
 - d. to utilize, within its discretion, specific incentives to promote such economic development
 - e. to protect the environment, historical and cultural resources, and sites, wildlife species,

the aesthetic, and ethical integrity of the lands, property, and citizens of the County

- f. provide a transparent and open process for any persons or entities seeking any incentive from the County, to the County's citizens and taxpayers throughout the entire process
 - g. to provide initial minimum requirements, specific guidelines and a process for those individuals and entities seeking any support or incentive from the County, which the County believes is necessary and beneficial to the County, its citizens, and taxpayers
2. To help meet these goals, the County will consider providing tax abatement or other incentives to stimulate economic development in the County and expand the local tax base. It is the policy of the County that such incentives will be provided to appropriate businesses following the procedures and criteria outlined in this document. Nothing in this policy shall imply, suggest, or be construed to imply or suggest that the County is under any obligation to provide an abatement or incentive to any applicant. All applicants for tax reduction or other economic incentives shall be considered on an individual basis.

Section C. Criteria for Tax Abatement and other Economic Development Incentives

1. The following criteria will be addressed by the Clay County Commissioners Court for an applicant to be considered eligible to contract for tax abatement or any other economic development incentive:
- a. An investment by the applicant that will increase the fair market value ("FMV") of the reinvestment zone property by not less than \$1,000,000.00 is required. If the project is too small to increase the FMV by \$1,000,000.00, it must increase the FMV of the reinvestment zone property by not less than 50% of the current FMV.
 - b. The application shall include personal (capital equipment) or real property improvements.
 - c. Tax abatement may be granted to owners of real and personal property for projects where the real property is leased, and special terms and conditions may be set in the agreement governing each specific tax abatement.
 - d. Ineligible property shall not be included.
 - e. The project must meet the requirements of the building codes and other applicable County requirements and City Codes, within the city limits or extraterritorial jurisdiction ("ETJ") of the cities with ETJ in Clay County.
2. In addition to the minimum requirements stated above, the following criteria will be considered in determining what level of tax abatement or other incentives may be provided to the applicant:
- a. Expansion of the local tax base.
 - b. Creation of permanent full-time employment and projected 5-year growth in the number of employees.

- c. Anticipated salary and employee benefits package for new employment opportunities created.
 - d. The types of public improvements (e.g., county roads, city streets, water, sewer, drainage) and services (e.g., fire, police) and the expected cost of those improvements to the County or any impacted City/ Town in the County.
 - e. The types and cost of public improvements which will be made by the applicant.
 - f. The type of commercial activity (e.g., office, retail, manufacturing, energy, etc.).
 - g. The time necessary to complete the project by the applicant.
 - h. The impact of the project on the environment, wildlife, historical and cultural sites, and on existing businesses.
 - i. Community perception of the project, including how that perception was determined, who was polled, including the perception of any potential routes from project to energy transmission lines and pipelines.
 - j. A table of applicants requested tax abatement percentage for each year of a request incentive or abatement.
 - k. The setback of the project from any pre-existing structure if needed.
3. The County will give preference to businesses that use local suppliers, labor force, and that require no new public facilities.

Section D. Types of Incentives

1. The County intends to consider tax abatement and other economic development incentives on a case-by-case basis so that the total package of incentives may be designed specifically for each project.
2. The criteria outlined in Section C, above, will be used to determine whether or not it is in the best interest of the County, its citizens, and taxpayers to provide any tax abatement or other economic development incentives to a particular applicant.

The County will also consider the following:

- a. The extent to which a proposed project furthers the goals and objectives of the County.
 - b. The projected impact of the project on the County will determine the types and value of the incentives provided.
3. An abatement may be for any amount that the County determines. The County may provide for an

abatement on a sliding scale. The County may determine there will be no abatement or economic incentive at all.

Section E. Application Procedures

1. Any person, or entity, including an organization, joint venture, partnership, association or corporation, desiring that the County consider providing a tax abatement or other economic development incentives to encourage the location of a business or expand a business operation in the County must comply with the following application procedures.
 - a. The applicant shall file an application with the office of the County Judge in a form provided by the County. The application shall detail the entire scope of the project and the type and value of economic development incentives requested. The application may require any statutorily authorized application or administrative fee.
 - b. The applicant shall also file a copy of the above-referenced application with any city or ETJ with jurisdiction, if the city or ETJ also has an abatement process.
 - c. The application will immediately be a public document, subject to review by any party requesting such. It will be posted on the county's website at least 30 days before the required public hearing on the application.
2. The following information shall accompany each application:
 - a. Applicant & Project Name and relevant contact information.
 - b. If any other local entity has provided an abatement or if any application is currently pending before another local entity.
 - c. A detailed description of the project business.
 - d. A description of the project location (including a plat with precise location and legal description.) It must show the details of all proposed ingress and egress and all county, state and federal roads that might be affected); and the location of any pre-existing structure within one mile of the reinvestment zone or project.
 - e. A description of the project size, scope and footprint (if possible, include a drawing or concept sketch of the proposed project layout); and in the case of re-energy, the number and size of units.
 - f. The expected fair market value ("FMV") of the project upon completion showing a separate FMV of the land on which the project will be located and the added FMV of the projects facility.
 - g. The increase in FMV of the reinvestment zone property when the project is completed and operational, showing the FMV both before and after the project is completed.

