

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, February 24, 2026 @ 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**
- IV. The Public Hearing on Monte Cristo Windpower II, LLC – (Phase II) (Terra-Gen Development Company LLC) and South Texas College Tax Abatement Agreements**
 - Presentation on Monte Cristo Windpower II, LLC (Phase II) Tax Abatement Agreements
 - Public Comments
 - Close of Public Hearing on Monte Cristo Windpower II, LLC (Phase II) Tax Abatement Agreements
- V. Consideration and Action on Agenda Items**
 - 1. Discussion and Action as Necessary on Monte Cristo Phase II Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Agreement and Adoption of Resolution 2026-008 2 - 47
 - 2. Discussion and Action as Necessary on Resolution 2026-015 for Monte Cristo II Windpower, LLC Tax Abatement Agreement to Designate the Payments in Lieu of Taxes (PILOT) and Student Scholarship Contribution to the South Texas College Foundation 48 - 51
- VI. Announcements**
 - A. Next Meeting:
Tuesday, February 24, 2026 5:30 p.m. – Regular Board Meeting

**Discussion and Action as Necessary on Monte Cristo Phase II Windpower, LLC
(Terra-Gen Development Company, LLC) Tax Abatement Agreement and Adoption of
Resolution 2026-008**

Purpose To approve the Monte Cristo Phase II Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Agreement and adoption of Resolution 2026-008.

Justification Terra-Gen Development Company, LLC submitted an application for tax abatement for a wind-powered electric generation facility in Hidalgo County, approved by the Board on November 25, 2025.

The application for Monte Cristo II Windpower, LLC includes:

- A 50% tax abatement for the duration of the agreement;
- Construction to begin no later than December 31, 2027;
- An estimated project value of \$223,388,000;
- Approximately 53-62 wind turbines, each with a capacity of 3.X-4.X MW;
- A \$40,000 scholarship paid at commencement of construction;
- \$10,000 annual PILOT payments for 10 years (total \$100,000).

Property Tax Code Chapter 312 authorizes a taxing unit to enter into a tax abatement agreement in order to offer temporary real property an/or tangible personal property tax abatement for a limited period of time as an inducement for financial investment in the development or redevelopment of certain taxable property.

Enclosed Documents Appendix A – PowerPoint Presentation
Appendix B – Resolution 2026-008
Appendix C – Proposed Tax Abatement Agreement

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 the Monte Cristo II Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Agreement and Resolution 2026-008.



Monte Cristo Windpower II

Terra-Gen Development Company, LLC. is the exclusive developer of Monte Cristo Windpower II

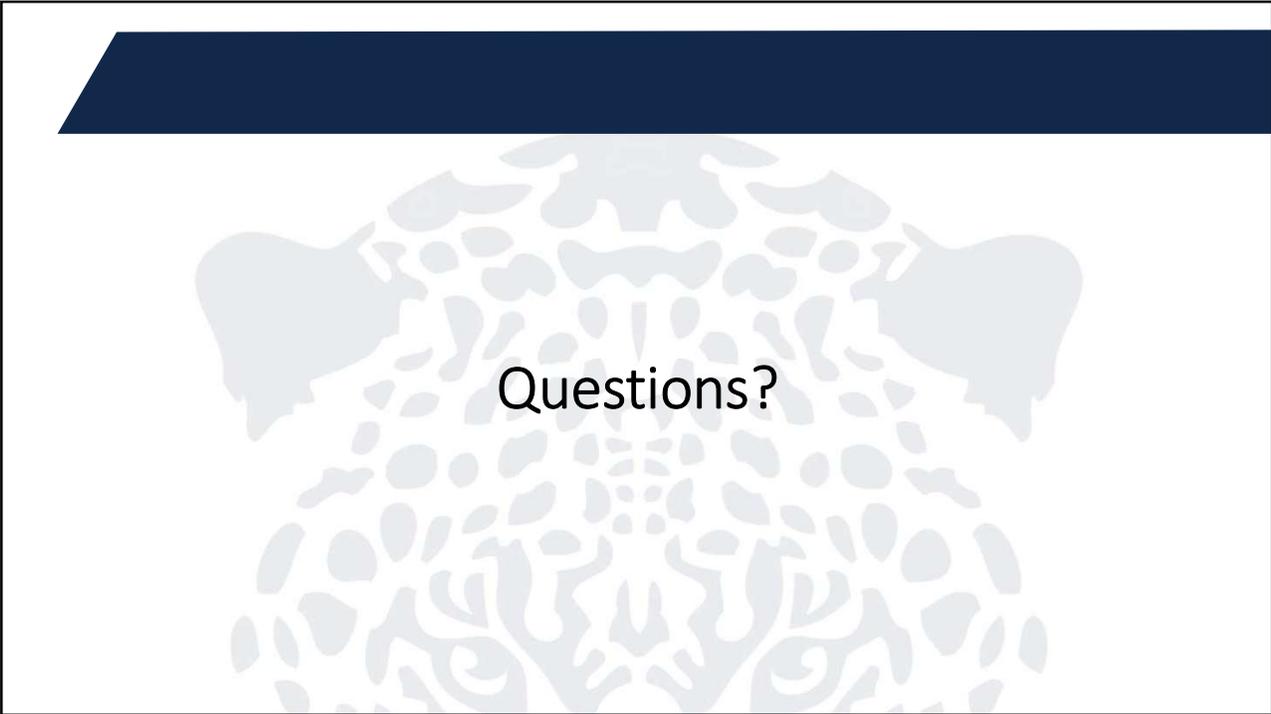
- The project is a special-purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project.
- Terra-Gen is in the business of:
 - Initiating, Developing,
 - Producing and owning, and
 - Operating electricity from renewable energy projects including wind and solar.
- Requesting a 50% Tax Abatement

