

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, November 25, 2025 @ 5:00 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501**

AGENDA

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code. At this meeting, the Board of Trustees may deliberate on and take any action deemed appropriate by the Board of Trustees on the following subjects:”

I. Call Meeting to Order

II. Determination of Quorum

III. Public Comments

The Public Hearing on Amendment and Restatement of the Tax Abatement Agreements between South Texas College and Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II (Terra-Gen Development Company LLC)

- Presentation on Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II Tax Abatement Agreements
- Public Comments
- Close of Public Hearing on Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II Tax Abatement Agreements

IV. Consideration and Action on Agenda Items..... 2 - 45

1. Consideration and Approval of Variance Request – Monte Alto Windpower, LLC
2. Review and Recommend Action to Amend and Restate the Tax Abatement Agreements between South Texas College and Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II (Terra-Gen Development Company LLC)

Consideration and Approval of Variance Request – Monte Alto Windpower, LLC

Purpose	To consider the acceptance of an investment of \$184,000,000 for Monte Alto Windpower, LLC project, which will require Board approval of a variance, since the investment project of \$184,000,000 is below the \$200,000,000 minimum investment required in the Guidelines and Criteria Governing Tax Abatement Agreements by \$16,000,000.
Justification	<p>Terra-Gen Development Company, LLC requested an amendment and restatement of the Board-approved tax abatement agreement for Monte Alto Windpower, LLC.</p> <p>The original investment was \$246,000,000 and the amended investment of \$184,000,000 is below the minimum \$200,000,000 investment requirement, reflected in the College's Guidelines and Criteria Governing Tax Abatement Agreements adopted by the College's Board of Trustees on October 28, 2025, under Schedule II, Section 1, which states:</p> <p>"The minimum amount of new real and/or personal property capital investment shall exceed \$200 million."</p>
Additional Information	Information for this item was not available at the time of the November 11, 2025 Finance, Audit, and Human Resources Committee meeting, and is presented to the Board without a Committee recommendation.
Funding	No funding required.
Staff Resource	Mary Del Paz, Vice President for Finance and Administrative Service Myriam Lopez, Associate Vice President – Finance and Management Ben Castillo, South Texas College Legal Counsel Robert Peña, Texas Energy Consultant
Recommendation	<p><i>It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order Proposed for consideration:</i></p> <p>The Board of Trustees approves and authorizes the investment of \$184,000,000 for Monte Alto Windpower, LLC project, which will require Board approval of a variance, since the investment project of \$184,000,000 is below the \$200,000,000 minimum investment required in the Guidelines and Criteria Governing Tax Abatement Agreements by \$16,000,000, as presented.</p>

Review and Recommend Action to Amend and Restate the Tax Abatement Agreements between South Texas College and Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II (Terra-Gen Development Company LLC)

Purpose To amend and restate the tax abatement agreements between the South Texas College and the Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II (Terra-Gen Development Company, LLC).

Justification Terra-Gen Development Company, LLC requested an amendment and restatement to the Board-approved tax abatement agreements for two (2) projects (Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II) because Terra-Gen Development Company, LLC, could not meet the commencement date of the projects approved on February 22, 2022 by the College's Board of Trustees.

Other changes made to the projects are as follows:

- Monte Alto Windpower, LLC: The original investment of \$246,000,000 has been amended to \$184,000,000, and is no below the minimum \$200,000,000 investment requirement, as reflected in the College's Guidelines and Criteria Governing Tax Abatement Agreements, adopted by the College's Board of Trustees on October 28, 2025.
- Monte Alto II Windpower, LLC: The original investment of \$156,000,000 has been amended to \$203,000,000, which now meets the minimum investment requirement reflected in the College's Guidelines and Criteria Governing Tax Abatement Agreements.

Consideration and approval of the variance for the Monte Alto Windpower, LLC is presented to the Board for approval in this packet under a previous item.

Before approving a tax abatement agreement, the Board shall hold a public hearing and provide notice at least 30 days before the scheduled time of the meeting.

The notice of Public Hearing was published on College's homepage as required. Notices were also submitted to taxing entities within the project boundary, as required under Chapter 312 of the Texas Tax Code.

According to Robert Peña, Texas Energy Consultant, on July 22, 2025, an agreement was reached with Hidalgo County on these projects at a 50% tax rebate percentage.

Enclosed Documents

Appendix A – PowerPoint Presentation
Appendix B – Proposed Amend and Restate Tax Abatement Agreements

Funding

No funding.

Staff Resource

Mary Del Paz, Vice President for Finance and Administrative Service
Myriam Lopez, Associate Vice President – Finance and Management
Ben Castillo, South Texas College Legal Counsel
Robert Peña, Texas Energy Consultant

Recommendation

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order Proposed for consideration:

The Board of Trustees approves and authorizes to amend and restate the tax abatement agreements between the South Texas College and the Monte Alto Windpower, LLC and Monte Alto Windpower, LLC – Phase II (Terra-Gen Development Company, LLC).



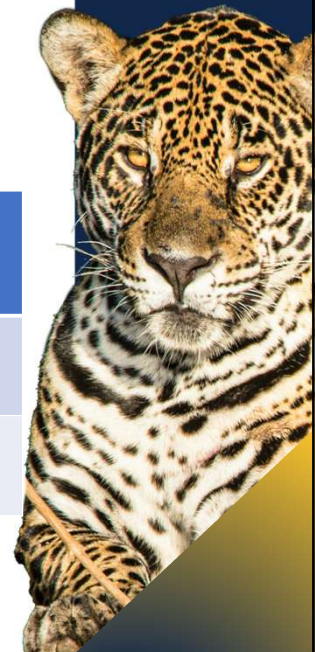
Appendix A

Amend and Restate the Monte Alto I and II Agreements



Monte Alto I Windpower, LLC

	Current Dates Agreement Board Approved on 02/22/22	Proposed Dates Requested by Terra-Gen on 11/18/2025
Commencement Date	March 31, 2023	December 31, 2026
Estimated Appraised Value	\$223,388,000	\$184,000,000