- h. Identify any land outside the reinvestment zone property, affected for additional resources such as water, sewer, drainage, roads, easements, pipelines, and electricity (showing route to a transmission line or pipeline).
- i. The number of full-time permanent employees/jobs to be created by the project when operational.
- j. The salary ranges for permanent employees, including employee benefits, stated separately.
- k. The initial determination of applicable City, County, State, Federal or other jurisdictional entities (such as TCEQ, FDA, DOD) Codes or Requirements, and any Extraterritorial Jurisdiction (ETJ) impacting the proposed project.
- l. Expected additional resources required of the County such as water, sewer, drainage, roads, easements, fire, and security.
- m. Any plans for environmental, historical, anthropological, cultural, and aesthetic impact to the reinvestment zone property and the properties of the immediate neighbors of the project, the general area of the project will be an important consideration in approval of abatement agreement.
- n. Anticipated time to complete the project showing all phases as scheduled.
- o. Applicant's requested abatement by percentage, by year.
- p. The percentage of local suppliers, contractors, or labor force to be used in the construction of the project.
- q. Determination of how proposed affected land and property is currently taxed (FMV or Ag value) and how the property will be classified after project development.
- r. All accompanying supporting information, such as photos, plats, maps, and written documents, shall be accurate, legal and correct copies.
- s. The projected dates for the beginning construction and the beginning of actual operations
- t. Whether the facility is expected to require connection to an energy source (electric or gas) including generally the route(s) to connect to any existing energy source (electric transmission line or pipeline).
- u. Whether or not securing a connection to an energy source will cause acquiring rights-of-way by eminent domain. (This shall identify all public roads and landowners to be crossed to connect to a transmission line.).

- v. A certification of the applicant's intent to comply with all applicable local, state, and federal laws.
 - w. The name and address of any public official that has or may have any interest (financial or otherwise) in the success of the project, or that is in any way employed by any person or entity associated with the applicant.
 - x. The application fee set forth in the application.
 - y. Any other information about the proposed project that may be required by the County.
3. The application will be signed and sworn to by an officer of the entity, or a principal, with Notary Public attesting.
 4. The applicant shall submit accurate and correct copies of all applications, to any other taxing entity related to the proposed project.
 5. The County Judge will review the application for completeness and accuracy and comments from the appropriate departments. The County Judge will forward compiled application, review comments, and recommendations to the members of the Commissioners Court.
 6. The Commissioners Court may employ any professional services (e.g., legal, engineering, tax) necessary to assist in making a decision on the application.
 7. All requirements of Chapter 312 of the Texas Tax Code, known as the Property Redevelopment and Tax Abatement Act, must be followed.
 8. Applying for abatement after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion, or a new facility, may result in the County denying Applications for tax reduction, abatement, or other economic development incentives made.
 9. Public hearings will be held to get public input on the proposed project, with at least 30 days posted notice before the required public hearing.

Section F. Approval of Tax Abatement and Other Economic Development Incentives

1. If the Commissioners Court determines that it is in the best interest of the County, its citizens, and taxpayers to provide abatements or incentives to a particular applicant, a resolution shall be adopted. The approval of the terms and conditions of tax abatement or other economic development incentive agreement with the applicant will enumerate the types of incentives, and the conditions which apply to them.
2. Any tax abatement and economic incentive agreement must include the following items:
 - a. A description of each type of incentives to be provided and their duration.

- b. A legal description of the property on which the agreement will operate.
- c. Detailed information regarding the type, number, location, and cost of all improvements on the property.
- d. A plan which provides access to and inspection of the property and proposed improvements by the Court or its designee. (This condition is to ensure that the improvements are made according to the specifications and conditions of the agreement.)
- e. A provision limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the reinvestment zone property during the period that the property tax abatement or other economic development incentives are in effect.
- f. A non-compliance penalty shall require payment of all abated taxes immediately if the abatement agreement is violated or canceled.
- g. Require the owner of the reinvestment zone property to certify annually to the governing body of each taxing unit involved that the owner complies with each applicable term of the agreement.
- h. Provide that the Commissioners Court may cancel or modify the agreement if the property owner fails to comply with the agreement.
- i. Require the property owner to pay timely all assessed ad valorem taxes on the property subject to the agreement, or the County shall cancel the agreement.
- j. In applications of renewable energy projects, require the applicant to provide to the county satisfactory evidence of financial assurance in the form of certified funds, cash escrow, a bond, a letter of credit, or parent guarantee, to cover the cost of decommissioning. Decommissioning will include, but not be limited to, removal of infrastructure, restoring, through soil stabilization and revegetation, the first four feet of depth (without the addition of topsoil) of the soil on any land affected by the facility.
- k. Require that the applicant reimburse the County for expenses related to any professional services rendered that the County deemed necessary to enter into the agreement.
- l. Any other terms and conditions that the Commissioners Court deems necessary and in the best interest of the County.

