

**Tax Abatement Agreement
between
South Texas College and
Mesteño Windpower, LLC**

State of Texas

County of Starr

This Tax Abatement Agreement (this "Agreement") is made and entered into by and between South Texas College (the "College"), acting through its duly elected officers, and Mesteño Windpower, LLC, a Delaware limited liability company (the "Owner"), owner of Eligible Property (as hereinafter defined) to be located on the tract of land within the Mesteño Reinvestment Zone No. 1, more specifically described in Attachment "A" to this Agreement. This Agreement becomes effective upon final signature by both parties.

I. Authorization

This Agreement is authorized and its terms governed by Chapter 312 of the Texas Tax Code, as amended, and by the College 2017-2020 Guidelines and Criteria Governing Tax Abatement Agreements (the "Guidelines"), adopted November 28, 2017. The Agreement remains in effect until fulfillment of the obligations described in Paragraph IV (D) herein, unless terminated earlier as provided herein. To the extent the terms of this Agreement do not conform to the requirements of the Guidelines, an exception to Guidelines is intended by adoption hereof.

II. Definitions

As used in this Agreement, the following terms shall have the meaning set forth below, and any undefined terms shall be given the definitions provided in the College's Tax Abatement Guidelines and Criteria.

- A. "Abatement" means the full or partial exemption from ad valorem Maintenance Taxes on property in the Reinvestment Zone No. 1 as provided herein, and in no event will the duration of the Abatement period exceed 10 Calendar Years, commencing on January 1 of the tax year next after the date that College President receives the Certificate of Completion for the Improvements.
- B. "Act" shall mean Chapter 312 of the Texas Tax Code.
- C. "Calendar Year" means each year beginning on January 1 and ending on December 31.
- D. "Certificate" means a letter, provided by the Owner to the College, certifying that Owner has completed construction of the wind power project or any phase thereof described herein (the "Project"), outlining the Improvements and stipulating the overall Turbine Nameplate Capacity of the Project. Upon receipt of the Certificate, and upon reasonable notice to the Owner, the College may inspect the

Site in accordance with this Agreement to determine that the Improvements are in place as certified.

- E. "Certified Appraised Value" means the appraised value, for property tax purposes, of the Facility within Reinvestment Zone No. 1 as certified by the Starr County Appraisal District for each taxable year.
- F. "Eligible Property" means the Facility which has been approved and designated by the College as property eligible for Abatement under the College Tax Abatement Guidelines and Criteria, and this Agreement as described in Attachment A hereto, including: designated new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the Project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria adopted November 28, 2017. Taxes on Real Property may be abated only to the extent the property's value for a given year exceeds its value for the year in which the Agreement is executed. Tangible personal property eligible for Abatement shall not include inventory or supplies.
- G. "Facility" means that certain approximately two hundred one and six tenths megawatt (201.6 MW) wind generation facility to be developed in Starr County, Texas by the Owner.
- H. "Force Majeure" means any contingency or cause beyond the reasonable control of the party claiming Force Majeure including, without limitation, acts of God or a public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of such party), fires, explosions, floods, tornadoes, and strikes.
- I. "Improvements" means Eligible Property as defined herein and includes, but is not limited to, any building, structure, or fixture erected on or affixed to the land comprising the Site. Improvements specifically include the Facility, and the Owner's substation and switching station if located within Reinvestment Zone No. 1.
- J. "Maintenance Taxes" means the College's maintenance and operations tax and all other taxes or assessments imposed by the College (excluding, however, the College's debt taxes).
- K. "Owner" means Mestefio Windpower, LLC, a Delaware limited liability company, the entity that owns or holds under fee simple title or one or more leasehold or easement interests in the land comprising the Site and in the Real Property for which Abatement is being granted, and any assignee or successor thereof.
- L. "Real Property" means buildings and structures; Site improvements and related fixed improvements.