Monte Cristo Windpower II

- Estimated taxable value to be \$223,388,000
- The developer estimates the project will have retained a value of approximately \$68,250,923
- Anticipating that construction will begin no later than the 4th quarter of 2027 and be completed by the 4th quarter of 2028
- Its expected to include between 53 to 62 wind turbines each ranging from 3.x and 4.x MW turbines from a tier 1 manufacturer
- Proposed wind power generation facility, comprised of approximately 236 megawatts (“MW”)

Monte Cristo Windpower II

- ❖ Create two (2) permanent jobs
- ❖ Base salary of \$49,392.20
- ❖ Estimates that the installation of the wind turbines will create 100-150 temporary construction jobs over the course of the project
- ❖ Estimated to last twelve to fourteen (12-14) months of construction
- ❖ Terra-Gen, LLC is committed to the continuing education of local workforce and employees through local scholarships and or student support services



Resolution No. 2026-008

A RESOLUTION OF THE BOARD OF TRUSTEES OF SOUTH TEXAS
COLLEGE APPROVING A CHAPTER 312 TAX ABATEMENT AGREEMENT
WITH MONTE CRISTO WINDPOWER II, LLC (PHASE II)

STATE OF TEXAS	§
COUNTY OF STARR	§
AND HIDALGO	§
SOUTH TEXAS COLLEGE	§
DISTRICT	§

WHEREAS, the South Texas College Board of Trustees (“Board”) is authorized under Chapter 312 of the Texas Tax Code to grant abatements of ad valorem maintenance and operations taxes on eligible property located within a designated enterprise zone; and

WHEREAS, the Board has adopted Tax Abatement Guidelines and Criteria, most recently on October 28, 2025, in accordance with Chapter 312 of the Texas Tax Code; and

WHEREAS, Monte Cristo Windpower II, LLC (“Owner”) submitted an application requesting a tax abatement for a renewable energy project to be located within the Hidalgo County Enterprise Zone and within the boundaries of South Texas College; and

WHEREAS, the proposed project consists of an approximately 236-megawatt wind generation facility, including turbines, foundations, collection and transmission systems, substations, roads, operations and maintenance facilities, and related improvements, with an estimated appraised value of \$223,388,000 upon completion; and

WHEREAS, in accordance with Chapter 312 of the Texas Tax Code and the College’s Tax Abatement Guidelines and Criteria, the Board of Trustees conducted a public hearing on February 24, 2026, after providing proper notice, to consider the proposed Tax Abatement Agreement with Monte Cristo Windpower II, LLC and to receive public comment regarding the economic impact of the proposed project; and

WHEREAS, the Board finds that the proposed improvements constitute Eligible Property under Chapter 312 and the College’s Tax Abatement Guidelines and Criteria, and that the project is expected to promote economic development, create employment opportunities, and generate long-term taxable value for the College; and

WHEREAS, the Board has reviewed the proposed Tax Abatement Agreement between

South Texas College and Monte Cristo Windpower II, LLC (Phase II) and determines that approval of the Agreement is in the best interest of the College and consistent with applicable law; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE THAT:

Section 1. Approval

The Tax Abatement Agreement between South Texas College and Monte Cristo Windpower II, LLC (Phase II), substantially in the form presented to the Board, is hereby approved.

Section 2. Authorization

The Chair of the Board of Trustees, the President of South Texas College, or their authorized designees are hereby authorized to execute the Tax Abatement Agreement and any related documents necessary to carry out its terms.

Section 3. Administration

The College administration is authorized to administer and enforce the Agreement in accordance with its terms, including compliance monitoring and recapture, if applicable, and to make any required filings with the Texas Comptroller of Public Accounts or other governmental entities.

Section 4. Effective Date

This Resolution shall take effect immediately upon adoption.

CONSIDERED. PASSED, APPROVED, AND SIGNED this 24 day of February, 2026 regular meeting of the Board of Trustees of South Texas College at which a quorum was present and which was held in accordance with the provisions of Texas Government Code Chapter 551.

SOUTH TEXAS COLLEGE

By: _____
Chairman

ATTEST:

By: _____
Secretary

Tax Abatement Agreement
between
South Texas College and
Monte Cristo Windpower II, LLC – (Phase II)

State of Texas

County of Hidalgo

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 Monte Cristo Windpower II, 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 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. 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 October 28, 2025. 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 two hundred and thirty-six-megawatt (236 MW) wind 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 Cristo Windpower II, 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 31, 2027 (the “Commencement Date”) and that upon completion, the improvements will have an estimated appraised value of Two Hundred Twenty-Three Million, Three Hundred Eighty-Eight Thousand Dollars (\$223,388,000).
- B. The Improvements are described in Attachment A attached hereto and are generally referred to as an estimated 53 to 62 wind turbines with an average nameplate capacity of 3.X MW to 4.X 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, the Project will, within the proposed time lines, (i) add at least Two Hundred Twenty-Three Million, Three Hundred Eighty-Eight Dollars (\$223,388,000) 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, 2027 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 Cristo Windpower II, LLC
Attn: Milton Howard, Vice President of Development
4275 Executive Square, Suite 400
La Jolla, CA 92037
(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 Willacy and Hidalgo County labor and services and supplies purchased from Willacy 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 Willacy 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 Twenty Thousand Dollars (\$20,000).