Section G. Resolution and Duration of Guidelines

Now therefore be it resolved that the guidelines and criteria adopted herein shall be adopted by the Clay County Commissioners Court and shall remain in effect for two years unless otherwise repealed or modified by a three-fourths ($\frac{3}{4}$) vote of the Commissioners Court.

This Resolution is adopted on APRIL 24, 2023.

Mike Campbell, County Judge.....✓ Aye ___ Nay
*Richard Lowery, Commissioner Precinct 1___ Aye ___ Nay
Jack Pickett, Commissioner Precinct 2✓ Aye ___ Nay
Retta Collins, Commissioner Precinct 3✓ Aye ___ Nay
Chase Broussard, Commissioner Precinct 4✓ Aye ___ Nay

*** RICHARD LOWERY ABSENT**



**CLAY COUNTY, TEXAS
APPLICATION FOR TAX ABATEMENT
AND OTHER ECONOMIC DEVELOPMENT INCENTIVES**

Introduction

This Application is required by Clay County and is in accordance with the Guidelines and Criteria for Tax Abatement and Other Economic Development Incentives adopted by the Clay County Commissioners Court. By submitting this application and the application fee, the applicant acknowledges that they have read and understood the guidelines and criteria.

Application Information

1. Applicant/Property Owner: Hecate Energy Hazel Storage LLC
2. Project Name, if applicable: Same as above
3. Mailing address: C/O Andrew Boggs, 621 Randolph St., Chicago, IL 60661
4. Phone: 612-636-7953 Email: aboggs@hecateenergy.com
5. Applicant's Representative:
 - i. Name and Title: Brandon Westlake, Partner
 - ii. Address: 16410 N. Eldridge Pkwy., Tomball, TX 77377
 - iii. Phone: 713-266-4456 Email: bwestlake@cwlp.net
6. Is the proposed project located within a city or city ETJ? If so, has an abatement request been filed with that jurisdiction? NO
7. Is the proposed project within a reinvestment zone? If so, indicate which: NO
8. Has any other local jurisdiction granted an abatement for the proposed project? If so, please detail which jurisdiction and provide the terms of that abatement agreement. NO Abatements
9. A description of the project location (including a plat with precise location and legal description). It must show the detail of all proposed ingress and egress and all County, state and federal roads that might be affected, and the location of any pre-existing structure within one mile of the reinvestment zone or Project: Same RZ as Hecate Energy Hazel LLC

10. Description of project size, scope and footprint (if possible, include a drawing or concept sketch of the proposed project layout), if energy project, include number and size of units:
The applicant plans to develop a 500 MWac battery energy storage facility. This includes but is not limited to the following improvements: energy storage enclosures containing batteries, energy storage cooling systems, SCADA systems, transformers, fire suppression systems and all necessary equipment for commercial storage of electricity.
11. The expected fair market value ("FMV") of the Project upon completion showing a separate FMV of the land on which the Project will be located and the added FMV of the facility: See attached Estimated Values
12. The increase in FMV of the reinvestment zone property when the Project is completed and operational, showing the FMV both before and after the Project is completed: Not all of the land in the Reinvestment Zone is part of the project. Only the land parcels that have solar panels on them will change their taxable status. As part of the lease agreement, the applicant will pay the tax difference between the Ag Value and Market Value
13. Identify any land outside the reinvestment zone property, affected for additional resources such as water, sewer, drainage, roads, easements, pipelines, and electricity (showing route to a transmission line or pipeline): N/A
14. The number of full-time permanent employees/jobs to be created by the Project when operational: 1
15. The salary ranges for permanent employees, including employee benefits, stated separately: \$47,221
16. Detail any other direct benefits to Clay County as a result of this project: The project will also be paying taxes and contractual payment to Petrolia CISD as well as using local hotels, restaurants and shops during the construction period and as stated Hecate will use local businesses during the pre-operations process where applicable.
17. The initial determination of applicable City, County, State, Federal or other jurisdictional entities (such as TCEQ, FDA, DOD) Codes or Requirements, and any Extraterritorial Jurisdiction (ETJ) impacting the proposed Project: N/A