- M. “Reinvestment Zone No. 1” means The Mesteño Reinvestment Zone Number One, the reinvestment zone (as that term is defined in Chapter 312 of the Texas Tax Code) created by Starr County Commissioners Court and described in Attachment A to this Agreement.
- N. “Site” means the portion of the Reinvestment Zone No. 1 on which Owner makes the Improvements for which the Abatement is granted hereunder.
- O. “Turbine Nameplate Capacity” means the generating capacity of an individual wind turbine as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder and where appropriate may refer to the total or overall generating capacity.

III. Improvements in Reinvestment Zone No. 1

Owner intends to make the following Improvements in consideration for the Abatement set forth herein:

- A. The Owner anticipates constructing Improvements on the Site consisting of a wind power facility with approximately 201.6 megawatts of overall Turbine Nameplate Capacity located in the Reinvestment Zone No. 1 and that upon completion, it will have an estimated appraised value of \$159,800,000.
- B. The Improvements also shall include the Facility and any other property in the Reinvestment Zone No. 1 owned by Owner and meeting the definition of “Eligible Property” that is used to produce wind power and perform other functions related to the production, distribution and transmission of electric power. The College agrees, without limitation, that the wind turbines, towers, transmission lines, substations, operations & maintenance buildings and other related materials and equipment affixed to the Site, Real Property or Eligible Property will constitute Improvements under this Agreement.
- C. Owner anticipates that it will complete construction of the Improvements on or about December 31, 2019.

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

- A. The College and Owner specifically agree and acknowledge that the Facility in the Reinvestment Zone No. 1 shall be taxable in the following ways before and during the Term of this Agreement:
 - 1. Owner’s property not eligible for Abatement, if any, shall be fully taxable at all times;
 - 2. Prior to commencement of the Abatement period designated in Paragraph IV(B)(1), one hundred percent (100%) of property taxes levied on the Certified Appraised Value of real and personal property owned by Owner and located in the Reinvestment Zone No. 1 will be owed payable by Owner;

3. College property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts provided for by Paragraph IV(B) below; and
 4. One Hundred percent (100%) of the Certified Appraised Value of Eligible Property existing in the Reinvestment Zone No. 1 shall be fully taxable after expiration of the Abatement period designated in Paragraph IV(B), including during the remainder of the Term.
- B. The College and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement of Owner's property taxes under the conditions set forth herein:
1. There shall be granted and allowed hereunder a property tax abatement on the approved Eligible Property and/or Improvements constructed, expanded, or acquired hereunder on the Site at a rate of seventy-five percent (75%) each year for ten years, commencing on January 1 of the tax year next after the date that College President receives the Certificate of Completion for the Improvements as set forth below.

Abatement Year	Percentage of Annual Abatement Applicable
Year 1	75%
Year 2	75%
Year 3	75%
Year 4	75%
Year 5	75%
Year 6	75%
Year 7	75%
Year 8	75%
Year 9	75%
Year 10	75%

2. The foregoing percentage of property taxes on the Certified Appraised Value of all Eligible Property and/or Improvements approved by the College and described in the Certificate (and actually in place in the Reinvestment Zone No. 1) are abated in the respective period designated above.
- C. A portion or all of the Improvements may be eligible for complete or partial exemption, now or in the future, from ad valorem taxes as a result of existing law or future legislation. Should any such existing exemption not have been addressed herein or should any new exemption be proposed or adopted by the Texas Legislature, (a) Owner may request a modification of this Agreement, and (b) College may reconsider the effect of such exemption on its tax revenues, and amend the Agreement accordingly to the extent that the exemption as applied to the Eligible Property would materially reduce the College's tax benefits as anticipated in this Agreement. This Agreement is not to be automatically

construed as evidence that such future exemptions shall automatically apply to the Improvements.

- D. As partial consideration for the granting of tax abatement in Paragraph IV(B) hereof, the Owner agrees to make the following payments to the College. On December 31 of each year of the first ten years of tax abatement (i.e., commencing with the tax year next after the date that College President receives the Certificate of Completion for the Improvements) the Owner shall pay the College the following payments as annual payment in lieu of abated taxes:

Year 1- 10 - \$25,805.

