

SECTION 381.004 ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT

By and Between

GRIMES COUNTY, TEXAS, AND SPACE EXPLORATION TECHNOLOGIES CORP.

This Section 381.004 Economic Development Program and Agreement (this “**Agreement**”) is entered into by and between Grimes County, Texas (the “**County**”) duly acting herein by and through its County Judge, and Space Exploration Technologies Corp., a Texas corporation (“**Owner**”). This Agreement shall have an “**Effective Date**” of June 3, 2026.

RECITALS:

WHEREAS, Owner and the County are executing a tax abatement agreement (the “**Tax Abatement Agreement**”) simultaneously with the execution of this Agreement, which Tax Abatement Agreement provides for certain tax abatements for a specified time, conditioned upon requirements further set forth therein.

WHEREAS, Owner intends to construct and operate a multi-phase, next-generation, vertically integrated semiconductor manufacturing facility and advanced computing fabrication facility, which is expected to require a capital investment of at least \$5 billion, and is projected to create at least 1,000 new jobs.

WHEREAS, on June 3, 2026, following the conclusion of a public hearing at the Grimes County Commissioners Court, the Commissioners Court found that the Improvements and operations proposed by Owner within the *SpaceX Reinvestment Zone No. 1 – 2026-001* (the “**Reinvestment Zone**”) would constitute a major investment that would benefit the Reinvestment Zone and would contribute to the economic development of the County. To stimulate business and commercial activity in the County, the Commissioners Court has developed and will administer a program consistent with its Tax Abatement Guidelines for state or local economic development, and hereby agrees to make grants of public money pursuant to Section 381.004(h) of the Texas Local Government Code to administer such program.

WHEREAS, Owner has requested that the County authorize and provide certain economic development grants in connection with its development of the Facility as provided herein.

WHEREAS, pursuant to Section 381.004 of the Texas Local Government Code and for the public purpose of promoting economic development and diversity, increasing employment, reducing unemployment and underemployment, expanding commerce, and stimulating business and commercial activity in the State of Texas and Grimes County, the County desires to offer certain economic development grants to Owner as more particularly described in this Agreement.

NOW, THEREFORE, for and in consideration of the promises, covenants, and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the County and Owner agree as follows:

1. **Definitions.** Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“**Effective Date**” is defined in the Recitals as June 3, 2026.

“**Facilities**” or “**Improvements**” shall mean all real property improvements owned by Owner (or its successors and assigns) and located inside the County.

“**Force Majeure**” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, work stoppages, or incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or other causes affecting the area in which the Facility is located, or the Owner’s labor or supply chain, or the availability of services (“**Epidemiological Event**”) that result in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not. If a Party is unable to perform its obligations under this Agreement due to a Force Majeure, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after occurrence of the event(s) or condition(s) causing the delay describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred. The Parties acknowledge that as of the Effective Date, the outbreak of COVID-19 (“**COVID-19 Outbreak**”) is an Epidemiological Event, that, notwithstanding the COVID-19 Outbreak, the existing effects of the COVID-19 Outbreak could not have been reasonably anticipated, and that the potential continuing effects of the COVID-19 Outbreak cannot reasonably be anticipated by County or Owner nor be prevented nor overcome, wholly or in part, by the exercise of commercially reasonable diligence by such Party provided, however, the COVID-19 Outbreak is not an excuse from performance of any obligation under this Agreement unless it actually renders a Party unable to perform such obligation in the specific instance. This shall not apply to the Owner’s obligation to make payments in lieu of taxes to the County.

“Full-Time Equivalent Job” or “FTE” shall mean a job filled by an individual who must work for a period of not less than forty (40) hours per week or if less than forty (40) hours a week, the number of hours per week that Owner represents to be in accordance with its designated full-time employment policy as of the reporting year. A Full-Time Equivalent Job may include the combined hours of two or more continuous part-time jobs where the sum of the regularly scheduled weekly hours for such jobs equals or exceeds forty (40) hours per week. Full-Time Equivalent Jobs shall include newly created employment positions and jobs held by transferred employees from other facilities of Owner or an Owner Affiliate.

“Land” shall mean any land owned or leased by Owner related to the Facilities and located within the County.