18. Expected additional resources required of the County such as water, sewer, drainage, roads, easements, fire, and security: None
19. Any plans for environmental, historical, anthropological, cultural, and aesthetical impact to the reinvestment zone property and the properties of the immediate neighbors of the Project, the general area of the Project will be an important consideration in approval of abatement agreement:
Hecate has conducted extensive environmental, archeological and cultural resource studies of the project site to identify and mitigate any potential impacts to the environment, endangered species, or archeological or cultural resources. Limited potential impacts were identified. Hecate addresses potential impacts by eliminating sensitive areas from the project site, or consulting with relevant state and federal agencies and following recommended best practices for preservation or mitigation if eliminating an area from the project site is impractical. Any detrimental aesthetic impacts to neighboring properties should be limited due to existing vegetation and the remote location of the project site west of the town of Petrolia.
20. Anticipated time to complete the Project showing all phases as scheduled: Estimated construction time is 18 months but could vary.
21. Applicant's requested abatement by percentage, by year: 70% PILOT equivalent
22. The percentage of local suppliers, contractors, or labor force to be used in the construction of the Project: Hecate will make every effort to use local vendors when available and comparable
23. Determination of how proposed affected land and property is currently taxed (FMV or Ag value) and how the property will be classified after project development: Land is currently taxed at the Ag Value and the portion of the land where the potential improvements will be located would be taxed at Market Value once the project breaks ground
24. The projected dates for the beginning construction and the beginning of actual operations: The project is anticipated to commence construction in late 2023 or early 2024, and complete construction and begin operations in 2025
25. Whether the facility is expected to require connection to an energy source (electric or gas), including generally the route(s) to connect to any existing energy source (electric transmission line or pipeline): N/A

26. Whether or not securing a connection to an energy source will cause acquiring rights-of-way by eminent domain. (This shall identify all public roads and landowners to be crossed to connect to a transmission line.): No additional right-of-way will be needed, and no land will be acquired by eminent domain. The project site and all related facilities will be located on private land acquired by Hecate for the project. Eminent domain will not be used.
27. Conflict of interest: No public official (i) has or may have any interest (financial or otherwise) in the success of the Project or (ii) is in any way employed by any person or entity associated with the applicant. Description of project business: Battery Energy Storage Facility
28. Certification: By signing below, the applicant certifies its intent to comply with all applicable local, state, and federal laws.
29. The application fee of \$1,000 is required for application consideration by Clay County.

SUBMITTED w/ MARCH APPLICATION

CERTIFICATION

Brandon Westlake does hereby certify that all statements and representations made herein are accurate to the best of its knowledge and agree to comply with these terms.

By Authorized Representative:

[Handwritten Signature]
Signature

5/3/27
Date

Name: Brandon Westlake

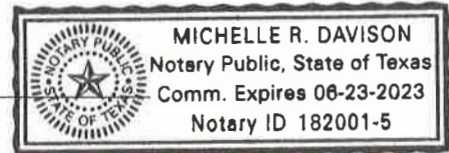
Title: Partner

STATE OF TEXAS

COUNTY OF CLAY

This instrument was acknowledged before me on 5/3/2023 Date, by BRANDON WESTLAKE.

Notary: *[Handwritten Signature]*



STORAGE

30%

Year	Install Cost	Stated Value After ITC	Abate	Taxable Value	DEPC.	Tax Rate	Impact on ETC	Expected Revenue	PILOT Equivalent /MW	MW	Annual PILOT
2025	\$ 200,000,000.00	\$ 140,000,000.00	70%	\$ 42,000,000.00	1.0000	\$ 0.626200	\$ -	\$ 263,004.00		500	\$ 168,381.55
2026		\$ 130,340,000.00	70%	\$ 39,102,000.00	93.10%	\$ 0.626200		\$ 244,856.72			\$ 168,381.55
2027		\$ 119,896,000.00	70%	\$ 35,968,800.00	85.64%	\$ 0.626200		\$ 225,236.63			\$ 168,381.55
2028		\$ 108,626,000.00	70%	\$ 32,587,800.00	77.59%	\$ 0.626200		\$ 204,064.80			\$ 168,381.55
2029		\$ 96,446,000.00	70%	\$ 28,933,800.00	68.89%	\$ 0.626200		\$ 181,183.46			\$ 168,381.55
2030		\$ 83,300,000.00	70%	\$ 24,990,000.00	59.50%	\$ 0.626200		\$ 156,487.38			\$ 168,381.55
2031		\$ 98,720,000.00	70%	\$ 29,616,000.00	49.36%	\$ 0.626200		\$ 185,455.39			\$ 168,381.55
2032		\$ 53,774,000.00	70%	\$ 16,132,200.00	38.41%	\$ 0.626200		\$ 101,019.84			\$ 168,381.55
2033		\$ 37,212,000.00	70%	\$ 11,163,600.00	26.58%	\$ 0.626200		\$ 69,906.46			\$ 168,381.55
2034		\$ 28,000,000.00	70%	\$ 8,400,000.00	20.00%	\$ 0.626200		\$ 52,600.80			\$ 168,381.55
			20%								\$ 168,381.55
								\$ 1,683,815.48	\$ 336.76		\$ 1,683,815.48
2035		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.626200	\$ 0.002000	\$ 175,336.00			
2036		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.624200		\$ 174,776.00			
2037		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.622200		\$ 174,216.00			
2038		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.620200		\$ 173,656.00			
2039		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.618200		\$ 173,096.00			
2040		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.616200		\$ 172,536.00			
2041		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.614200		\$ 171,976.00			
2042		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.612200		\$ 171,416.00			
2043		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.610200		\$ 170,856.00			
2044		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.608200		\$ 170,296.00			
2045		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.606200		\$ 169,736.00			
2046		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.604200		\$ 169,176.00			
2047		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.602200		\$ 168,616.00			
2048		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.600200		\$ 168,056.00			
2049		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.598200		\$ 167,496.00			
2050		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.596200		\$ 166,936.00			
2051		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.594200		\$ 166,376.00			
2052		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.592200		\$ 165,816.00			
2053		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.590200		\$ 165,256.00			
2054		\$ 28,000,000.00	0%	\$ 28,000,000.00	0%	\$ 0.588200		\$ 164,696.00			
2055		\$ 28,000,000.00						\$ 3,400,320.00			\$ 1,683,815.48
		Total Benefit/30yrs		\$ 5,084,135.48							