In the event the amounts due under this Paragraph IV(D) are not paid by December 31 of the year in which they are due, the College shall notify the Owner that such payments are due and owing by January 15 of the following year. Delinquent payments shall accrue penalty and interest as provided in the Texas Tax Code commencing thirty days after receipt of notice of such delinquency from the College.

If Owner provides written full notice to proceed ("FNTP") to its general contractor for construction of the Project, then, as partial consideration for this Agreement, the Owner agrees to contribute a one-time amount of \$50,000 to the South Texas College General Scholarship Fund; such contribution is due and payable with forty-five (45) days after the date of the FNTP.

- E. Owner agrees that the Improvements described in Paragraph III hereof, once constructed, will remain in place until at least twenty (20) Calendar Years after the date the Certificate for such Improvements is provided to the College by the Owner ("Term"); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date, as long as such replacement does not result in a reduction of the Certified Appraised Value of the Improvements. In the event that Owner removes Improvements without replacing them with Improvements of equal or greater value (comprising in the aggregate not more than 10% of all Improvements), the Owner's removal shall not be deemed a default under this Agreement if Owner pays to the College as liquidated damages for such removal from the Abatement in this Agreement, within thirty (30) days after demand, the pro rata portion of taxes relating to such removed Improvements (which otherwise would have been paid to the College through the date of such removal without benefit of a tax abatement) with interest at the statutory rate under the Texas Tax Code, as amended, but without penalty. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), THE SOLE REMEDY OF THE COLLEGE, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COLLEGE THE FULL AMOUNT OF ACTUAL TAXES ABATED DURING THE YEAR OF DEFAULT UNDER THIS AGREEMENT. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), 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.

V. Representations

The College and Owner make the following respective representations:

- A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements described in Paragraph III will be performed by the Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's, its successors' and assigns' use of the property in the Reinvestment Zone No. 1 is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the area during the period of the Abatement, (iv) all representations made in this Agreement and in the Application for Abatement, if any, are true and correct in all material respects to the best of Owner's knowledge, and (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future.
- B. The College represents that (i) this Agreement has been entered into in accordance with Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria as both exist on the effective date of this Agreement; (ii) no interest in the Improvements or the land on which they are located is held or subleased by an officer of the College or a member of the College Board of Trustees, (iii) the property within the Reinvestment Zone No. 1 is located within the legal boundaries of the College; and (iv) the College has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement.
- C. At least 24 hours prior to Owner issuing the press release relating to the Project announcing the commencement of commercial operation, Owner shall email or fax a copy of such press release to the College. The College shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.
- D. Owner represents and agrees that, if built, the Project will (i) add at least \$159,800,000 to the tax roll of Eligible Property, (ii) create no fewer than five (5) new, permanent, full-time jobs in Starr County, and (iii) lead to a positive net economic benefit to Starr County of at least One Million Dollars (\$1,000,000.00) over the life of this Agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement.

VI. Access to and Inspection of Property by College Employees

- A. Owner shall allow the College employees or designees of the College access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner forty-eight

(48) hours' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.

- B. Owner shall, within ninety (90) days of the beginning of each Calendar Year, certify annually to the College its compliance with this Agreement by providing written testament to the same to the College Board of Trustees.