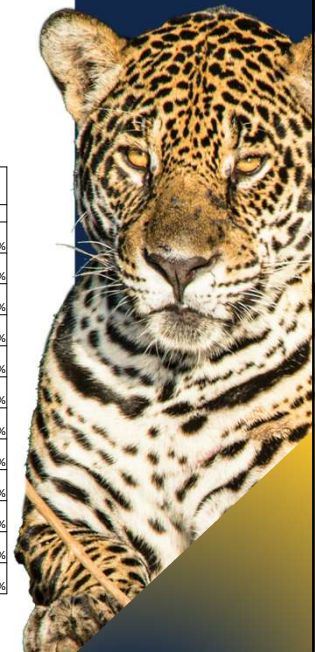
Monte Alto I Windpower, LLC

- Complete Construction of the Improvements no later than twelve (12) months from December 31, 2026
- Ten (10) annual payments in lieu of taxes of \$10,000
- Initial contribution of \$40,000 for Student Scholarships
- Create no fewer than four (4) new, permanent, full-time jobs.
- Provide health insurance to its full-time employees
- Paid the application fee of \$2,500
- Reimburse up to \$5,000 for reasonable attorney's fees



Monte Alto I Windpower, LLC Tax Abatement Percentage Scale

Appraisal Value subject to the Abatement		50% Maximum									
		Percent to be Abated									
	But less than:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$ 180,000,000.00		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 175,000,000.00	\$ 180,000,000.00	49%	50%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 170,000,000.00	\$ 175,000,000.00	48%	50%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 165,000,000.00	\$ 170,000,000.00	47%	49%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 160,000,000.00	\$ 165,000,000.00	46%	48%	49%	50%	50%	50%	50%	50%	50%	50%
\$ 155,000,000.00	\$ 160,000,000.00	45%	47%	48%	50%	50%	50%	50%	50%	50%	50%
\$ 150,000,000.00	\$ 155,000,000.00	44%	46%	47%	49%	50%	50%	50%	50%	50%	50%
\$ 145,000,000.00	\$ 150,000,000.00	43%	45%	46%	48%	50%	50%	50%	50%	50%	50%
\$ 140,000,000.00	\$ 145,000,000.00	42%	44%	45%	47%	49%	50%	50%	50%	50%	50%
\$ 135,000,000.00	\$ 140,000,000.00	41%	43%	44%	46%	48%	49%	50%	50%	50%	50%
\$ 130,000,000.00	\$ 135,000,000.00	40%	42%	43%	45%	47%	48%	49%	50%	50%	50%
\$ 125,000,000.00	\$ 130,000,000.00	39%	41%	42%	44%	46%	47%	48%	50%	50%	50%



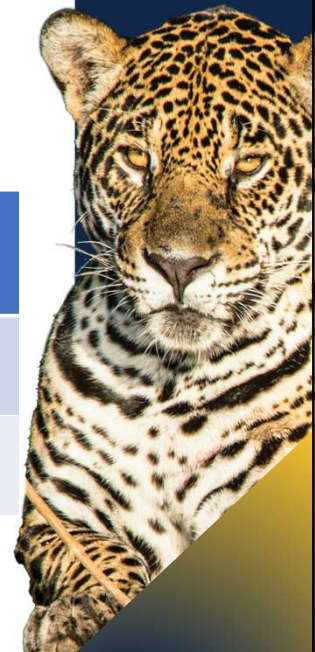
Tax Abatement Percentage Scale Continue

Appraisal Value subject to the Abatement		Percent to be Abated									
	But less than:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$ 120,000,000.00	\$ 125,000,000.00		40%	41%	43%	45%	46%	47%	49%	50%	50%
\$ 115,000,000.00	\$ 120,000,000.00		39%	40%	42%	44%	45%	46%	48%	49%	50%
\$ 110,000,000.00	\$ 115,000,000.00			39%	41%	43%	44%	45%	47%	48%	50%
\$ 105,000,000.00	\$ 110,000,000.00				40%	42%	43%	44%	46%	47%	49%
\$ 100,000,000.00	\$ 105,000,000.00				39%	41%	42%	43%	45%	46%	48%
\$ 95,000,000.00	\$ 100,000,000.00					40%	41%	42%	44%	45%	47%
\$ 90,000,000.00	\$ 95,000,000.00						40%	41%	43%	44%	46%
\$ 85,000,000.00	\$ 90,000,000.00							40%	42%	43%	45%
\$ 80,000,000.00	\$ 85,000,000.00								41%	42%	44%
\$ 75,000,000.00	\$ 80,000,000.00								40%	41%	43%
\$ 70,000,000.00	\$ 75,000,000.00									40%	42%
\$ 65,000,000.00	\$ 70,000,000.00									39%	41%
\$ 60,000,000.00	\$ 65,000,000.00									38%	40%
\$ 55,000,000.00	\$ 60,000,000.00										39%
\$ 50,000,000.00	\$ 55,000,000.00										38%
\$ 45,000,000.00	\$ 50,000,000.00										
\$ -	\$ 45,000,000.00										



Monte Alto Windpower, LLC Phase II

	Current Dates Agreement Board Approved on 02/22/22	Proposed Dates Requested by Terra-Gen on 11/18/2025
Commencement Date	March 31, 2023	December 31, 2027
Estimated Appraised Value	\$156,000,000	\$203,000,000



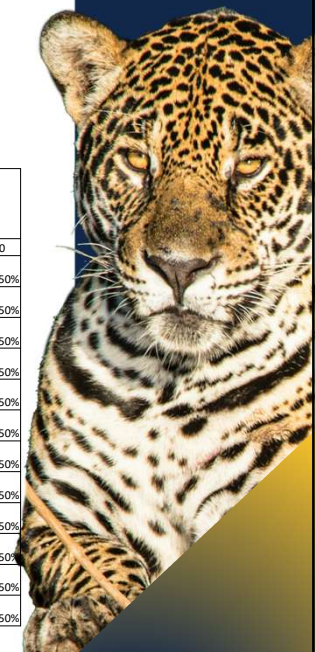
Monte Alto Windpower, LLC Phase II

- Complete Construction of the Improvements no later than fourteen (14) months from December 31, 2027
- Ten (10) annual payments in lieu of taxes of \$10,000
- Initial contribution of \$40,000 for Student Scholarships
- Create no fewer than four (4) new, permanent, full-time jobs.
- Provide health insurance to its full-time employees
- Paid the application fee of \$2,500
- Reimburse up to \$5,000 for reasonable attorney's fees