Name	Zip	County	Company Name	Owner Group	Primary Owner First Name	Primary Owner Last Name	Primary Owner	Acres (Deed)	APN/PIN
Hb Investm	76305	Clay	Investmen ts LP	Company			Hb Investm ents LP	167	15169
Fleming No	76305	Clay	Nova Trust	Company , Trust			Fleming Nova Trustee	160	1289
Arnhold Th	76305	Clay		Person	Thomas	Arnhold	Arnhold	168	1268
Carter Willi	76305	Clay	Willam Wayn	Company , Trust			William Wayne Rev Trust	640	3347
Fleming No	76305	Clay	Nova Trust	Company , Trust			Fleming Nova Trustee	149	1301
Julie P Swai	76305	Clay	Julie P Swan da Living	Company , Trust			Julie P Swanda Living Trust	48.75	15243
Marshall Li	76305	Clay		Person	Lloyd	Marshall	Marsha ll	12.68	36512
Arnhold Th	76305	Clay		Person	Thomas	Arnhold	Arnhold	160	1284
Hb Investm	76305	Clay	Investmen ts LP	Company			Hb Investm ents LP Waggn	30.68	1824
Wagner R	76377	Clay		Person	Robert	Wagner	er	45	2339
Fleming No	76305	Clay		Person	Nova	Fleming	Nova	2	7144
Harding An	76305	Clay		Person	Andy	Harding	Andy	440	3362
Stevenson	76305	Clay		Person	Kelly	Stevenson	on	97.3	7134
Harrison L	76377	Clay		Person		Harrison	C	105	2340

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 REVOLUTION CREATING HECAETE HAZEL REINVESTMENT FUND NO. 1
 September 19, 2022
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Harrison L (76377 Clay	Person	Harrison C	320	7379
Hb Investm 76305 Clay	Investments LP Company	Hb Investments LP	556.6	15244
Bachman T 76305 Clay	Person	Travis Bachman	201	35205
Julie P Swai 76305 Clay	Julie P Swanda Living Trust	Julie P Swanda Living Trust	284.6	15346
Fleming No 76305 Clay	Fleming Nova Trust Company	Fleming Nova Trustee	160	1290
Fleming No 76305 Clay	Fleming Nova Trust Company	Fleming Nova Trustee	160	1291
Waggnr R 76377 Clay	Person	Robert Waggnr	160	2413
Julie P Swai 76305 Clay	Julie P Swanda Living Trust	Julie P Swanda Living Trust	639.6	12874
Fleming No 76305 Clay	Fleming Nova Trust Company	Fleming Nova Trustee	37.95	1293
Krottinger I 76305 Clay	Person	Lynda Krottinger	332	7397

Antone M	76305 Clay	Antone M Swanda Living Company Trust , Trust Fleming Nova Trust Company ee , Trust	Antone M Swanda Living Trust	168.2	15487
Fleming No	76305 Clay	Donald S Praeger Jr Liv Company Trust , Trust Fleming Nova Trust Company ee , Trust	Fleming Nova Trustee	63	1302
Donald S Pr	76305 Clay	Donald S Praeger Jr Liv Company Trust , Trust Fleming Nova Trust Company ee , Trust	Donald S Praeger Jr Liv Trust	269.7	7133
Fleming No	76305 Clay	Thomas Arnhold Jr Person	Fleming Nova Trustee Thomas D Arnhold Jr	15	1299
Arnhold Th	76305 Clay	Thomas Arnhold Jr Person	Thomas Arnhold Jr	91	1308
Julie P Swa	76305 Clay	Julie P Swanda Living Company Trust , Trust	Julie P Swanda Living Trust	34.72	15168
Turner Stev	76305 Clay	Steve Turner Person	Steve Turner	160	36012