VII. Default, Remedies and Limitation of Liability

- A. No party may terminate this Agreement unless (i) such party provides written notice in accordance with Paragraph X hereof (a "Notice") to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (x) excused by the occurrence an event of Force Majeure or (y) cured by the other party within sixty (60) days after Notice thereof, or if such failure cannot be cured within a sixty (60)-day period, the other party shall have such additional time to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continued to diligently and timely pursue the completion of such remedial action. Notwithstanding the preceding portions of this paragraph, if any default arises from a violation of law resulting from a change in law, or a change in the interpretation or enforcement of law, by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to cure such default prepared by such defaulting party and delivered to the other party. If Owner believes that such termination was improper, Owner may file suit in the proper court challenging such termination. In the event of default which remains uncured after all applicable notice and cure periods, the College may pursue the remedies provided for in Paragraph VII(G) below or the preceding Paragraph IV(E), as applicable.
- B. The College shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure.
- C. The Parties shall not deem any default to have occurred in situations involving minor or immaterial (as reasonably determined by the Parties) changes to the description of the Site, minor or immaterial (as reasonably determined by the Parties) changes to the description of the Improvements and/or Eligible Property, or any changes in ownership or in management of Owner or of the Project (so long as Owner or any Related Entity provides notice as provided for herein of such changes to the extent such notice is otherwise required under this Agreement) and so long as any and all successors of any interest whatsoever of Owner in this matter, expressly accept all terms and conditions of this entire Abatement Agreement.
- D. The College shall notify Owner and any Owner lender, tax equity provider, or hedge provider of which the College has notice of any default in writing in the

manner prescribed herein. All contact information for purposes of a notice of default shall be provided to the College Board of Trustees. The notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified above to cure any default. Any Owner lender of which the College has notice shall have the right to cure any defect or default, including any defect caused by an assignee or contractor of Owner, during the same cure periods provided for Owner under this Agreement.

- E. Owner shall have sixty (60) days from the date of County's notice to cure any default (unless fulfillment of any obligations requires activity over a period of time, in which case performance shall be commenced within sixty (60) days after the actual receipt of notice and such performance shall be diligently continued until the default is cured). The decision whether to cure any such default solely and absolutely belongs to Owner, and no party may compel Owner to cure.
- F. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided for by this Agreement, the College shall be entitled to cancel the Agreement and all future tax abatements under this Agreement shall be void.
- G. LIMITATION OF LIABILITY: CANCELLATION 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 PARAGRAPH VII(D) OF THIS AGREEMENT; AND/OR RECOVERY OF THE AMOUNTS PROVIDED FOR IN PARAGRAPH IV(E) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH IV(E), ALONG WITH ANY REASONABLY INCURRED COURT COSTS AND ATTORNEYS' FEES, SHALL BE THE COLLEGE'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND THE COLLEGE AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE FROM OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.
- H. RECAPTURE. College shall be entitled to recapture property tax revenue lost as a result of the exercise of remedies under this Agreement. The amount of property tax revenue that may be recaptured is set forth below:
 - (1) If entitled under Article VII(H) to recapture property tax revenue lost as a result of this Agreement, College shall have the right to recapture up to one hundred percent (100%) of taxes already actually abated under this Agreement

(i.e., recapture for prior tax years only – no anticipatory/prospective recapture of future taxes).

(2) If termination occurs during the Term of Abatement, then Owner shall have sixty (60) calendar days from its date of notice of demand from College to recapture under Article VII(H) to pay all recaptured property tax revenues.

(3) Any recapture under this Article VII(H) shall be subject to any and all lawful offsets, settlements, deductions, and credits to which Owner may be entitled.

- I. Owner and College agree that any litigation of any kind whatsoever that is or may be necessary to be filed to protect any interest of any party with any interest herein, arising from or under this Agreement, shall be filed, if at all, and shall only be maintained, exclusively in a court of competent jurisdiction in Starr or Hidalgo County, Texas, and no other legal forum or venue whatsoever. This legal venue stipulation expressly includes the prohibition of removal of any litigation based in whole or in part upon federal statutes, rights, or causes of action. Further, any administrative or legal protest or any other legal challenge procedure(s) permitted by law to be undertaken by Owner in connection with taxes due and owing pursuant to this Abatement Agreement shall not release, delay or relieve Owner from making and meeting any and all additional and other financial commitments, payments and obligations it has agreed to make and is undertaking pursuant to all and other terms of this Abatement Agreement. During the pendency of any suit (including any appeals thereto), Abatement shall remain in effect as though no event of default had occurred and Owner shall continue to pay any disputed amounts to the College; provided, that upon final adjudication of the matter, if Owner is the prevailing party, such disputed amounts, if applicable, shall be returned to Owner.
- J. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COLLEGE. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND IF THE DEFAULT INVOLVED FAILURE TO MAKE IMPROVEMENTS UNDER THE AGREEMENT, MAY INCLUDE RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