“Material Obligations” shall mean Owner’s obligations under Sections 3.4, 4.1, 4.2, and 5.5 of the Tax Abatement Agreement.

“Owner Affiliate” shall mean any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, Owner. The term **“control”** shall mean direct or indirect ownership of more than 50% of the voting stock of a corporation (or equivalent equity interest for other types of entities) or the power to direct or cause the direction of the management and policies of the controlled entity, whether through the ownership of voting securities, by contract or otherwise.

“Premises” shall mean collectively, the Land and any Improvements located in the County.

“Tangible Personal Property” shall have the same meaning assigned by Section 1.04 of the Act and shall mean all tangible personal property, equipment, and machinery, inventory and supplies and located at the Premises and owned by Owner on January 1 of a given taxable year. Tangible Personal Property shall not include Freeport Goods or Goods in Transit pursuant to Section 11.251 or 11.253 of the Act if such items qualify for and are allowed exemption from County property taxes in a given year during the Term, and nothing in this Agreement prevents application for such exemptions, if applicable and available.

2. **Rules of Interpretation.** Defined terms used in this Agreement shall, unless they are defined in this Agreement or the context otherwise requires, have the meanings ascribed to them in the Tax Abatement Agreement.

3. **Economic Development Grants.** Subject to the terms and conditions of this Agreement and the Tax Abatement Agreement, and specifically the satisfaction of the conditions for qualifying in Section 4 below, the County will provide economic development grants (each a **“Grant”**) to Owner as follows:

(a) For each calendar year as further set forth below, provided that Owner satisfies the requirements set forth in Section 4 of this Agreement, beginning with calendar year 2037 and ending with calendar year 2061 the County shall annually pay to Owner a Grant in an amount, not less than zero, equal to the total County ad valorem taxes assessed against Improvements and Tangible Personal Property and paid to the County with respect to such calendar year, minus

\$20,000,000. Each such Grant shall be paid by the County to Owner within thirty (30) days following receipt by the County of (a) the ad valorem tax payment corresponding to such Grant, and (b) Employment Reports (when due under Section 8(v) of this Agreement). Grants will become due to Owner under this Agreement for each tax year beginning with 2037 and continuing for a period of twenty-five (25) consecutive calendar years. For the avoidance of doubt, if for any reason Improvements or Tangible Personal property do not qualify for abatement under the Tax Abatement Agreement, property taxes paid on such Improvements or Tangible Personal Property shall be included in the grant calculations provided for in this Section.

4. **Conditions to Qualify for Grants.** The following conditions will be satisfied by Owner for the entire Term (defined below) of this Agreement in order to qualify for the Grants:

(a) Owner shall comply with its Material Obligations as set forth in the Tax Abatement Agreement; and

(b) At the time of payment of any portion of the Grants, Owner must not be delinquent in the payment of any ad valorem taxes then owed by Owner on the Facility (provided, however, Owner retains the right to timely and properly protest and contest any such ad valorem taxes).

5. **Term of this Agreement.** The term of this Agreement will commence on the Effective Date and will continue until the earlier of the date the County has paid the final Grant for calendar year 2061 as set forth in Section 3(a) above, or such earlier date when this Agreement is terminated pursuant to the terms herein (the “**Term**”).

6. **Default.**

(a) Each of the following will constitute an “**Event of Default**” under this Agreement:

(i) the County’s failure to process any portion of the Grants owing to Owner in accordance with this Agreement;

(ii) Owner’s failure to satisfy any of the conditions set forth in Section 4 above;

(iii) Owner’s failure to pay any ad valorem taxes or other material fees or charges owed by Owner to the County prior to delinquency (provided, however, Owner retains the right to timely and properly protest and contest any such taxes or fees, and so long as Owner is timely and properly protesting or contesting the same, it will not constitute an Event of Default);

(iv) a breach of any representation or covenant made in this Agreement by Owner.