Fleming No 76305 Clay	Fleming Nova Trust Company, Trust			Fleming Nova Trustee Thomas D Arnhold Jr	63	1E+05
Arnhold Th 76305 Clay	Person	Thomas	Arnhold	Jr	145	1278
Julie P Swanda Living Trust, Trust	Julie P Swanda Living Company Trust, Trust			Julie P Swanda Living Trust	639.5	5479
Julie P Swa 76305 Clay	Donald S Praeger Jr Living Trust, Trust			Donald S Praeger Jr Living Trust	5	7146
Donald S Pr 76305 Clay	Person	Lynda	Krottinger	Lynda G Krottinger	68.95	15795
Krottinger I 76305 Clay	Hb Investments LP Company			Hb Investments LP	279.1	15489
Hb Investm 76305 Clay	Person	Thomas	Arnhold	Thomas D Arnhold Jr	171	1275
Arnhold Th 76305 Clay	Person	Lloyd	Marshall	Lloyd Marshall II	80.7	37038
Marshall Ll 76305 Clay						

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 RESOLUTION CREATING HECCATE HAZEL REINVESTMENT BOND NO. 1
 September 19, 2022
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Simmons Jr 76377 Clay	Person	Johnny Simmons	Johnny Simmons	164	2414
Rosinbaum 76305 Clay	Person	Olga Rosinbaum	Olga Rosinbaum	34.16	7137
Turner Steve 76305 Clay	Person	Steve Turner	Steve Turner	59.62	36721
Fleming Nova Trust Company, Trust	Person	Fleming Nova Trust Company	Fleming Nova Trustee	126	1303
Arnhold Thomas 76305 Clay	Person	Thomas Arnhold	Thomas Arnhold Jr	165	1269
Marshall Lloyd 76305 Clay	Person	Lloyd Marshall	Lloyd Marshall II	530	5439
Arnhold Thomas 76305 Clay	Person	Thomas Arnhold	Thomas Arnhold Jr	232	1274
Julie P Swanda Living Company Trust, Trust	Person	Julie P Swanda Living Company Trust	Julie P Swanda Living Trust	293	155020
Marshall Lloyd 76305 Clay	Person	Lloyd Marshall	Lloyd Marshall II	123.5	36384

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 RESOLUTION CREATING HECCATE HAZEL REINVESTMENT ZONE NO. 1
 September 19, 2022
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Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	192	1307
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	305	1273
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	126	1276
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	219.7	1288
Turner Stev 76305 Clay	Person	Steve Turner	Steve Turner	156.7	1283
Turner Stev 76305 Clay	Person	Steve Turner	Steve Turner	156.7	1282
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	148	3123
Harding An 76305 Clay	Person	Anne Harding	Anne Harding	411	35228
Harding An 76305 Clay	Person	Andy Harding	Andy Harding	321.4	3161
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	271	1267
Arnhold Th 76305 Clay	Person	Thomas Arnhold	Thomas D Arnhold Jr	180	1304

Harding An 76305 Clay	Person	Andy	Harding	Andy Harding Worsha m W	199	1626
Harding D\ 76377 Clay	Person	m	Harding	Harding	311	3385

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 RESOLUTION CREATING HECAFE HAZEL REINVESTMENT ZONE NO. 1
 September 19, 2022
 Page 12

Exhibit E



CLAY COUNTY, TEXAS

A RESOLUTION AND ORDER APPROVING A ROAD USE AGREEMENT BETWEEN CLAY COUNTY TEXAS AND HECATE ENERGY HAZEL STORAGE, LLC

WHEREAS, Clay County, Texas (the "County" or Clay County) is familiar with the project contemplated by Hecate Energy Hazel Storage, LLC in the portion of the County described on Exhibits A and B, attached hereto and incorporated herein by reference. ("Project Area");

WHEREAS, Hecate Energy Hazel Storage, LLC contemplates making certain improvements to the real property located within the Project Area consisting of a solar power and storage electric power generating and storage facility ("Improvements");

WHEREAS, with the exception of statutory requirements, such as §240.907, Texas Transportation Code, §181.044 Texas Utilities Code, there are no applicable Clay County rules or ordinances that would require Hecate Energy Hazel Storage, LLC to obtain zoning approval, a permit, or an authorization for the ownership, construction, operation or maintenance of a solar and storage energy and storage project and its Improvements within the Project Area. There are no presently existing Clay County rules or ordinances, other than those contained in a Tax Abatement Agreement between Clay County and Hecate Energy Hazel Storage, LLC regarding decommissioning, safety buffer zones, set back requirements, noise restrictions, shade, flicker, shadow or visibility restrictions, or other zoning rules or regulations affecting the proposed ownership, construction, operation, or maintenance of Improvements within the Project Area;

WHEREAS, no part of the Project Area is located within the city limits of any towns within Clay County, and no part of the Project Area is located within the extraterritorial jurisdiction of any city within the County.