(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: February 24, 2026

South Texas College Board of Trustees

Dr. Alejos Salinas Jr., Chair

Paul R Rodriguez, Vice Chair

Attest:

Danny Guzman, Secretary

Monte Cristo Windpower II, LLC

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

Exhibit A

Application for Chapter 312 Tax Abatement Agreement by Monte Cristo Windpower II, LLC .

Application for Chapter 312 Tax
Abatement Agreement by Monte
Cristo Windpower, LLC –
(Monte Cristo Phase II)



Submitted by:

Terra-Gen, LLC



August 2025

SCHEDULE I

“Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local): \$500,000
2. Dollar amount spent for materials* (total): \$500,000.
3. Dollar amount spent for labor** (local): \$325,000.
4. Dollar amount spent for labor** (total): \$325,000.
5. Number of jobs created in the construction of the Facility (local): 150 FTE's.
6. Number of jobs created in the construction of the Facility (total): 200 FTEs.
7. Number of jobs created on a permanent basis (local): 2 per site.
8. Number of jobs created on a permanent basis (total): 2 per site.

* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fireproofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily available locally.

** The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fireproofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

SCHEDULE II

ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT

Section 1. Eligibility Criteria

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:
 - The Facility must be one that will generate renewable energy;
 - The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2028);
 - Shall exceed minimum levels of full-time job creation;
 - Provide employee and dependent access to health care benefits;
 - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Monte Cristo Windpower II (The Project). Each project is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind and solar. Each project is anticipating total capital costs of \$223,388,000. It is anticipated that all of the Monte Cristo project will be located within Hidalgo County and South Texas College boundaries. The Project will be providing 200 construction jobs for Hidalgo County residents and 2 permanent operations jobs, which includes: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$49,392.20 with access to employee/dependent health care benefits.

Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:

- (a) Sponsorship of scientific events, teacher research grants to the College; materials and equipment, teaching materials to the College; R&D collaboration with local college;
- (b) Total number of jobs created and maintained in the area;
- (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Monte Cristo Windpower II will maintain 2 permanent jobs with a base salary of \$49,392.20, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$42,224 in 2021-2022) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (1) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

Monte Cristo Windpower II is committed to creating 2 permanent jobs with a base salary of \$49,392.20, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$42,224 in 2021-2022) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

Section 4. Targeted and Qualifying Industries/Business Activities or Project team

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-472 Megawatts (“MW”) of renewable energy into the ERCOT market.

Section 5. Local Assessment: County and Community:

- 5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?

(a) Local Community:

The projects are located in rural portions of Hidalgo County & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.

(b) Property Owners:

During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.

(c) Local Political Leaders:

The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.

- 5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:

(a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.

(b) State: TCEQ, Tx Parks & Wildlife, State Comptroller

(c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife

- 5.3 Outline what processes, if any, were followed for community consultation for the

Facility's development.

Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County's fire marshal, solid waste and irrigation/drainage districts.

- 5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state or federal regulatory agency.

- 5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects. However, Electric Reliability Council of Texas ("ERCOT") is responsible for the reliability of the energy transmission grid and is the only authority that The Project will interface with on an ongoing basis.

- 5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any):
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

Section 6. Life of Facility and Decommissioning

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a “pass-through” owner or intends to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner’s assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. Within the leases executed with the local landowners, Terra-Gen has included a Removal Bond to insure funding for The Projects decommissioning., Every turbine and associated infrastructure will be removed at the project’s end of life. The lessors have allowed for Terra-Gen to have an option to assign interests to a qualified party if the opportunity is considered, however the lease obligates the qualified party to comply with all aspects of the lease including the removal bond, term of lease, and payments to the landowner.

Section 7. Noise Auditing and compliance:

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.

EXHIBIT A

Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

Part I. Applicant Information

Application Date: 08/06/2025

Applicant Name: Monte Cristo Windpower, LLC Monte Cristo Windpower II, LLC – Monte Cristo Phase II

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

Part II. Project Information

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

Monte Cristo Windpower II, LLC- Monte Cristo Phase II:

Monte Cristo Windpower II, LLC ("Monte Cristo Phase II") is a Renewable Energy project located in Hidalgo County, Texas north/northwest of the La Joya/Sullivan City boundaries to be located on west of Jarachinas Rd & South of Mile 14 Rd. Monte Cristo Phase II seeks to develop and interconnect approximately 236 megawatts ("MW") of power into the ERCOT market via interconnect into the AEP 345 kV Lon C Hill transmission line.

The improvements for Monte Cristo Windpower II, LLC - Monte Cristo Phase II will consist of a proposed wind power generation facility, comprised of approximately 236 megawatts ("MW") of nameplate capacity located in the Hidalgo County Enterprise Zone. Construction is anticipated to begin no later than the 4th quarter of 2027 and it is currently anticipated that construction will be complete by the 4th quarter of 2028.

The improvements are expected to have an estimated value of at least \$223,388,000 upon

completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include between 53 to 62 wind turbines ranging from 3.4 and 4.0 MW turbines from a tier 1 manufacturer, although the exact number may vary depending on factors such as the type and size of turbines used and site wind characteristics. Exact turbine specifications are reserved due to an unannounced competitive turbine supply procurement process between select manufacturers. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zone meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of "Eligible Property" provided in the Hidalgo County Guidelines & Criteria?