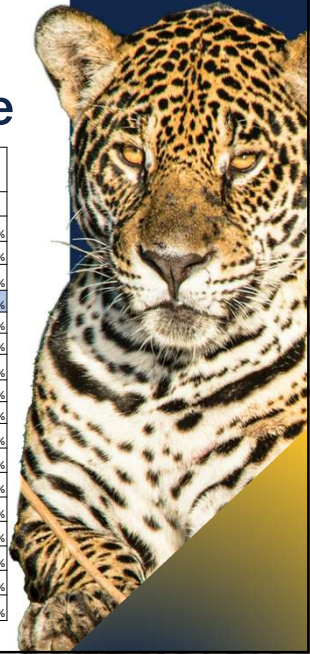
Monte Alto Windpower, LLC Phase II Tax Abatement Percentage Scale

		50% Maximum									
Appraisal Value subject to the Abatement		Percent to be Abated									
	But less than:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$ 200,000,000.00		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 195,000,000.00	\$ 200,000,000.00	49%	50%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 190,000,000.00	\$ 195,000,000.00	48%	50%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 185,000,000.00	\$ 190,000,000.00	47%	49%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 180,000,000.00	\$ 185,000,000.00	46%	48%	50%	50%	50%	50%	50%	50%	50%	50%
\$ 175,000,000.00	\$ 180,000,000.00	45%	47%	49%	50%	50%	50%	50%	50%	50%	50%
\$ 170,000,000.00	\$ 175,000,000.00	44%	46%	48%	50%	50%	50%	50%	50%	50%	50%
\$ 165,000,000.00	\$ 170,000,000.00	43%	45%	47%	49%	50%	50%	50%	50%	50%	50%
\$ 160,000,000.00	\$ 165,000,000.00	42%	44%	46%	48%	49%	50%	50%	50%	50%	50%
\$ 155,000,000.00	\$ 160,000,000.00	41%	43%	45%	47%	48%	50%	50%	50%	50%	50%
\$ 150,000,000.00	\$ 155,000,000.00	40%	42%	44%	46%	47%	49%	50%	50%	50%	50%
\$ 145,000,000.00	\$ 150,000,000.00	39%	41%	43%	45%	46%	48%	50%	50%	50%	50%



Tax Abatement Percentage Scale Continue

Appraisal Value subject to the Abatement		Percent to be Abated									
	But less than:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$ 140,000,000.00	\$ 145,000,000.00		40%	42%	44%	45%	47%	49%	50%	50%	50%
\$ 135,000,000.00	\$ 140,000,000.00		39%	41%	43%	44%	46%	48%	49%	50%	50%
\$ 130,000,000.00	\$ 135,000,000.00			40%	42%	43%	45%	47%	48%	50%	50%
\$ 125,000,000.00	\$ 130,000,000.00			39%	41%	42%	44%	46%	47%	49%	50%
\$ 120,000,000.00	\$ 125,000,000.00				40%	41%	43%	45%	46%	48%	49%
\$ 115,000,000.00	\$ 120,000,000.00				39%	40%	42%	44%	45%	47%	48%
\$ 110,000,000.00	\$ 115,000,000.00					39%	41%	43%	44%	46%	47%
\$ 105,000,000.00	\$ 110,000,000.00					38%	40%	42%	43%	45%	46%
\$ 100,000,000.00	\$ 105,000,000.00						39%	41%	42%	44%	45%
\$ 95,000,000.00	\$ 100,000,000.00						38%	40%	41%	43%	44%
\$ 90,000,000.00	\$ 95,000,000.00							39%	40%	42%	43%
\$ 85,000,000.00	\$ 90,000,000.00							38%	39%	41%	42%
\$ 80,000,000.00	\$ 85,000,000.00								38%	40%	41%
\$ 75,000,000.00	\$ 80,000,000.00								37%	39%	40%
\$ 70,000,000.00	\$ 75,000,000.00									38%	39%
\$ 65,000,000.00	\$ 70,000,000.00									37%	38%
\$ -	\$ 65,000,000.00										37%



Questions



Second Amend~~ment~~~~ed~~ & Restated Tax Abatement Agreement
between
South Texas College and
Monte Alto Windpower, LLC

State of Texas

County of Hidalgo

This Second Amend~~ment~~~~ed~~ and Restated 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 Monte Alto Windpower, LLC, a Texas limited liability company (the “Owner”) as owner of Eligible Property (as hereinafter defined) to be located on the tract of land within the Hidalgo County Enterprise Zone more specifically described in Attachment A to this Agreement. This Agreement amends and restates in its entirety and supersedes and replaces the prior Tax Abatement Agreement entered into by and between South Texas College and Monte Alto Windpower, LLC dated February 25, 2020. This Agreement becomes effective upon final execution by both parties (the “Effective Date”).

I. Authorization

This Agreement is authorized and its terms governed by Chapter 312 of the Texas Tax Code, as amended, and by the College’s Tax Abatement Guidelines and Criteria, adopted October 28, 2025 (~~NEW DATE~~)~~December 10, 2019~~. The Agreement remains in effect until fulfillment of the obligations described in Paragraph IV (D) herein, unless terminated earlier as provided herein.