(b) **Notice and Cure Periods.** In the event of the occurrence of an Event of Default described under Section 6(a), the non-defaulting Party must provide notice in writing and by email in accordance with Section 8(h) hereof to the defaulting Party of such default, and the defaulting Party will have ninety (90) days thereafter (as may be extended by Force Majeure) to cure said default. If the default cannot reasonably be cured within such 90-day period, and the defaulting Party has diligently pursued such remedies as shall be reasonably necessary to cure such default, then the defaulting Party will have such additional amount of time as is reasonably necessary to

cure such default. Only a 30 day notice is applicable to the Owner's failure to timely pay a PILOT when due.

(c) Remedies. Except as may be specifically limited in this Section 6, upon the occurrence and during the continuance of an Event of Default, the non-defaulting Party shall have all remedies available to it at law or in equity, other than termination of this Agreement.

Upon an Event of Default, either the Owner or the County has the right hereunder to enforce specific performance of amounts owed to the Owner or the County or bring an action to collect such amounts. Either Party will further have the right to seek a judicial declaration of the total amount of Grants owed, whether an Event of Default has occurred, or whether any attempt to cure has been sufficient. Periods described above for curing a delinquency or violation shall toll, and shall not be considered for any purpose as having run, beginning upon the day the Owner files a petition in district court in Grimes County, Texas to determine whether a delinquency or violation has in fact occurred under this Agreement and/or to determine whether any attempt to cure has been sufficient, and ending upon the issuance of a final court decision or other final resolution of such court proceeding. No action will lie for damages by either Party (beyond the foregoing amounts owed by the County upon an Event of Default by the County), including punitive damages, and no special or consequential damages will be recovered by either Party. If the County is the prevailing Party, it is entitled to recover its reasonable and necessary attorney's fees.

Upon the occurrence of an Event of Default described in Section 6(a)(ii) (i.e., the conditions set forth in Section 4 are not satisfied during any period of time during the term of this Agreement), and without terminating this Agreement, the County will be relieved of its obligation to pay the portions of the Grants related to such year until such default is cured within the cure period described in Section 6(b) hereof. If such default is cured by Owner within the cure period set forth in Section 6(b) hereof, the County will be obligated to pay to Owner the portions of the Grants withheld during Owner's failure to comply with Section 4 hereof.

Notwithstanding any other provision in this Agreement, and subject to Section 6(b), the only Events of Default that entitle the non-breaching party to terminate this Agreement are those provided for under Sections 6(a)(ii) and 6(a)(iii) of this Agreement.

(d) Termination. This Agreement will terminate upon the occurrence of any one of the following:

(i) the execution by both parties of a written agreement terminating this Agreement;

(ii) the expiration of the Term of this Agreement; or

(iii) at the option of the non-defaulting Party, upon the occurrence and continuation of an Event of Default provided for under Sections 6(a)(ii) or 6(a)(iii) of this Agreement (subject to the notice and cure provisions of Section 6(b) above).

(e) Attorney's Fees. If the County is the prevailing Party in any action to enforce this Agreement, it shall be entitled to recover its reasonable and necessary attorney's fees.

7. **Assignment.** This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may be assigned in part or in full by the Owner upon written notice to the County provided, however, no such assignment shall be effective unless and until the County receives a copy of the written assignment that, in the case of a full assignment, provides for the assignee to assume all rights and obligations of Owner set forth in this Agreement.

8. **Miscellaneous.**

(a) All construction will be in accordance with applicable rules, regulations, and ordinances of the County, subject to any variances granted in writing by the County.

(b) It is acknowledged and agreed by the parties that the terms hereof are not intended to and will not be deemed to create a partnership or joint venture among the parties. It is further understood and agreed by the parties that Owner and the County, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibility or liability to third parties in connection with these actions.

(c) This Agreement contains the entire understanding of the parties with respect to the matters contained herein and may not be modified or terminated except in accordance with the provisions hereof or by the mutual written agreement of the parties hereto.

(d) This Agreement will be construed in accordance with the laws of the State of Texas and will be performable in Grimes County, Texas.

(e) This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(f) The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others (i) that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his or her signature appears, (ii) that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the Party for whom the individual is signing this Agreement, and (iii) that each individual affixing his or her signature hereto is authorized to do so and such authorization is valid and effective on the date hereof. This Agreement was approved by the Grimes County Commissioners Court at its meeting on June 3, 2026.