Yes
 No

3. This application is for (*choose one*):

New plant
 Expansion
 Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo County

Taxing Entity #2: South Texas College

Taxing Entity #3: South Texas ISD

Taxing Entity #4: Edinburg CISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

Yes
 No

Monte Cristo will not be receiving value limitation agreements with South Texas ISD or Edinburg CISD. A Tax abatement agreement with Hidalgo County has already been approved.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Monte Cristo Windpower, LLC – Monte Cristo Phase II is seeking an ~~100%~~ 50% abatement of taxes effective for ten (10) full calendar years for the projects beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

Monte Cristo Windpower, LLC – Monte Cristo Phase II is anticipating individual capital costs of at least \$223,388,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 236 megawatts (“MW”) of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for Monte Cristo Windpower, LLC – Monte Cristo Phase II is expected to have an individual estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project phases are expected to include between 53 to 62 wind turbines each ranging from 3.x and 4.x MW turbines from a tier 1 manufacturer, although the exact number may vary depending on factors such as the type and size of turbines used and site wind characteristics. Exact turbine specifications are reserved due to an unannounced competitive turbine supply procurement process between select manufacturers. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

a. What is the extent of the abatement being requested?

Monte Cristo Windpower, LLC – Monte Cristo Phase II seeks an abatement of taxes of the cited projects effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

b. Does applicant contemplate that the Project will be completed in Phases?

Yes
 No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project phase when completed is expected to be \$223,388,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra-Gen, LLC in the future, the developer estimates of each project, will have retained a value of approximately \$68,250,923.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

Monte Cristo Windpower II, LLC, Monte Cristo Phase II intends to construct a wind powered electric generating facility with an expected value of approximately \$223,388,000 in Hidalgo County for each phase. At a minimum, the phase will result in a wind power facility with an estimated 236-megawatt nameplate capacity.

Monte Cristo Windpower, LLC – Monte Cristo Phase II estimates that the installation of the wind turbines will create 100-150 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve to fourteen (12-14) months of construction. Monte Cristo further anticipates the creation of 2 full-time jobs for the operation and maintenance of the Projects. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Projects, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Projects is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Projects, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" renewable power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will continue to provide this clean energy source for decades to come.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to County after

- expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;
[See page 13-15](#)
- (2) A time schedule for completing the planned improvements; and,
[Monte Cristo Windpower, LLC - Monte Cristo Phase II is anticipating that construction will begin no later than the 3rd 4th Quarter of 2027 and will be completed by the 4th Quarter of 2028.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.
<https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project is located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:

Milt Howard

Milton Howard
Vice President of Development
Terra-Gen, LLC

Date of application submission: _____

Exhibit A

Legal Descriptions of Investment Zones Containing Proposed Projects

Please attach a copy of the map of the Counties Zones and the locations of the facilities

Monte Cristo II:

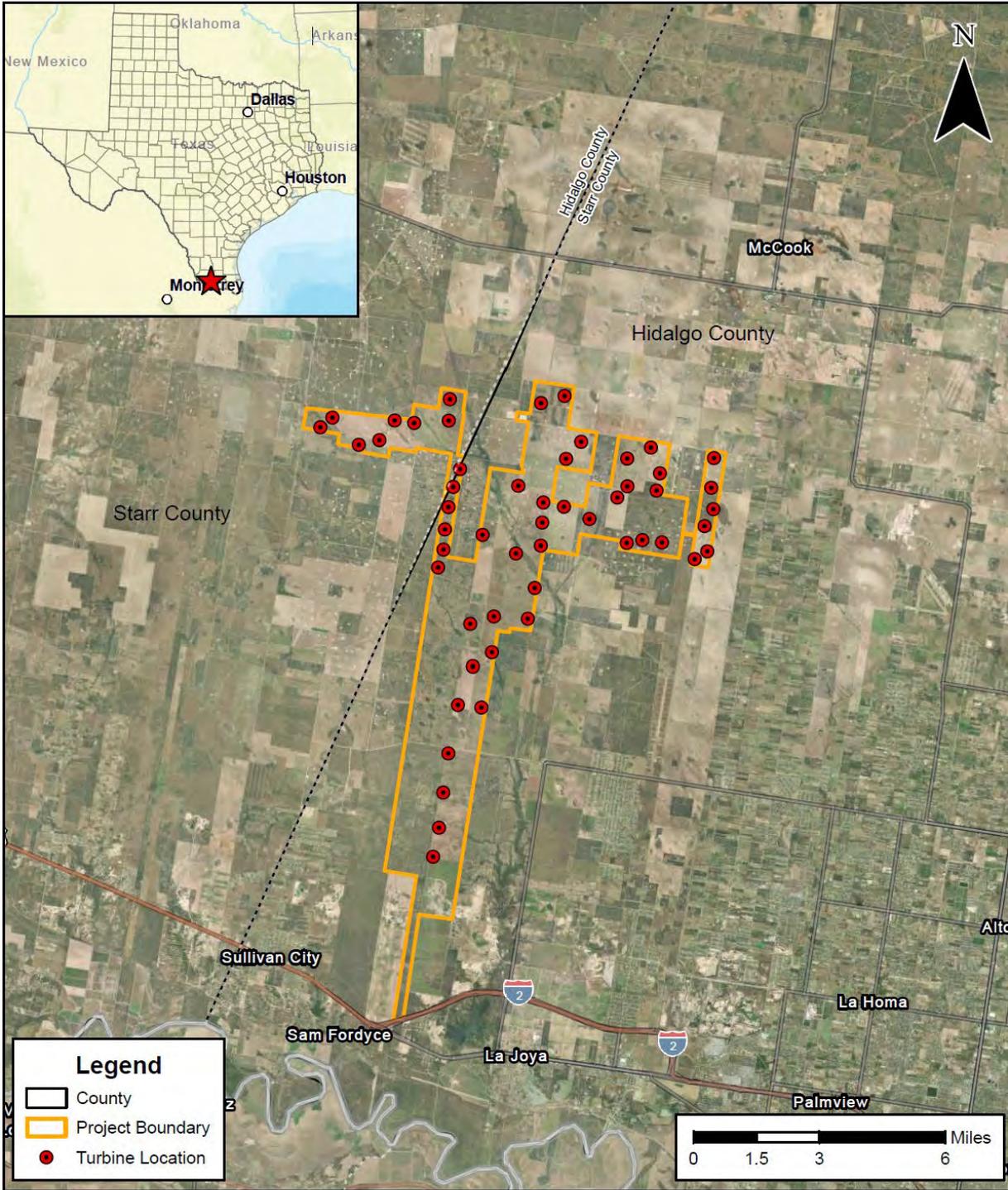
The legal descriptions for Monte Cristo Windpower, LLC – Monte Cristo Phase II are as follows:

prop_id	legal_desc
101122	PORCION 45 W 61.445 LOT 2 61.45AC GR 56.35AC NET
101120	PORCION 45 W 61.445 LOT 1 61.45AC GR 56.35AC NET PORCION 45 W 61.445 AC LOT 4 61.45AC GR 56.35AC
101126	NET
101127	PORCION 45 E 61.44 AC LT 5
101128	PORCION 45 W 61.445 LOT 5 61.45AC GR 56.35AC NET
101137	PORCION 45 E 61.44 AC LT 10
101119	PORCION 45 E 61.44 LT 1
101129	PORCION 45 E 61.44 AC LT 6
101133	PORCION 45 E 61.44 AC LT 8
101135	PORCION 45 E 61.44 AC LT 9
101140	PORCION 45 SE 30.722AC LOT 11 29.97AC NET PORCION 45 W 61.445 AC LOT 14 61.45AC GR 56.35AC
101147	NET
101153	PORCION 45 E 61.44 AC LT 17 PORCION 45 W 61.445 AC LOT 17 61.45AC GR 56.35AC
101152	NET PORCION 45 W 61.445 AC LOT 16 61.45AC GR 56.35AC
101150	NET
101124	PORCION 45 W 61.445 LOT 3 61.45AC GR 56.35AC NET PORCION 45 W 61.445 AC LOT 6 61.45AC GR 56.35AC
101130	NET PORCION 45 W 61.445 AC LOT 9 61.45AC GR 56.35AC
101136	NET PORCION 45 W 61.445 AC LOT 13 61.45AC GR 56.35AC
101145	NET
101157	PORCION 45 E 61.44 AC LT 19
101132	PORCION 45 W 61.445 LOT 7 61.45AC GR 56.35AC NET
101131	PORCION 45 E 61.44 LT 7 PORCION 45 W 61.445 AC LOT 10 61.45AC GR 56.35AC
101138	NET PORCION 45 W 61.445 LOT 12 61.45AC GR 56.35AC
101143	NET PORCION 45 W 61.445 AC LOT 15 61.45AC GR 56.35AC
101149	NET
101159	PORCION 45 E 61.44 AC LT 20

101155 PORCION 45 E 61.44 AC LT 18
 101148 PORCION 45 E 61.44 AC LT 15
 101161 PORCION 45 E 61.44 AC LT 21
 101125 PORCION 45 E 61.44 AC LT 4
 101123 PORCION 45 E 61.44 LT 3
 101121 PORCION 45 E 61.44 LT 2
 101142 PORCION 45 E 61.44 AC LT 12
 101144 PORCION 45 E 61.44 AC LT 13
 101146 PORCION 45 E 61.44 AC LT 14
 PORCION 45 W 61.445 LOT 11 61.45AC GR 56.35AC
 101141 NET
 PORCION 45 W 61.445 AC LOT 18 61.45AC GR 56.35AC
 101154 NET
 101151 PORCION 45 E 61.44 LT 16
 101134 PORCION 45 W 61.445 LOT 8 61.45AC GR 56.35AC NET
 PORCION 46 AN IRR TR S5041'-N12,515'-W3485.6'
 101236 595.22AC
 101095 PORCION 44 ABST 81 3506.95 AC GR 3496.05 AC NET
 101075 PORCION 43 1472.45 AC N OF MILE 7
 PORCION 46 N7,473.8'-W3,568.2' & E106.2'-W3,587.7'-
 541653 N1,330.7' 600AC NET
 LOS GUAGES & MAGUELLES E1486.75'-W2973.5' SEC
 223169 38 160AC
 641983 LOS GUAGES & MAGUELLES E1/2 SEC 38 320AC
 731287 PORCION 45 N1012.99'-W1849.50' LOT 19 37.67 AC NET
 279561 SCHUNIOR'S LT 4 SH 5 164.75 AC
 279558 SCHUNIOR'S LT 2 SH 5 164.75 AC
 279560 SCHUNIOR'S E1/2-164.75AC LOT 3 SH 5 82.38AC
 279562 SCHUNIOR'S W886.33'SH 5 117.61AC GR 117AC NET
 279559 SCHUNIOR'S W1/2-164.75AC LOT 3 SH 5 82.37AC
 101174 PORCION 45 E 61.445 AC LT 27
 101178 PORCION 45 E61.445AC LOT 29
 101180 PORCION 45 E 61.445 AC LT 30
 101181 PORCION 45 W61.445AC LOT 31
 101164 PORCION 45 S 10 AC OF W 61.445 AC OF LT 22
 101187 PORCION 45 W 61.445 AC LT 34
 101177 PORCION 45 W 61.445 AC LT 29
 101175 PORCION 45 W 61.445 AC LOT 28
 101173 PORCION 45 W 61.445 AC LT 27
 PORCION 47 TR 2 496.95 AC EXC 1.0 AC FOR IMPS
 101337 495.95 AC
 PORCION 44 SH 1A 435.28 EXC AN IRR TR N1049.67'-
 101096 E996.53' & EXC 10.90AC HWY R/O/W 399.74AC NET
 101190 PORCION 45 E 61.445 AC LOT 35
 101189 PORCION 45 W 61.445 AC LT 35