VIII. Compliance with State and Local Regulations

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

IX. Assignment of Agreement

- A. Owner may assign its rights and responsibilities hereunder; provided however, that Owner shall give College written notice prior to any such assignment.
- B. Any assignment of this Agreement shall require that all conditions and obligations in this Agreement shall apply to and be binding upon assignee. Upon such assignment and assumption, Owner shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the interest acquired by the assignee.
- C. No assignment shall be allowed if (a) the College has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (b) the assignee is delinquent in the payment of any amount required under this Agreement or ad valorem taxes owed to the College or any other taxing jurisdiction in Starr County. The parties hereto agree that a transfer of all or a portion of ownership interests in Owner to a third party shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the College. However, Owner shall notify the College President at least 24 hours before the transfer of any ownership interest in Owner.

X. Notice

All notices, demands, or other communications of any type (collectively, "Notices") given shall be given in accordance with this Paragraph. All Notices shall be in writing and delivered, by commercial delivery service, to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading; or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall notice be deemed delivered later than actual receipt. In the event of a notice of default given pursuant to Paragraph VII, such notice shall be given by at least two (2) methods of delivery and consistent with Paragraph VII(F). All Notices shall be mailed or delivered to the following addresses:

To the Owner: Mesteño Windpower, LLC
 c/o Duke Energy Renewables
 550 South Caldwell St., Suite 600
 Mailcode: NAS06
 Charlotte, NC 28202
 ATTN: Contract Management

With Copies to: Mesteño Windpower, LLC
c/o Duke Energy Renewables
550 South Tryon St.
Charlotte, NC 28202
ATTN: Deputy General Counsel

To the College: South Texas College Board of Trustees
3201 West Pecan
McAllen, Texas 78501
Attention: Dr. Shirley A. Reed, President

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

XI. Severability

In the event any paragraph or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law

This Agreement shall be construed under the laws of the State of Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

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

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the College and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

XVI. Coordination of Local Hiring and Services

Owner shall use reasonable commercial efforts to maximize its use of Starr County labor and services and supplies purchased from Starr County businesses in the course of performing under this Agreement.

XVII. Provision of Health Insurance

As of the date this Agreement becomes effective, and until the earlier to occur of (i) the end of the tenth (10th) year of Abatement or (ii) the date this Agreement is terminated as provided herein, Owner shall provide health insurance to its full-time employees working in Starr County. Owner also agrees to use commercially reasonable efforts to require that the prime engineering, procurement and construction contractor working on the Project provides health insurance to its full time employees.

XVIII. Attorney Fees

The Owner agrees to reimburse the College for its reasonable attorneys' fees incurred in the negotiation and preparation of this Agreement, up to a maximum amount of Seven Thousand Five Hundred Dollars (\$7,500).

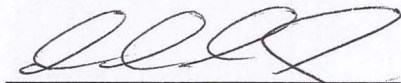
(Signature Page Follows)

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the College as authorized by the College Board of Trustees and executed by the Owner on the respective dates shown below.

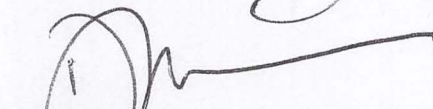
South Texas College

DATED: October 30, 2018

South Texas College Board of Trustees




Paul R. Rodriguez, Chair



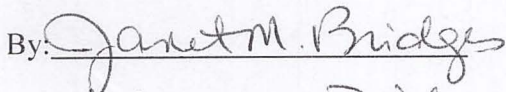
Rose Benavidez, Vice Chair

Attest:



Roy de León, Secretary
ROSE GUNSHRO, TRUSTEE

Mesteño Windpower, LLC

By: 
Name: Janet M. Bridges
Title: Vice President

Attachment A

Resolution Designating Reinvestment Zone by Starr County Commissioners Court.