WHEREAS, the ownership, construction, operation and maintenance of the Improvements will require access to, egress from, encroachments into, crossings of, and possibly upgrades to one or more roads maintained by Clay County, or other county owned or maintained rights-of-way, and, or County held right-of-way easements located in Clay County, Texas;

WHEREAS, by its dedication, use, and/or maintenance of the roads and as the owner and holder of County rights-of-way and right-of-way easements in the County, the Commissioners Court of Clay County, Texas has the authority on behalf of the County to permit the Road Usage (as defined herein);

WHEREAS, Hecate Energy Hazel Storage, LLC seeks the County's permission for such Road Usage and Clay County, Texas has agreed to grant said permission.

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF CLAY COUNTY, TEXAS:

1. That the findings and recitals in the preamble to this Order are found to be true and correct

and are hereby RATIFIED, APPROVED and ADOPTED.

2. Hecate Energy Hazel Storage, LLC shall repair any damage to County roads caused by Hecate Energy Hazel Storage, LLC or its contractors or suppliers during the course of construction, repairing or maintenance of the Improvements and shall return such roads to the condition such roads were in prior to their use by Hecate Energy Hazel Storage, LLC or its contractors or suppliers.
 - a. Prior to the commencement of any work, or in advance of any subsequent modifications, Hecate Energy Hazel Storage, LLC, will provide to Clay County a map identifying and designating those county-maintained roads which will be utilized to develop, install, or repair the improvements, and any points of access to property, or the location of any transmission or collection lines to be installed in the public right of way (the "Designated Roads").
 - b. Hecate Energy Hazel Storage, LLC will coordinate with the Commissioner or appropriate county personnel responsible for the roads to be used by Hecate Energy Hazel Storage, LLC during this project.
 - c. Hecate Energy Hazel Storage, LLC will have a pre-construction survey completed for all designated county-maintained roads, which will include current conditions and recommendations for any preparations or modifications that will be necessary to perform required construction. In addition, the County will provide Hecate Energy Hazel Storage, LLC, if available, with copies of any plans, cross sections and specifications relevant to the Designated Roads. Copies of all pre-construction survey documentation shall be provided to the County. All costs associated with the pre-construction survey shall be borne solely by Hecate Energy Hazel Storage, LLC.
 - d. It is understood by Hecate Energy Hazel Storage, LLC that no roads may be used for ingress or egress to the Project Area other than the Designated Roads. Any truck operated by an individual under contract, supervision and control of Hecate Energy Hazel Storage, LLC, or its general contractor for the project that is found to be operating a truck on any road not identified as a Designated Road shall be issued a citation, which, with sufficient documentation, shall subject Hecate Energy Hazel Storage, LLC to a penalty of \$1,000.00. Any repeated unpaid violations of this agreement by that operator shall result in that operator not being allowed to participate further in hauling for Hecate Energy Hazel Storage, LLC.
 - e. Where prudent engineering and design suggests appropriate, Hecate Energy Hazel Storage, LLC, will, at its sole costs and with the consent and approval of the County, prepare any roads in advance of the introduction of heavy or wide loads as necessary to sustain heavy or wide load trucks or where necessary in advance prepare access points from County Roads. For purposes of this agreement, the term heavy or wide loads are defined as any load exceeding 54,000 pounds in gross weight or 36,000 pounds per axle, and any load more than 12 feet in width.
 - f. It is understood that maintenance of the roads to be utilized by Hecate Energy Hazel

private property owners prior to using any private property for the delivery of goods or supplies used for the Improvements or for access to the site where any of the Improvements are being constructed.