II. Definitions

As used in this Agreement, the following terms shall have the meanings set forth below, and any undefined terms shall be given the meanings provided in the Owner’s Application for Chapter 312 Tax Abatement Agreement, a copy of which is attached hereto as Exhibit A, and the College’s Tax Abatement Guidelines and Criteria, as applicable

- A. “Abatement” means the full or partial abatement from ad valorem Maintenance Taxes levied by the College on property in an Enterprise Zone as provided herein, commencing on the date of Final Completion of Construction of the Eligible Property and in no event will the duration of the Abatement period exceed 10 years.
- 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 the Hidalgo County Enterprise Zone as certified to by the 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’s Tax Abatement Guidelines and Criteria, and this agreement as described in Attachment B 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 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 December 10, 2019. Maintenance 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 a three hundred and six megawatt (306 MW) wind generation and battery energy storage facility~~ wind generation facility comprised of: one hundred ~~fifty-six~~ seventy-five megawatt (17556 MW) wind power generation facility ~~with an additional one hundred fifty megawatt (150 MW) battery energy storage system~~, to be developed in Hidalgo County 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. Improvements specifically include the Owner’s substation and switching station if located within Enterprise Zone. Improvements also shall include any other property in the Enterprise Zone 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 Eligible Property will constitute Improvements under this Agreement.
- J. “Maintenance Taxes” means the College’s maintenance and operations tax, as distinguished from its debt taxes.

- K. “Owner” means Monte Alto Windpower, LLC, the entity that owns or holds under fee simple title, or one or more leasehold interests, to 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. “Enterprise Zone” means Hidalgo County Enterprise Zone, (as that term is defined in Chapter 312 of the Texas Tax Code) created by Hidalgo County Commissioners Court and described in Attachment A to this Agreement.
- N. “Site” means the area of the Enterprise Zone 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 or “MW”.

III. Improvements in Enterprise Zone

Owner agrees to construct the following Improvements in consideration for the Abatement set forth herein:

- A. The Owner anticipates that it will begin construction of the Improvements on or before ~~December March~~ 31, 202~~6~~²³ (the “Commencement Date”) and that upon completion, the improvements will have an estimated appraised value of One Hundred Eighty-Four Million ~~Two Hundred Forty-Six~~ Million Dollars (\$184~~246~~,000,000).
- B. The Improvements are described in Attachment A attached hereto and are generally referred to as approximately 39 wind turbines with an average nameplate capacity of 3.94~~4~~ MW.
- C. Owner shall complete construction of the Improvements no later than twelve months from the Commencement Date.

IV. Term and Percentage of Tax Abatement; Taxability of Property; Recoupment

- A. The College and Owner specifically agree and acknowledge that the Facility in the Enterprise Zone 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.), 100% of property taxes levied on the Certified Appraised Value of real and personal property owned by Owner and located in the Enterprise Zone will be owed and taxes thereon payable by Owner;

3. College property Maintenance 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 Enterprise Zone shall be fully taxable after expiration of the Abatement period designated in Paragraph IV(B).
- B. The College and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement of Owner's property Maintenance Taxes under the conditions set forth herein:
1. In consideration of the Owner's obligation herein and its payment of annual pilot payments in lieu of payment of Maintenance Taxes, there shall be granted and allowed hereunder a property tax abatement of Maintenance Taxes on the approved Eligible Property and/or Improvements constructed, expanded, or acquired hereunder on the Property at a rate based on the sliding scale as set out in Exhibit B, commencing on January 1 of the tax year next after the date that College President receives and approves the Certificate of Completion for the Improvements.
 2. As an inducement for the College to enter into the Agreement, the Owner shall make certain payments in lieu of taxes ("**PILOT**") as further described in Paragraph IV(D).
 3. The foregoing percentage of property Maintenance 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 Enterprise Zone) are abated in the respective period designated above up to the maximum taxable value approved in this Agreement.
 4. There shall be a \$2,500 application fee. (see Guidelines)
- C. Part or all of the Improvements may be eligible for complete or partial abatement, now or in the future, from maintenance ad valorem taxes as a result of existing law or future legislation. Should any such existing abatement not have been addressed herein or should any new abatement 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 abatement on its property maintenance taxes, and may amend the Agreement accordingly to the extent that the abatement 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 abatements shall automatically apply to the Improvements. If additional improvements are undertaken By Owner during the Abatement period and exceed in the aggregate five percent (5%) of the Certified Appraisal Value as of the effective date of this agreement; no additional abatement shall be permitted without approval by College.

- D. As partial consideration for granting tax abatement in Paragraph IV(B) hereof, the Owner agrees to make an initial contribution in the amount of 40,000, to be used by the College for student scholarships, payable at commencement of construction. Owner shall pay the College the sum of \$10,000 and a like amount each year thereafter payable on or before December 31st thereafter for a total sum of \$100,000.

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. A continuing breach hereunder may subject Owner to a default.

In consideration of the Owner's performance of its obligations under this Agreement, the College agrees that the Owner shall receive a tax abatement relative to the Added Value of the Eligible Property located on the Site based on the percentage amounts set out in Exhibit B attached hereto during the Incentive Period for the College's Maintenance and Operation's ad valorem taxes. The tax abatement does not apply to the College's interest and sinking fund tax. The PILOT amount shall be paid in ANNUAL installments no later than December 31, of each Operational Year during the abatement period (the "**PILOT Payments**").

- E. Owner agrees, warrants and represents 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 (comprising in the aggregate amount of more than 5% of all Improvements), the Owner's removal shall not be deemed a default under this Agreement if Owner pays to the College liquidated damages for such removal (a) within thirty (30) days after demand, amounts equal to the pro rata portion of maintenance and debt taxes relating to such removed Improvements which otherwise would have been paid to the College through the date of such removal without the benefit of a tax abatement, and (b) during the remaining term of the abatement period, payable by Owner and recoupable by College, an amount equal to the maintenance and debt taxes which would otherwise be payable to College on the projected Residual Value of the Property less the Removed Improvements at the maintenance and debt rates then in effect on the date of the removal of Improvements. Notwithstanding the amendment to address the reduction in taxable value, College may assert its right to recoup abatements based on the lesser residual value of the Eligible Property after the abatement period. 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 EACH YEAR OF DEFAULT UNDER THIS AGREEMENT AND PRO RATA PORTION OF THE DEBT TAXES WHICH WOULD OTHERWISE HAVE BEEN PAID WITHOUT REMOVAL OF THE PORTION OF THE IMPROVEMENTS FOR THE TEN-YEAR ABATEMENT TERM. 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:

Owner has all necessary right, title, license and authority to enter into this Agreement and the execution and performance of this Agreement by Owner have been duly authorized by all necessary laws, resolutions and corporate or other entity action.