101188 PORCION 45 E 61.445 AC LOT 34
 101167 PORCION 45 W 61.445 AC LT 24
 101165 PORCION 45 W 61.445 LT 23
 101168 PORCION 45 E 61.445 AC LT 24
 101172 PORCION 45 E 61.445 AC LT 26
 101179 PORCION 45 W 61.445 AC LOT 30
 101185 PORCION 45 W 61.445 AC LOT 33
 101183 PORCION 45 W 61.445 AC LT 32
 101186 PORCION 45 E 61.445 AC LT 33
 101171 PORCION 45 W 61.445 AC LT 26
 101169 PORCION 45 W 61.445 AC LT 25
 101166 PORCION 45 E 61.445 AC LT 23
 101170 PORCION 45 E 61.445 AC LT 25
 101176 PORCION 45 E 61.445 AC LT 28
 101182 PORCION 45 E 61.445 AC LOT 31
 101184 PORCION 45 E 61.445 AC LT 32
 101162 PORCION 45 E 51.445AC LOT 22 50.70AC NET
 101162 PORCION 45 E 51.445AC LOT 22 50.70AC NET
 201244 JUAN LINO GARZA LT 1 POR 46
 201245 JUAN LINO GARZA LT 2 POR 46
 279619 SCHUNIOR'S SH 13 1AC-451.05AC 1.00AC
 101827 PORCION 76 600.18AC
 573139 PORCION 76 600.18AC
 279623 SCHUNIOR'S SH 15 1650.00 AC
 TEX-MEX SURVEY 880.96AC-ABST 658 & 211.64AC N
 OF ABST 658 & S OF LOT 38-39 LOS GUAJES
 294548 1102.90AC NET
 279557 SCHUNIOR'S LT 1 SH 5 164.75 AC

Exhibit B
Maps of Project Areas



Project Vicinity
Monte Cristo 2
Hidalgo and Starr County, Texas

References:
CONANP, Esri, TomTom, Garmin, FAO, NOAA,
USGS, EPA, USFWS, Texas Parks & Wildlife,
CONANP, Esri, TomTom, Garmin, Foursquare,
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes.

Figure No.:
1

- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
- a. The application shall consist of a completed application form (Exhibit A) accompanied by:
 - b. a general description of the new improvements to be undertaken;
 - c. a descriptive list of the improvements for which Abatement is requested;
 - d. a list of the kind, number and location of all proposed improvements of the property;
 - e. a map and property description; proposed turbine location (if a wind turbine Facility);
 - f. and a time schedule for undertaking and completing the proposed improvements.
 - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.
- **The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

Project Descriptions:

Monte Cristo Windpower II, LLC: Monte Cristo Phase II

Monte Cristo Windpower II, LLC, Monte Cristo Phase II is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: **between 53 to 62 wind turbines ranging from 3.4 and 4.0 MW** turbines from a tier 1 manufacturer, although the exact number may vary depending on factors such as the type and size of turbines used and site wind characteristics, with an estimated total generating capacity of approximately 236 MW; between 53 to 62 steel reinforced concrete foundations supporting the weight of each turbine tower; between 53 to 62 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the ETT Lobo to North Edinburg, 345kV transmission line located in central Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a shared Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls for both Monte Cristo Projects. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction of Monte Cristo Phase II is proposed to begin in the **3rd 4th** Quarter of 2027 with an estimated commercial operations date no later than the 4th Quarter of 2028, contingent upon favorable economics for the project.

Descriptive List for which Abatement is being requested:

Monte Cristo Windpower II, LLC- Monte Cristo Phase II:

Monte Cristo Phase II plans to construct an estimated 236 MW wind farm in Hidalgo County, located entirely within Edinburg CISD. Monte Cristo Phase II improvements of Qualified Property include:

- between 53 to 62 Wind Turbines with an approximate nameplate capacity ranging from 3.4 and 4.0 MW;
- between 53 to 62 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All-weather Road work sloped for drainage;

For purposes of this application, the Project anticipates using between 53 to 62 Wind Turbines, ranging

from 3.4 and 4.0 MW turbines from a tier 1 manufacturer, although the exact number may vary depending on factors such as the type and size of turbines used and site wind characteristics, all equipment outlined above is expected to be located within South Texas College boundaries.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Cristo intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line, located within South Texas College boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Exhibit B shows the proposed project area with the anticipated improvement locations.