- j. Any roads constructed upon private property by Hecate Energy Hazel Storage, LLC will not, and shall not hereafter, become the responsibility of the County unless the County receives from the landowner a dedication of sufficient right of way, and the Commissioners Court, in its sole discretion, finds the road serves a sufficient public purpose and affirmatively accepts the road as a County road.
- k. Any County owned culverts or bridges, if any, that must be replaced or repaired in the Project Area as result of the construction of the project and heavy loads associated with the project will be repaired by Hecate Energy Hazel Storage, LLC, subject to supervision and approval of the County.
- l. To more fully implement the terms of this agreement, Hecate Energy Hazel Storage, LLC agrees to establish a fund (to be called the Road Use Contingency Fund) in an amount equal to One Hundred Thousand Dollars (\$100,000.00) prior to the commencement of significant construction activities for the project, to be placed on escrow with the County Treasurer of Clay County, Texas. For purposes of this Agreement, significant construction activities shall mean any vehicular traffic carrying loads in excess of 54,000 pounds. This fund shall be available to be applied to any costs incurred by Clay County for the repair of roads, bridges, culverts or other road infrastructure due to damage caused by the activities of Hecate Energy Hazel Storage, LLC in the project zone. The County will first give notice to Hecate Energy Hazel Storage, LLC of the damage claimed, and Hecate Energy Hazel Storage, LLC will have thirty (30) days in which to cure any claimed damage. Failure to cure the claimed damage will authorize the County to access the Road Use Contingency Fund to the extent of the actual costs of repairs incurred by the County, as documented by actual & receipts for material, labor or equipment use rates. Upon any withdrawal from the Road Use Contingency Fund, Hecate Energy Hazel Storage, LLC shall immediately replenish the fund to the extent of any drawdown pursuant to this section. Failure to establish the Road Use Contingency Fund, or to replenish said fund when and if necessary, shall constitute a material breach of the Road Use Agreement. At the conclusion of all construction and commencement of commercial operations, any remaining balance in said contingency fund shall be remitted to Hecate Energy Hazel Storage, LLC within forty-five (45) days of Hecate Energy Hazel Storage, LLC's certification of completion.
- m. Hecate Energy Hazel Storage, LLC agrees to defend, indemnify and hold harmless Clay County and its officers, representatives and employees against any and all losses, damages, claims, expenses and liabilities for physical damage to the property of Clay County or to any person, including reasonable attorney's fees arising out of the project with respect to (1) operations of Hecate Energy Hazel Storage, LLC, or any of its contractors or subcontractor for any intentional act or omission on the part of Hecate Energy Hazel Storage, LLC, or its agents, representatives, employees, or its general

contractor or sub-contractors and all employees of such companies actually performing work related to the project, and (2) any negligent, careless or reckless act or omission on the part of Hecate Energy Hazel Storage, LLC, or its contractors and subcontractors, and (3) any breach of this agreement. This indemnity agreement shall survive the termination of this agreement.

- n. Hecate Energy Hazel Storage, LLC agrees to provide insurance at all times during construction and such insurance will include: (1) Worker's compensation insurance in compliance with the laws of the State of Texas (2) Commercial General Liability insurance with minimum limits of \$2,000,000.00 per occurrence, and (3) Automobile Liability insurance. Certificates of Insurance will be provided upon request to the County. Clay County will be identified as an additional insured on all insurance policies related to the project.
3. The Commissioners' Court hereby grants permission to Hecate Energy Hazel Storage, LLC, and its successors and assigns, during the planning and construction phases of its solar power and storage project and Improvements, and thereafter during the operation and maintenance phase of the solar power and storage project and Improvements until said solar power and storage project and Improvements are completely abandoned, to use all County roads for the Road Usages described herein, including but not limited to, (a) access and egress to and from the Hecate Energy Hazel Storage, LLC Project, (b) encroachment of Solar and Storage Project facilities and Improvements under, along or into the right of way of said County roads, in the form of access points to and from the County road and/or underground electrical transmission or collection lines buried in the County road right-of-way, and (c) for overhead and bored underground crossings of said County roads with solar power and storage project electrical collection lines (and related facilities) interconnecting portions of the solar power and storage project and Improvements, and with transmission lines connecting the solar power and storage project and Improvements to the electrical grid power system. (collectively, the "Road Usage")
 4. That the permission granted in Ordering Paragraph 2 includes the installation, maintenance and repair of solar power and storage project collection and transmission lines and related facilities within the rights of way of said County roads and right-of-way easements held by the County, and an authorization to require upgrade of such roads where necessary and conduct geo- technical and other preliminary construction analysis of such roads and rights-of-way. Hecate Energy Hazel Storage, LLC must provide the County with notice and a map identifying the location of such Project Area facilities with reference to the County roads to be utilized by Hecate Energy Hazel Storage, LLC before Project construction work on such roads begins. If any County roads must be upgraded in connection with such construction work, done Hecate Energy Hazel Storage, LLC will perform such upgrade work at its cost. The County may inspect such road upgrade work and Hecate Energy Hazel Storage, LLC will perform additional work if needed to cause the upgrades to meet the same or better road standards as in effect at the commencement of Project construction (such standards being those agreed to by all parties). Hecate Energy Hazel Storage, LLC must repair any damage to the County roads caused by its installation, maintenance, or repair activities.

PASSED AND APPROVED at this public meeting of the Clay County Commissioners' Court. at which a quorum was present.

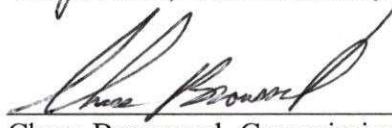
Signed and adopted this 11th day of NOVEMBER, 2023.



Mike Campbell, County Judge


Ben Pharris, Commissioner, Pct. 1


Jack Pickett, Commissioner, Pct. 2


Retta Collins, Commissioner, Pct. 3


Chase Broussard, Commissioner, Pct. 4

Attest:

Sasha Kelton, Clay County Clerk



Hecate Energy Hazel Storage, LLC

By: 
Printed Name: Andrew Boggs
Title Authorized Signatory

Date: 12/18/2023