**ORDER OF THE COMMISSIONERS COURT
OF STARR COUNTY, TEXAS**

**CREATING MESTEÑO REINVESTMENT ZONE NUMBER ONE, FOR
COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN STARR COUNTY, TEXAS,
ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN
EFFECTIVE DATE**

PREAMBLE

WHEREAS, the Commissioners Court of Starr County, Texas desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code § 312.001, *et seq.*), and the Starr County Tax Abatement Guidelines and Criteria (the "Guidelines"); and,

WHEREAS, Section 312.401 of the Texas Tax Code permits a County Commissioners Court to designate a reinvestment zone if that designation would contribute to the retention or expansion of primary employment, or attract major investment in the reinvestment zone that would be a benefit to the property to be included in the zone and contribute to the economic development of the County; and,

WHEREAS, none of the area, Described in **EXHIBITS 1 and 2**, below, for which application for the creation of a reinvestment zone has been made, is within the taxing jurisdiction of any municipality; and,

WHEREAS, on August 13, 2018, a hearing before the Commissioners Court of Starr County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in *The Monitor* and the delivery of written notice to the respective presiding officers of each taxing entity that it includes within its boundaries real property that is to be included in the proposed reinvestment zone; and,

WHEREAS, the Commissioners Court of Starr County, Texas at such public hearing, held in accordance with the procedural requirements of Chapter 312, of the Texas Tax Code, and Chapter 551 of the Texas Government Code, invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and,

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone; and,

WHEREAS, the Starr County Commissioners Court wishes to create a reinvestment zone within the boundaries of Starr County as shown on the map attached as **EXHIBIT 1** and further described by the legal description set forth in **EXHIBIT 2** of this Order;

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

SECTION 1. That the facts and recitations contained in the preamble of this Order are hereby found and declared to be true and correct.

SECTION 2. That the Commissioners Court of Starr County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the *Mesteño Reinvestment Zone Number One* has been properly called, held and conducted and that notice of such hearing has been published as required by law and delivered to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and
- (b) That the boundaries of *Mesteño Reinvestment Zone Number One* should be the area depicted in the plat map indicating the boundaries thereof, attached hereto as **EXHIBIT 1**, and further described in the legal description of the boundaries described in **EXHIBIT 2**, both of which are incorporated herein by reference for all intents and purposes; and,
- (c) That creation of *Mesteño Reinvestment Zone Number One* with boundaries as described in **EXHIBITS 1** and **2** will result in benefits to the Starr County, Texas and to land included in the zone and that the improvements sought are feasible and practical; and
- (d) The *Mesteño Reinvestment Zone Number One*, as described and depicted in in **EXHIBITS 1** and **2** meets all of the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it would, as a result of the designation, contribute to the retention or expansion of primary employment or attract major investment in the zone that would be a benefit to the property included in the zone and would contribute to the economic development of Starr County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Starr County, Texas.


SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines adopted by the Starr County Commissioners Court, the Starr County Commissioners Court hereby creates *Mesteño Reinvestment Zone Number One*, as a reinvestment zone for commercial-industrial tax abatement encompassing only the area within the boundaries described in **EXHIBITS 1 and 2**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *Mesteño Reinvestment Zone Number One*.

SECTION 4. *Mesteño Reinvestment Zone Number One* shall take effect on August 16, 2018 and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Order shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Starr County Commissioners Court at which this Order was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 16th day of August 2018.