- A. Owner has submitted evidence to the College that the economic life of the Facility and Eligible Property exceeds the duration of the tax abatement period for at least ten (10) years. Based on such evidence and the representations by Owner, the College has determined, in accordance with the Guidelines and Criteria that the economic life of the Facility and Eligible Property exceeds the duration of the tax abatement granted herein. This is an essential term of this Agreement as College is relying on the Residual Value of the Property to grant the abatement.
- B. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have the 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 Enterprise Zone 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, are incorporated herein, 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.
- C. 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 Enterprise Zone 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.

- D. At least 24 hours prior to Owner issuing a 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.
- E. Owner represents and agrees that, ~~if built~~ when completed, the Project will, within the proposed time lines, (i) add at least One Hundred Eighty-Four~~Two Hundred Forty-Six~~ Million Dollars (\$~~184~~246,000,000) to the tax roll of Eligible Property, (ii) create no fewer than four (4) new, permanent, full-time jobs in Hidalgo County, and (iii) lead to a positive net economic benefit to Hidalgo County of at least Twenty Five Million Dollars (\$25,000,000) over the life of this Agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement.
- F. Owner acknowledges that the College has relied on Owner's representations made in its application for Tax Abatement and in this Agreement. In particular, College has relied on the Owner's representations as to the projected taxable Residual Value of the Property remaining after the ten-year tax abatement period. Notwithstanding anything to the contrary in this Agreement, the abatement granted by the College is expressly made subject to Owner's estimated projections of the remaining taxable values of the Property after the abatement period.

VI. Access to and Inspection of Property by College Employees

- A. Upon completion and commencement of operation of the Facility, Owner shall file (i) "as built" construction plans with College, which plans shall detail improvements (which shall be certified to by the engineer(s)), including purchases of personal property and related expenditures undertaken to construct the Facility, (ii) the manufacturer's certificate of completion with respect to the manufacture of the wind turbines installed at the Facility and (iii) the general contractor's certification as to the completion of construction of the Facility (including the detail specified above). At the time of filing the as-built construction plans, Owner shall also provide College with reports as required by Section IX.B. of the Guidelines and Criteria (which are incorporated herein). On or before January 31, of each year of the Abatement Period (and the year immediately following the end thereof), Owner shall provide College with reports supporting job creation as of December 31 of each year of the Abatement Period, as required by Section IX.B. of the Guidelines and Criteria. On an annual basis, Owner shall also provide College a detailed list of Owner's eligible personal property at the Facility and the estimated value of each item.
- B. 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 at least one (1) representative of Owner in accordance with all applicable safety standards.

- C. 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 of the same to the College Board of Trustees.
- D. Owner agrees to supply audited reports to the College and the Hidalgo County Appraisal District to establish the construction cost of improvements constructed pursuant to this Agreement and/or the jobs created. In its annual report to the College, the Owner shall include the Appraisal District's preliminary valuations, Owner's challenges to appraised values undertaken by Owner, and final appraised values; financial statements, including balance sheets and subsidiary ledgers of its tangible real and personal property in the Enterprise Zone.

VII. Default, Remedies and Limitation of Liability

- A. In the event Owner fails to commence construction of the Facility in the Enterprise Zone on or before ~~December March~~ 31, 202~~8~~³, this Agreement shall terminate effective as of the original date of this Agreement and College shall be entitled to recapture and collect payment of all ad valorem taxes abated under this Agreement by any and all means allowed by law, and as provided herein.
- B. In the event the Facility is completed and begins operation, and Owner:
 - 1. voluntarily ceases to operate the Facility for a continuous period exceeding eighteen (18) months;
 - 2. allows ad valorem taxes owed to College to become delinquent;
 - 3. relocates the Facility or the job creating activity outside the Enterprise Zone;
 - 4. breaches or fails to comply with any material term, condition, or representation contained in this Agreement; or
 - 5. uses or allows the use of the Facility for any purpose not related to the generation, storage and/or transmission of renewable energy for a period greater than 180 days in any calendar year of the abatement period, College may elect to terminate this Agreement and recapture abated taxes in accordance with Section VII(J). of this Agreement and the Guidelines and Criteria, unless such breach is cured within the Cure Period. Owner shall pay recaptured taxes to College within sixty (60) days from the date the Agreement terminates.
- C. Should College determine that Owner has breached this Agreement or the Guidelines and Criteria, College shall notify Owner in writing via certified or registered mail.
- D. 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(J).

- E. 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.
- F. Except as provided in paragraph VII(B), the Parties shall not deem any default to have occurred in situations involving minor or immaterial (as reasonably determined) changes to the description of the Site, minor or immaterial (as reasonably determined) 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.
- G. 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 and shall be updated annually on or before January 1st of each year. 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. The notice of default shall be substantially in the form set out in paragraph VII(L).
- H. Owner shall have sixty (60) days from the date of College'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.

- I. 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, and the College shall have the right to recoup its tax abatements.
- J. RECAPTURE. College may 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(B) to recapture property tax revenue lost as a result of this Agreement, College shall have the right to recapture taxes already actually abated under this Agreement (i.e., recapture for prior tax years only – no anticipatory/prospective recapture of future taxes) according to the recapture schedule attached as Exhibit C.
 - (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.
- K. 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 State of Texas court of competent jurisdiction in 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.
- L. 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 THE DATE OF THIS 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 order, rule, statute or regulation of the College, Hidalgo County, or the State of Texas.