(g) This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

(h) Any notice and/or statement required and permitted to be delivered will be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate Party at the following addresses:

If to the County:

If to Owner:

Grimes County, Texas
270 FM 149 W
Anderson, Texas 77830
Attn: County Judge
joe.fauth@grimescountytexas.gov

Grimes County, Texas
270 FM 149 W
Anderson, Texas 77830
Attn: County Attorney
megan.barcak@grimescountytexas.gov

J. Ryan Simpson
Manager, Property Tax
[Mailing Address]
james.simpson@spacex.com
310.806.5862

Jane Hasselberg
Director, Tax
[Mailing Address]
jane.hasselberg@spacex.com
310.806.5862

Ben Lancaster
Sr. Manager, Government Affairs
[Mailing Address]
Benjamin.Lancaster@spacex.com
512.550.1229

With required copy to:

Mike Dixon
Haley & Olson
100 N. Ritchie Road, Suite 200
Waco, Texas 76712
mdixon@haleyolson.com

With required copy to:

Bucky Brannen
Bracewell LLP
1445 Ross Avenue, Suite 3800
Dallas, TX 75202
bucky.brannen@bracewell.com

Each Party may change the address to which notice may be sent to that Party by giving notice of such change to the other parties in accordance with the provisions of this Agreement.

(i) This Agreement may be executed in any number of identical counterparts, each of which will be deemed an original for all purposes.

(j) In case any one or more of the provisions contained in this Agreement will for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision hereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. If any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement or any part hereof invalid or illegal, the parties agree to terminate (or if feasible, modify) this Agreement and to negotiate in good faith a remedy that preserves the intent of the parties hereunder as much as reasonably possible.

(k) Each signatory represents this Agreement has been read by the Party for which this Agreement is executed and that such Party has had an opportunity to confer with its counsel.

(l) Time is of the essence in this Agreement.

(m) The parties agree this Agreement has been drafted jointly by the parties and their legal representatives.

(n) Nothing in this Agreement will be implied to vest any rights in the parties. In addition, nothing contained in this Agreement will constitute a “permit” as defined in Chapter 245 of the Texas Local Government Code. **OWNER WAIVES ANY STATUTORY CLAIM THAT THIS AGREEMENT ESTABLISHES VESTED RIGHTS UNDER CHAPTER 245 OF THE TEXAS LOCAL GOVERNMENT CODE. THIS SECTION WILL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

(o) It is expressly understood that this Agreement will be binding upon and benefit the parties hereto only upon execution by both parties.

(p) Pursuant to Section 2270.002 of the Texas Local Government Code, Owner hereby represents that neither Owner, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Owner “boycotts Israel”, and subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. Section 4607, agrees it will not boycott Israel during the term of this Agreement. As used in the immediately preceding sentence, “boycott Israel” shall have the meaning given such term in Section 2271.001 of the Texas Local Government Code.

(q) Pursuant to Subchapter F, Chapter 2252 of the Texas Local Government Code, Owner certifies that it is not engaged in business with Iran, Sudan or a foreign terrorist organization.

(r) Pursuant to Chapter 2274 of the Texas Local Government Code, Owner verifies that (i) it does not boycott energy companies and will not boycott energy companies during the term of this Agreement and (ii) it does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement.

(s) Pursuant to Chapter 2264 of the Texas Local Government Code, Owner represents and certifies that is does not and will not knowingly employ any undocumented worker at the Facility or on the Premises who is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in the United States. If, after receiving any public subsidy from the County under this Agreement, Owner is convicted of a violation under 8 U.S.C. § 1342a(f), Owner shall repay to the County an amount equal to all Grant payments tendered to Owner under this Agreement plus interest at the annual rate of 4% not later than the 120th day after the date the public agency, state or local taxing jurisdiction notifies Owner of such violation.

(t) Owner shall use commercially reasonable efforts to utilize, or cause its contractors to utilize, Separated Building Materials and Labor Contracts as defined in Comptroller Rule 3.291(a)(13) for all taxable building material contracts related to the construction of the Facility or the acquisition and installation of the Tangible Personal Property which equal or exceed the amount of \$100,000 and require that the situs of any sales tax paid and related thereto will be Grimes County, Texas.