Hon. Eloy Vera
County Judge

Date: 08/16/2018



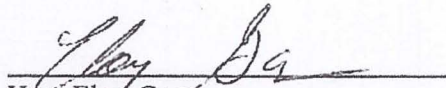
Hon. Jaime M. Alvarez
Commissioner Precinct 1

Date: 08/16/2018



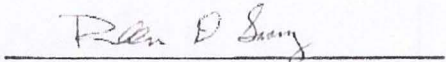
Hon. Raul Peña, III.
Commissioner Precinct 2

Date: 8-16-18



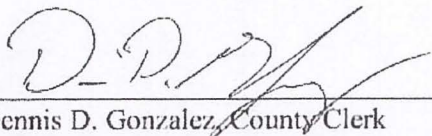
Hon. Eloy Garza
Commissioner Precinct 3

Date: 8-16-18



Hon. Ruben D. Saenz
Commissioner Precinct 4

Date: 8-16-18

ATTESTED: 
Dennis D. Gonzalez, County Clerk

Date: 8-16-2018

[COUNTY SEAL]



Exhibit 1 - Proposed Reinvestment Zone

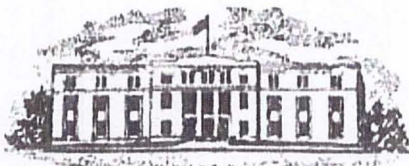
In the event of a discrepancy between the boundary depicted on this map and the legal description in Exhibit 2, this map shall control.



EXHIBIT 2

Proposed Mestefio Reinvestment Zone Number One

- Section 51 Abstract 710
- Section 767 Abstract 602
- Section 93 Abstract 38
- Section 94 Abstract 806
- Section 95 Abstract 716
- Section 96 Abstract 777
- Section 966 Abstract 1125
- The western part of Section 751 Abstract 1127
- Section 750 Abstract 863, save and except approximately 44 acres in the northeast corner
- Section 90 Abstract 750
- Section 89 Abstract 44, save and except the eastern 1000'
- The southern 500' and northern 200' out of the eastern 1000' of Section 89 Abstract 44
- A 1000' x 1000' area in the Southeast corner of Section 91 Abstract 43, in addition to the southern and eastern 500', and northern 200', out of the remaining part of Section 91 Abstract 43
- All of Section 754 Abstract 751 located west of an existing AEP transmission line"
- Section 627 Abstract 856
- Abstract 154
- Abstract 40
- Section 626 Abstract 996
- Section 628 Abstract 1097
- The southern part of Section 933 Abstract 1083
- The southern part of Section 164 Abstract 1014
- Part of Section 565 (aka Section 265) Abstract 359 west of FM 755
- Section 936 Abstract 1068
- Section 936 Abstract 1162
- Part of the southern part of Section 934 Abstract 1066 west of FM 755
- Part of Section 969 Abstract 1176
- The northern part of Porcion 85 Abstract 148
- Part of Porcion 84 Abstract 184 north of La Sagunada Road
- Part of Porcion 83 Abstract 130 north of La Sagunada Road
- All of Porcion 82 Abstract 179 north of La Sagunada Road
- All of Porcion 81 Abstract 75 north of La Saginada Road
- Part of Porcion 80 Abstract 74 north of La Sagunada Road
- Part of the northern part of Porcion 79 Abstract 66
- Part of the northern part of Porcion 78 Abstract 82



AT 1:53 POSTED 0'CLOCK P M

AUG 13 2018

DENNIS G. GONZALEZ, COUNTY CLERK, STARR CO. TX
BY: *Blanca De La Garza*



STARR COUNTY COURTHOUSE STARR COUNTY

Rio Grande City
Texas 78582

ELOY VERA
COUNTY JUDGE

August 13, 2018

DENNIS GONZALEZ
COUNTY CLERK

Notice

COUNTY COMMISSIONERS

Notice is hereby given that a Special Commissioners' Court Meeting of the County of Starr will be held at 2:00 P.M. Thursday August 16, 2018 at the County Courthouse Annex in the Starr County Conference Room Suite #211 in Rio Grande City, Texas.