IX. Assignment of Agreement

- A. Owner shall not have the right, without the written consent of College, to assign all or part of its interest in the Land, the Facility, or this Agreement and maintain the tax abatement hereunder. Such consent shall not be unreasonably withheld. It shall be deemed reasonable for College to withhold consent with respect to any party that is delinquent in the payment of any taxes to College or the failure of Owner or a proposed assignee or transferee to provide reasonable and sufficient assurances that the College's expectations as to Residual Value arising from the Agreement will be satisfied. Notwithstanding the foregoing, Owner shall have the right without the consent of the College to collaterally assign its interest in the Land, Project, or this Agreement to a creditor in connection with any financing of the Project; provided (i) such assignee is not delinquent in the payment of any taxes to the College, (ii) the College is given prompt notice of such assignment and (iii) Owner expressly remains liable under this Agreement.
- B. In this regard, Owner acknowledges that the annual reporting imposed by this Agreement is an essential requirement and term of this Agreement.
- C. 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, only if expressly approved by the College will Owner have no duties or obligations under the Agreement.
- D. 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 or report required under this Agreement or ad valorem taxes owed to the College or any other taxing jurisdiction in Hidalgo County.

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(I). All Notices shall be mailed or delivered to the following addresses:

To the Owner: Monte Alto Windpower, LLC
Attn: Milton Howard, Vice President of Development
11455 El Camino Real, Suite 160
San Diego, CA 92130
(858) 764-3745
MHoward@terra-gen.com

With Copies to: Damon Huplosky, Managing Director
437 Madison Avenue
New York, NY 10022-7001
(646) 829-3915
Dhuplosky@terra-gen.com

To the College: South Texas College Board of Trustees
3201 West Pecan
McAllen, Texas 78501
Attention: Dr. Ricardo J. Solis, 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 Cameron and Hidalgo County labor and services and supplies purchased from Cameron and Hidalgo 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 Cameron and Hidalgo 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 ~~Five~~^{Twenty} Thousand Dollars (\$~~520~~,000).

(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: November ~~September~~ ~~February~~ ____, 2025~~2~~

South Texas College Board of Trustees

Dr Alejos Salinas~~Rose Benavidez~~, Chair

Paul Rodriguez~~Alejos Salinas~~, Vice Chair

Attest:

Danny Guzman~~Victoria Cantu~~, Secretary

Monte Alto Windpower, LLC

By: _____
Milton R Howard, Vice-President of Development

Exhibit A

Application for Chapter 312 Tax Abatement Agreement by Monte Alto Windpower, LLC

Exhibit B

Tax Abatement Rates

Exhibit C

Recapture Schedule

Year of Tax Abatement Period In Which Recapture Event Occurs	College Will Recapture Following Percentages of Total Taxes Previously Abated
1-5	100%
6	85%
7	75%
8	65%
9	55%
10	45%

Amended & Restated Tax Abatement Agreement
between
South Texas College and
Monte Alto Windpower, LLC - Phase II

State of Texas

County of Hidalgo

This Amended and Restated 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 Monte Alto Windpower, LLC - Phase II, a Texas limited liability company (the “Owner”) as owner of Eligible Property (as hereinafter defined) to be located on the tract of land within the Hidalgo County Enterprise Zone more specifically described in Attachment A to this Agreement. This Agreement amends and restates in its entirety and supersedes and replaces the prior Tax Abatement Agreement entered into by and between South Texas College and Monte Alto Windpower, LLC - Phase II dated September 13, 2022. This Agreement becomes effective upon final execution by both parties (the “Effective Date”).

I. Authorization

This Agreement is authorized and its terms governed by Chapter 312 of the Texas Tax Code, as amended, and by the College’s Tax Abatement Guidelines and Criteria, adopted October 28, 2025 ~~(NEW DATE)~~. The Agreement remains in effect until fulfillment of the obligations described in Paragraph IV (D) herein, unless terminated earlier as provided herein.

II. Definitions

As used in this Agreement, the following terms shall have the meanings set forth below, and any undefined terms shall be given the meanings provided in the Owner’s Application for Chapter 312 Tax Abatement Agreement, a copy of which is attached hereto as Exhibit A, and the College’s Tax Abatement Guidelines and Criteria, as applicable

- A. “Abatement” means the full or partial abatement from ad valorem Maintenance Taxes levied by the College on property in an Enterprise Zone as provided herein, commencing on the date of Final Completion of Construction of the Eligible Property and in no event will the duration of the Abatement period exceed 10 years.
- 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 the Hidalgo County Enterprise Zone as certified to by the 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’s Tax Abatement Guidelines and Criteria, and this agreement as described in Attachment B 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 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 ([NEW DATE](#)). Maintenance 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 a three hundred and six megawatt (306 MW)~~ wind generation facility comprised of: ~~one hundred Two Hundred Three~~ megawatt ([203MW](#)) wind [power](#) generation facility, to be developed in Hidalgo County 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. Improvements specifically include the Owner’s substation and switching station if located within Enterprise Zone. Improvements also shall include any other property in the Enterprise Zone 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 Eligible Property will constitute Improvements under this Agreement.
- J. “Maintenance Taxes” means the College’s maintenance and operations tax, as distinguished from its debt taxes.

- K. “Owner” means [Monte Alto Windpower, LLC - Phase II](#), the entity that owns or holds under fee simple title, or one or more leasehold interests, to 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. “Enterprise Zone” means Hidalgo County Enterprise Zone, (as that term is defined in Chapter 312 of the Texas Tax Code) created by Hidalgo County Commissioners Court and described in Attachment A to this Agreement.
- N. “Site” means the area of the Enterprise Zone 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 or “MW”.

III. Improvements in Enterprise Zone

Owner agrees to construct the following Improvements in consideration for the Abatement set forth herein:

- A. The Owner anticipates that it will begin construction of the Improvements on or before [December 31, 2027](#) (the “Commencement Date”) and that upon completion, the improvements will have an estimated appraised value of [Two Hundred & Three Million Dollars \(\\$203,000,000\)](#).
- B. The Improvements are described in Attachment A attached hereto and are generally referred to as approximately [49 - 59](#) wind turbines with an average nameplate capacity of [3.4 - 4.0](#) MW.
- C. Owner shall complete construction of the Improvements no later than ~~twelve~~ [fourteen](#) months from the Commencement Date.