(u) Any controversy or claim arising from or relating to this Agreement, or a breach thereof, shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any Party, unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The parties shall endeavor to resolve their claims by mediation. County and Owner shall share the costs of mediation equally. The mediation shall be held in Grimes, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

(v) Upon request by the County no more than once per year, Owner agrees to provide the County with reports in a form reasonably acceptable to the County certifying Owner's compliance with its minimum employment commitments and shall include information on the number of Full-Time Equivalent Jobs created, filled or contracted for at the Improvements (the "**Employment Reports**"). If the County in good faith believes that Owner may not be in compliance with its minimum employment commitment, then County shall have the right to inspect Owner's employment records as is reasonably necessary, subject to Owner's reasonable security and confidentiality requirements.

[SIGNATURE PAGE TO FOLLOW]

TAX ABATEMENT AGREEMENT

By and Between

GRIMES COUNTY, TEXAS, AND SPACE EXPLORATION TECHNOLOGIES CORP.

This Tax Abatement Agreement (this “**Agreement**”) is entered into by and between Grimes County, Texas (the “**County**”) duly acting herein by and through its County Judge, and Space Exploration Technologies Corp., a Texas corporation (“**Owner**” and, together with the County, the “**Parties**”). This Agreement shall have an “**Effective Date**” of June 3, 2026.

RECITALS:

WHEREAS, the Grimes County Commissioners Court (the “**Commissioners Court**”) has adopted a resolution stating that the County had elected to become eligible to participate in tax abatements pursuant to Section 312.002(a) of the Texas Tax Code, as amended (herein referred to as the “**Act**”);

WHEREAS, pursuant to Section 312.002(a) of the Act, the Commissioners Court has approved guidelines and criteria governing tax abatement agreements entered into by the County (hereinafter referred to as the “**Guidelines**”);

WHEREAS, on June 3, 2026, pursuant to Sections 312.401(b) and 312.201(d) of the Act, the Commissioners Court conducted a public hearing on the advisability of designating the SpaceX Reinvestment Zone No. 1 – 2026-001 (herein after, the “**Reinvestment Zone**”) at which interested persons were entitled to speak and present evidence for or against the designation, and which public hearing was preceded by at least seven days’ notice (a) published in the Navasota Examiner, a newspaper of general circulation within Grimes County, Texas; and (b) delivered in writing to the presiding officer of the governing body of each taxing unit with jurisdiction to tax real property located in the Reinvestment Zone;

WHEREAS, Owner intends to construct and operate a multi-phase, next-generation, vertically integrated semiconductor manufacturing facility and advanced computing fabrication facility;

WHEREAS, on June 3, 2026, pursuant to Section 312.401(b) of the Act, following the conclusion of the public hearing, the Commissioners Court found that the improvements and operations proposed by Owner within the Reinvestment Zone would constitute a major investment that would benefit the Reinvestment Zone and would contribute to the economic development of the County and consequently passed and approved an order approving designation of *SpaceX Reinvestment Zone No. 1 – 2026-001*, which was executed by the County Judge and attested by the County Clerk;

WHEREAS, the Commissioners Court has concluded that the Improvements and operations proposed by Owner within the Reinvestment Zone and described in this Agreement, and the terms of this Agreement: (a) are consistent with the requirements of the Act and the Guidelines or, to the extent of any inconsistency with the Guidelines, the Commissioners Court has determined, in its discretion and in accordance with Section 312.002(d) of the Act, that this

Agreement should be entered into notwithstanding any such inconsistency, and (b) constitute a major investment that would benefit the Reinvestment Zone and would contribute to the economic development of the County;

WHEREAS, on June 3, 2026, pursuant to Sections 312.404 and 312.207 of the Act, this Agreement was approved by affirmative vote of a majority of the members of the Commissioners Court at a regularly scheduled meeting, for which public notice (containing all information required by Section 312.207(c) of the Act) was provided at least thirty 30 days prior, and for which written notice was provided to the presiding officer of the governing body of each other taxing unit in which the property is located pursuant to Section 312.2041;

NOW, THEREFORE, for and in consideration of the promises, covenants, and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the County and Owner agree as follows:

**ARTICLE I.
DEFINITIONS**

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“**Act**” is defined in the Recitals.