JAIME ALVAREZ
PRECINCT NO 1

RAUL PENA, III
PRECINCT NO 2

ELOY GARZA
PRECINCT NO 3

RUBEN D. SAENZ
PRECINCT NO 4

BOYD CARTER
COUNTY AUDITOR

RENE FUENTES
SHERIFF

VICTOR CANALES
COUNTY ATTORNEY

FERNANDO PENA
TREASURER

MA. AMEIDA SALINAS
ASSESSOR & COLLECTOR

OMAR ESCOBAR
DISTRICT ATTORNEY

ELOY R. GARCIA
DISTRICT CLERK

Agenda

1. Calling the meeting to order.
2. Pledge of Allegiance
3. Discussion and possible action to adopt order creating Mesteno Reinvestment Zone Number One for Commercial/Industrial Tax Abatement in Starr County, Texas. Establishing the Boundaries Therefor, and Providing for an effective date.
4. Adjournment

COUNTY COMMISSIONERS' COURT MAY CHOOSE TO MEET IN A CLOSED MEETING (EXECUTIVE SESSION) AS PERMITTED BY THE TEXAS OPEN MEETINGS ACT ON ANY ITEM OF THIS AGENDA DEEMED APPROPRIATE INCLUDING, BUT NOT LIMITED TO CONSULTATION WITH ATTORNEY, DELIBERATIONS ABOUT GIFTS AND DONATIONS AND PERSONNEL MATTERS.

BY ORDER OF THE COUNTY JUDGE:

Dennis Gonzalez
Dennis Gonzalez, County Clerk, Ex-Officio
Clerk of the Commissioners' Court

Blanca De La Garza

Attachment B

Attached is a description and location of the proposed Eligible Property

Description of Eligible Property

Project Description

Mesteño Windpower, LLC (Mesteño Windpower) anticipates constructing a wind powered electric generation facility with an operating capacity of approximately 201.6 megawatts. Presently, plans are to install 56 Vestas V136 3.6 megawatt turbines. Additional improvements for the Mesteño Windpower Project will include but are not limited to, towers, foundations, new and improved roads, buildings and offices, meteorological equipment, electrical transmission cables and towers, transformers, electrical substations, and any other equipment necessary to safely operate, maintain, and transmit power to the ERCOT electrical grid.

Attachment B

Location of Eligible Property

Site Description

The following real property in Starr County, Texas:

- Section 51 Abstract 710
- Section 767 Abstract 602
- Section 93 Abstract 38
- Section 94 Abstract 806
- Section 95 Abstract 716
- Section 96 Abstract 777
- Section 966 Abstract 1125
- The western part of Section 751 Abstract 1127
- Section 750 Abstract 863, save and except approximately 44 acres in the northeast corner
- Section 90 Abstract 750
- Section 89 Abstract 44, save and except the eastern 1000'
- The southern 500' and northern 200' out of the eastern 1000' of Section 89 Abstract 44
- A 1000' x 1000' area in the Southeast corner of Section 91 Abstract 43, in addition to the southern and eastern 500', and northern 200', out of the remaining part of Section 91 Abstract 43
- All of Section 754 Abstract 751 located west of an existing AEP transmission line
- Section 627 Abstract 856
- Abstract 154
- Abstract 40
- Section 626 Abstract 996
- Section 628 Abstract 1097
- The southern part of Section 933 Abstract 1083
- The southern part of Section 164 Abstract 1014
- Part of Section 565 (aka Section 265) Abstract 359 west of FM 755
- Section 936 Abstract 1068
- Section 936 Abstract 1162
- Part of the southern part of Section 934 Abstract 1066 west of FM 755
- Part of Section 969 Abstract 1176
- The northern part of Section 85 Abstract 148
- Part of Section 84 Abstract 184 north of La Sagunada Road
- Part of Section 83 Abstract 130 north of La Sagunada Road
- All of Section 82 Abstract 179 north of La Sagunada Road
- All of Section 81 Abstract 75 north of La Saginada Road
- Part of Section 80 Abstract 74 north of La Sagunada Road
- Part of the northern part of Section 79 Abstract 66
- Part of the northern part of Section 78 Abstract 82