IV. Term and Percentage of Tax Abatement; Taxability of Property; Recoupment

- A. The College and Owner specifically agree and acknowledge that the Facility in the Enterprise Zone 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.), 100% of property taxes levied on the Certified Appraised Value of real and personal property owned by Owner and located in the Enterprise Zone will be owed and taxes thereon payable by Owner;

3. College property Maintenance 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 Enterprise Zone shall be fully taxable after expiration of the Abatement period designated in Paragraph IV(B).
- B. The College and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement of Owner's property Maintenance Taxes under the conditions set forth herein:
1. In consideration of the Owner's obligation herein and its payment of annual pilot payments in lieu of payment of Maintenance Taxes, there shall be granted and allowed hereunder a property tax abatement of Maintenance Taxes on the approved Eligible Property and/or Improvements constructed, expanded, or acquired hereunder on the Property at a rate based on the sliding scale as set out in Exhibit B, commencing on January 1 of the tax year next after the date that College President receives and approves the Certificate of Completion for the Improvements.
 2. As an inducement for the College to enter into the Agreement, the Owner shall make certain payments in lieu of taxes ("**PILOT**") as further described in Paragraph IV(D).
 3. The foregoing percentage of property Maintenance 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 Enterprise Zone) are abated in the respective period designated above up to the maximum taxable value approved in this Agreement.
 4. There shall be a \$2,500 application fee. (see Guidelines)
- C. Part or all of the Improvements may be eligible for complete or partial abatement, now or in the future, from maintenance ad valorem taxes as a result of existing law or future legislation. Should any such existing abatement not have been addressed herein or should any new abatement 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 abatement on its property maintenance taxes, and may amend the Agreement accordingly to the extent that the abatement 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 abatements shall automatically apply to the Improvements. If additional improvements are undertaken By Owner during the Abatement period and exceed in the aggregate five percent (5%) of the Certified Appraisal Value as of the effective date of this agreement; no additional abatement shall be permitted without approval by College.

- D. As partial consideration for granting tax abatement in Paragraph IV(B) hereof, the Owner agrees to make an initial contribution in the amount of 40,000, to be used by the College for student scholarships, payable at commencement of construction. Owner shall pay the College the sum of \$10,000 and a like amount each year thereafter payable on or before December 31st thereafter for a total sum of \$100,000.

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. A continuing breach hereunder may subject Owner to a default.

In consideration of the Owner's performance of its obligations under this Agreement, the College agrees that the Owner shall receive a tax abatement relative to the Added Value of the Eligible Property located on the Site based on the percentage amounts set out in Exhibit B attached hereto during the Incentive Period for the College's Maintenance and Operation's ad valorem taxes. The tax abatement does not apply to the College's interest and sinking fund tax. The PILOT amount shall be paid in ANNUAL installments no later than December 31, of each Operational Year during the abatement period (the "**PILOT Payments**").

- E. Owner agrees, warrants and represents 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 (comprising in the aggregate amount of more than 5% of all Improvements), the Owner's removal shall not be deemed a default under this Agreement if Owner pays to the College liquidated damages for such removal (a) within thirty (30) days after demand, amounts equal to the pro rata portion of maintenance and debt taxes relating to such removed Improvements which otherwise would have been paid to the College through the date of such removal without the benefit of a tax abatement, and (b) during the remaining term of the abatement period, payable by Owner and recoupable by College, an amount equal to the maintenance and debt taxes which would otherwise be payable to College on the projected Residual Value of the Property less the Removed Improvements at the maintenance and debt rates then in effect on the date of the removal of Improvements. Notwithstanding the amendment to address the reduction in taxable value, College may assert its right to recoup abatements based on the lesser residual value of the Eligible Property after the abatement period. 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 EACH YEAR OF DEFAULT UNDER THIS AGREEMENT AND PRO RATA PORTION OF THE DEBT TAXES WHICH WOULD OTHERWISE HAVE BEEN PAID WITHOUT REMOVAL OF THE PORTION OF THE IMPROVEMENTS FOR THE TEN-YEAR ABATEMENT TERM. 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:

Owner has all necessary right, title, license and authority to enter into this Agreement and the execution and performance of this Agreement by Owner have been duly authorized by all necessary laws, resolutions and corporate or other entity action.

- A. Owner has submitted evidence to the College that the economic life of the Facility and Eligible Property exceeds the duration of the tax abatement period for at least ten (10) years. Based on such evidence and the representations by Owner, the College has determined, in accordance with the Guidelines and Criteria that the economic life of the Facility and Eligible Property exceeds the duration of the tax abatement granted herein. This is an essential term of this Agreement as College is relying on the Residual Value of the Property to grant the abatement.
- B. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have the 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 Enterprise Zone 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, are incorporated herein, 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.
- C. 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 Enterprise Zone 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.

- D. At least 24 hours prior to Owner issuing a 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.
- E. Owner represents and agrees that, if built when completed, the Project will, within the proposed time lines, (i) add at least Two Hundred & Three-Million Dollars (\$203,000,000) to the tax roll of Eligible Property, (ii) create no fewer than four (4) new, permanent, full-time jobs in Hidalgo County, and (iii) lead to a positive net economic benefit to Hidalgo County of at least Twenty Five Million Dollars (\$25,000,000) over the life of this Agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement.
- F. Owner acknowledges that the College has relied on Owner's representations made in its application for Tax Abatement and in this Agreement. In particular, College has relied on the Owner's representations as to the projected taxable Residual Value of the Property remaining after the ten-year tax abatement period. Notwithstanding anything to the contrary in this Agreement, the abatement granted by the College is expressly made subject to Owner's estimated projections of the remaining taxable values of the Property after the abatement period.

VI. Access to and Inspection of Property by College Employees

- A. Upon completion and commencement of operation of the Facility, Owner shall file (i) "as built" construction plans with College, which plans shall detail improvements (which shall be certified to by the engineer(s)), including purchases of personal property and related expenditures undertaken to construct the Facility, (ii) the manufacturer's certificate of completion with respect to the manufacture of the wind turbines installed at the Facility and (iii) the general contractor's certification as to the completion of construction of the Facility (including the detail specified above). At the time of filing the as-built construction plans, Owner shall also provide College with reports as required by Section IX.B. of the Guidelines and Criteria (which are incorporated herein). On or before January 31, of each year of the Abatement Period (and the year immediately following the end thereof), Owner shall provide College with reports supporting job creation as of December 31 of each year of the Abatement Period, as required by Section IX.B. of the Guidelines and Criteria. On an annual basis, Owner shall also provide College a detailed list of Owner's eligible personal property at the Facility and the estimated value of each item.
- B. 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 at least one (1) representative of Owner in accordance with all applicable safety standards.