Enterprise Zones:

Hidalgo, County is designated enterprise zone county as defined under the Texas Governor’s “[Governor’s Economic Development Finance department online](#)” link provided by Texas Comptroller website under “[The Texas Enterprise Zone Program](#).” The Governor’s website “Texas Enterprise Zone Program”- “[Economic Zone Program Rules, 10 TAC 176](#)” according to section (b), subsection (11); which defines a distressed county as: “a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data.”

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Enterprise Zone Map

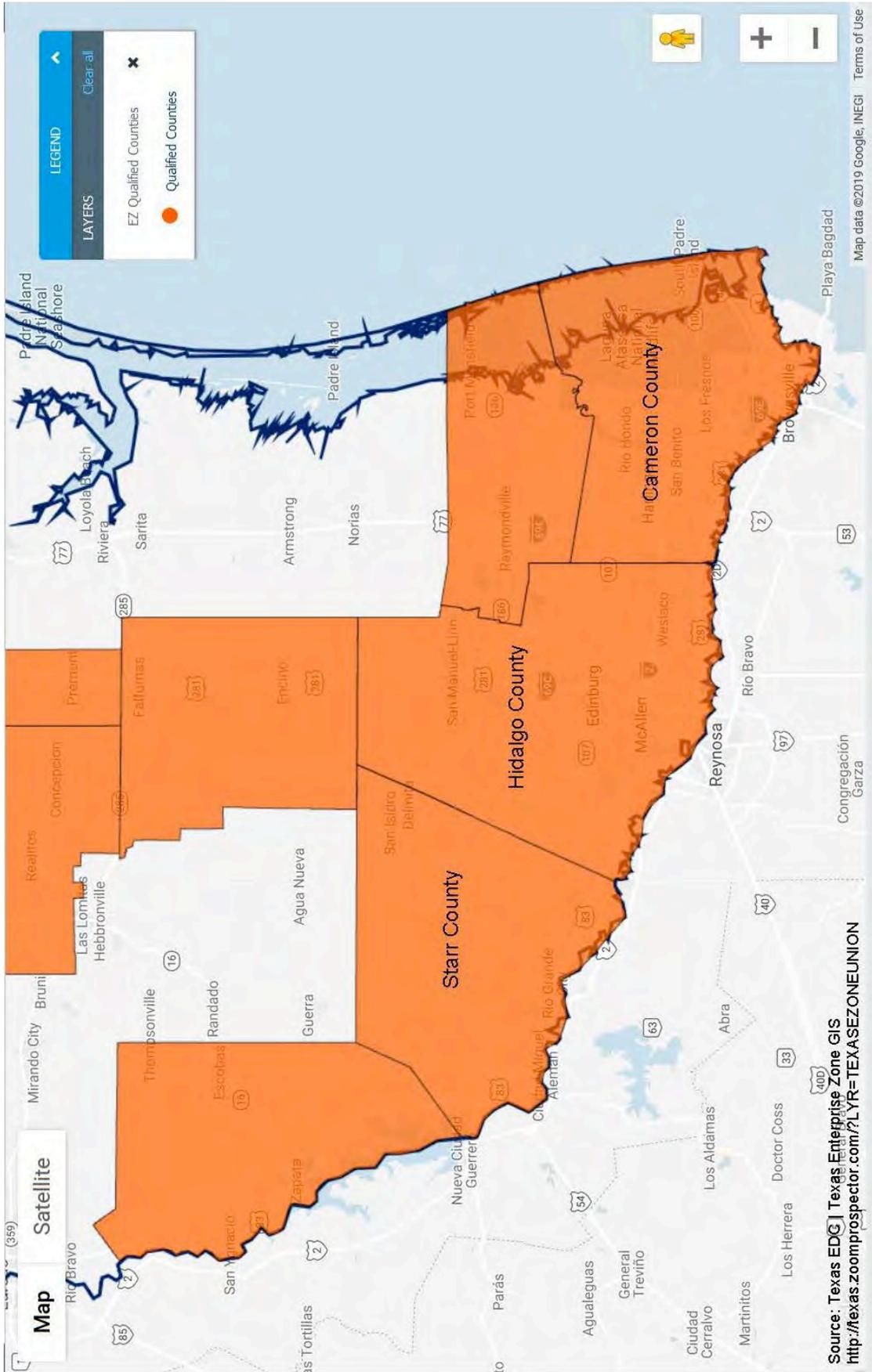


Exhibit B

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%

Discussion and Action as Necessary on Resolution 2026-015 for Monte Cristo II Windpower, LLC Tax Abatement Agreement to Designate the Payments in Lieu of Taxes (PILOT) and Student Scholarship contribution to the South Texas College Foundation

Purpose To approve a Resolution 2026-015 for Monte Cristo II Windpower, LLC Tax Abatement Agreement to designate the Payment in Lieu of Taxes (PILOT) and Student Scholarship Contribution to the South Texas College Foundation.

Justification Chapter 312 of the Texas Tax Code authorizes the College to enter into tax abatement agreements and to take actions necessary to administer and enforce such agreements in a manner consistent with their economic development purpose. Designating the South Texas College Foundation as the recipient of PILOT and scholarship payments.