- C. 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 of the same to the College Board of Trustees.
- D. Owner agrees to supply audited reports to the College and the Hidalgo County Appraisal District to establish the construction cost of improvements constructed pursuant to this Agreement and/or the jobs created. In its annual report to the College, the Owner shall include the Appraisal District's preliminary valuations, Owner's challenges to appraised values undertaken by Owner, and final appraised values; financial statements, including balance sheets and subsidiary ledgers of its tangible real and personal property in the Enterprise Zone.

VII. Default, Remedies and Limitation of Liability

- A. In the event Owner fails to commence construction of the Facility in the Enterprise Zone on or before [December 31, 2028](#), this Agreement shall terminate effective as of the original date of this Agreement and College shall be entitled to recapture and collect payment of all ad valorem taxes abated under this Agreement by any and all means allowed by law, and as provided herein.
- B. In the event the Facility is completed and begins operation, and Owner:
 - 1. voluntarily ceases to operate the Facility for a continuous period exceeding eighteen (18) months;
 - 2. allows ad valorem taxes owed to College to become delinquent;
 - 3. relocates the Facility or the job creating activity outside the Enterprise Zone;
 - 4. breaches or fails to comply with any material term, condition, or representation contained in this Agreement; or
 - 5. uses or allows the use of the Facility for any purpose not related to the generation, storage and/or transmission of renewable energy for a period greater than 180 days in any calendar year of the abatement period, College may elect to terminate this Agreement and recapture abated taxes in accordance with Section VII(J). of this Agreement and the Guidelines and Criteria, unless such breach is cured within the Cure Period. Owner shall pay recaptured taxes to College within sixty (60) days from the date the Agreement terminates.
- C. Should College determine that Owner has breached this Agreement or the Guidelines and Criteria, College shall notify Owner in writing via certified or registered mail.
- D. 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(J).

- E. 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.
- F. Except as provided in paragraph VII(B), the Parties shall not deem any default to have occurred in situations involving minor or immaterial (as reasonably determined) changes to the description of the Site, minor or immaterial (as reasonably determined) 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.
- G. 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 and shall be updated annually on or before January 1st of each year. 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. The notice of default shall be substantially in the form set out in paragraph VII(L).
- H. Owner shall have sixty (60) days from the date of College'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.

- I. 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, and the College shall have the right to recoup its tax abatements.
- J. RECAPTURE. College may 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(B) to recapture property tax revenue lost as a result of this Agreement, College shall have the right to recapture taxes already actually abated under this Agreement (i.e., recapture for prior tax years only – no anticipatory/prospective recapture of future taxes) according to the recapture schedule attached as Exhibit C.
 - (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.
- K. 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 State of Texas court of competent jurisdiction in 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.
- L. 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 THE DATE OF THIS 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 order, rule, statute or regulation of the College, Hidalgo County, or the State of Texas.

IX. Assignment of Agreement

- A. Owner shall not have the right, without the written consent of College, to assign all or part of its interest in the Land, the Facility, or this Agreement and maintain the tax abatement hereunder. Such consent shall not be unreasonably withheld. It shall be deemed reasonable for College to withhold consent with respect to any party that is delinquent in the payment of any taxes to College or the failure of Owner or a proposed assignee or transferee to provide reasonable and sufficient assurances that the College's expectations as to Residual Value arising from the Agreement will be satisfied. Notwithstanding the foregoing, Owner shall have the right without the consent of the College to collaterally assign its interest in the Land, Project, or this Agreement to a creditor in connection with any financing of the Project; provided (i) such assignee is not delinquent in the payment of any taxes to the College, (ii) the College is given prompt notice of such assignment and (iii) Owner expressly remains liable under this Agreement.
- B. In this regard, Owner acknowledges that the annual reporting imposed by this Agreement is an essential requirement and term of this Agreement.
- C. 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, only if expressly approved by the College will Owner have no duties or obligations under the Agreement.
- D. 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 or report required under this Agreement or ad valorem taxes owed to the College or any other taxing jurisdiction in Hidalgo County.

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(I). All Notices shall be mailed or delivered to the following addresses:

To the Owner: [Monte Alto Windpower, LLC - Phase II](#)
Attn: Milton Howard, Vice President of Development
11455 El Camino Real, Suite 160
San Diego, CA 92130
(858) 764-3745
MHoward@terra-gen.com

With Copies to: Damon Huplosky, Managing Director
437 Madison Avenue
New York, NY 10022-7001
(646) 829-3915
Dhuplosky@terra-gen.com

To the College: South Texas College Board of Trustees
3201 West Pecan
McAllen, Texas 78501
Attention: Dr. Ricardo J. Solis, 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 Cameron and Hidalgo County labor and services and supplies purchased from Cameron and Hidalgo 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 Cameron and Hidalgo 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 [Five](#) Thousand Dollars (\$5,000).

(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: November September____, 2025

South Texas College Board of Trustees

Dr. Alejos Salinas, Chair

Paul Rodriguez, Vice Chair

Attest:

Danny Guzman, Secretary

Monte Alto Windpower, LLC - Phase II

By:_____
Milton R Howard, Vice-President of Development

Exhibit A

Application for Chapter 312 Tax Abatement Agreement by [Monte Alto Windpower, LLC](#)
[- Phase II](#)

Exhibit B

Tax Abatement Rates

Exhibit C

Recapture Schedule

Year of Tax Abatement Period In Which Recapture Event Occurs	College Will Recapture Following Percentages of Total Taxes Previously Abated
1-5	100%
6	85%
7	75%
8	65%
9	55%
10	45%