The funds designated to the South Texas College Foundation for Monte Cristo II Windpower, LLC are as follows:

- A \$40,000 scholarship paid at commencement of construction;
- \$10,000 annual Payment of Lieu of Taxes (PILOT) payments for 10 years (total \$100,000).

Enclosed Documents Appendix A – Resolution 2026-015

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 authorize to approve the Resolution 2026-015 for Monte Cristo II Windpower, LLC Tax Abatement Agreement to Designate the Payments in Lieu of Taxes (PILOT) and Student Scholarship contribution to the South Texas College Foundation.

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES**

RESOLUTION NO. 2026-015

**A RESOLUTION OF THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE
AUTHORIZING THE ASSIGNMENT AND/OR DIRECTION OF PAYMENT OF
CERTAIN PAYMENTS IN LIEU OF TAXES (PILOT) AND STUDENT SCHOLARSHIP
CONTRIBUTIONS UNDER EXISTING TAX ABATEMENT AGREEMENTS TO THE
SOUTH TEXAS COLLEGE FOUNDATION, INC., AND AUTHORIZING THE
EXECUTION OF RELATED AMENDMENTS AND DOCUMENTS**

WHEREAS, the South Texas College District (the “College”) has previously entered into one or more tax abatement agreements (each, a “Tax Abatement Agreement”) approved by the Board of Trustees (the “Board”) that provide, among other terms, for (i) payments in lieu of taxes (“PILOT” payments) and/or (ii) student scholarship contributions (“Scholarship Contributions”) to be paid to or for the benefit of the College in connection with such agreements; and

WHEREAS, the President and administration of the College, in coordination with College leadership, desire that the PILOT payments and Scholarship Contributions that are payable to or for the benefit of the College under the Tax Abatement Agreements be received, held, and administered by the South Texas College Foundation, Inc. (the “Foundation”), a Texas nonprofit corporation that supports the educational mission of the College; and

WHEREAS, the Board finds that directing such payments to the Foundation will improve stewardship, accountability, and administration of scholarship and related funds for the benefit of College students and programs; and

WHEREAS, the Board further finds that this action is intended to change only the recipient and administrator of the PILOT payments and Scholarship Contributions, and not to alter the term, abatement schedule, performance requirements, reporting obligations, or any other material economic or substantive provisions of the Tax Abatement Agreements; and

WHEREAS, the Board desires to authorize the President of the College, or the President’s designee, to execute any amendments, assignment documents, payment direction letters, acknowledgements, and related instruments that are necessary or convenient to carry out the intent of this Resolution, with such documents to be reviewed and approved as to form by the College’s legal counsel;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE THAT:

Section 1. Designation of Foundation as Recipient of Payments.

The Board hereby approves the designation of the Foundation as the recipient and administrator of the PILOT payments and Scholarship Contributions that are payable to or for the benefit of the College under the Tax Abatement Agreements identified on Exhibit A (the “Specified

Agreements”). For payments due on and after the Effective Date (defined below), the College intends to assign and/or direct payment of the College’s right to receive such PILOT payments and Scholarship Contributions to the Foundation, subject to the execution of appropriate documents and the Foundation’s written acknowledgement of its receipt and administration obligations.

Section 2. Authorization to Execute Amendments and Related Documents.

The President of the College, or the President’s designee, is hereby authorized and directed to negotiate, prepare, execute, and deliver, on behalf of the College, such amendments to the Specified Agreements and/or such assignment instruments, payment direction letters, acknowledgements, and related documents as may be necessary or advisable to implement this Resolution, including coordinating execution by the applicable company(ies) and, as applicable, the Foundation. Any such documents shall be consistent with this Resolution and reviewed and approved as to form by the College’s legal counsel.

Section 3. Administration and Use of Funds.

The Foundation shall receive and administer the PILOT payments and Scholarship Contributions in accordance with (i) the terms of the Specified Agreements (as amended, if applicable), (ii) applicable law, and (iii) the Foundation’s policies and procedures. Scholarship Contributions shall be used solely for scholarships and/or student financial support consistent with the Specified Agreements. PILOT payments shall be used for purposes permitted under the Specified Agreements and consistent with the Foundation’s mission to support the College. The Board intends that funds received pursuant to this Resolution be used exclusively to benefit the College.

Section 4. Accounting and Reporting.

The President, or the President’s designee, is authorized to require that the Foundation provide periodic accounting or reporting to the College regarding the receipt and disbursement of such funds, consistent with standard stewardship practices and any restrictions applicable to the funds.

Section 5. Compliance and Notifications.

College administration is hereby directed to provide notice of this action to the affected parties and to take such additional steps as may be required to maintain compliance with applicable notice, public hearing, and reporting requirements that may apply to amendments of the Specified Agreements.

Section 6. Ratification.

All actions heretofore taken by officers, employees, and agents of the College that are consistent with the intent and purpose of this Resolution are hereby ratified, approved, and confirmed.

Section 7. Effective Date.

This Resolution shall take effect immediately upon its adoption by the Board (the “Effective Date”).

ADOPTED this _ 24 __ day of _February_, 2026.

Dr. Alejo Salinas, Jr.
Chair, Board of Trustees

Danny Guzman
Secretary, Board of Trustees

EXHIBIT A – SPECIFIED TAX ABATEMENT AGREEMENTS