“**Agreement**” is defined in the Recitals.

“**Commissioners Court**” is defined in the Recitals.

“**County**” is defined in the Recitals.

“**Effective Date**” is defined in the Recitals as June 3, 2026.

“**Expiration Date**” shall mean December 31, 2061.

“**Facilities**” or “**Improvements**” shall mean all real property improvements owned by Owner (or its successors and assigns) and located inside the Reinvestment Zone.

“**Force Majeure**” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, work stoppages, or incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or other causes affecting the area in which the Facility is located, or the Owner’s labor or supply chain, or the availability of services (“**Epidemiological Event**”) that result in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not. If a Party is unable to perform its

obligations under this Agreement due to a Force Majeure, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after occurrence of the event(s) or condition(s) causing the delay describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred. The Parties acknowledge that as of the Effective Date, the outbreak of COVID-19 (“**COVID-19 Outbreak**”) is an Epidemiological Event, that, notwithstanding the COVID-19 Outbreak, the existing effects of the COVID-19 Outbreak could not have been reasonably anticipated, and that the potential continuing effects of the COVID-19 Outbreak cannot reasonably be anticipated by County or Owner nor be prevented nor overcome, wholly or in part, by the exercise of commercially reasonable diligence by such Party provided, however, the COVID-19 Outbreak is not an excuse from performance of any obligation under this Agreement unless it actually renders a Party unable to perform such obligation in the specific instance. This shall not apply to the Owner’s obligation to make payments in lieu of taxes to the County.

“**Full-Time Equivalent Job**” or “**FTE**” shall mean a job filled by an individual who must work for a period of not less than forty (40) hours per week or if less than forty (40) hours a week, the number of hours per week that Owner represents to be in accordance with its designated full-time employment policy as of the reporting year. A Full-Time Equivalent Job may include the combined hours of two or more continuous part-time jobs where the sum of the regularly scheduled weekly hours for such jobs equals or exceeds forty (40) hours per week. Full-Time Equivalent Jobs shall include newly created employment positions and jobs held by transferred employees from other facilities of Owner or an Owner Affiliate.

“**Guidelines**” is defined in the Recitals.

“**Land**” shall mean any land owned or leased by Owner and located within the Reinvestment Zone as is described and shown on Exhibit “A” attached hereto.

“**Material Obligations**” shall mean Owner’s obligations under Sections 3.4, 4.1, 4.2, and 5.5 of this Agreement.

“**New Tangible Personal Property**” shall mean each installation or delivery of Tangible Personal Property installed or located in the Reinvestment Zone for which Owner provides Grimes Central Appraisal District, not more than once each year during the Term, a separate written rendition for such new Tangible Personal Property.

“**Owner**” is defined in the Recitals, and shall include any successors and assigns (including recipients of partial assignments under Section).

“**Owner Affiliate**” shall mean any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, Owner. The term “**control**” shall mean direct or indirect ownership of more than 50% of the voting stock of a corporation (or equivalent equity interest for other types of entities) or the power to direct or cause

the direction of the management and policies of the controlled entity, whether through the ownership of voting securities, by contract or otherwise.

“**Premises**” shall mean collectively, the Land and any Improvements located in the Reinvestment Zone.

“**Reinvestment Zone**” is defined in the Recitals.

“**Tangible Personal Property**” shall have the same meaning assigned by Section 1.04 of the Act and shall mean all tangible personal property, equipment, and machinery, inventory and supplies and located at the Premises and owned by Owner on January 1 of a given taxable year. Tangible Personal Property shall not include Freeport Goods or Goods in Transit pursuant to Section 11.251 or 11.253 of the Act if such items qualify for and are allowed exemption from County property taxes in a given year during the Term, and nothing in this Agreement prevents application for such exemptions, if applicable and available.

“**Taxable Value**” shall mean the appraised value of Improvements and Tangible Personal Property as certified by the Grimes Appraisal District, or its successor, as of January 1 of a given year.

ARTICLE II. GENERAL PROVISIONS

2.1 Owner intends to construct, or cause to be constructed, Improvements or Facilities on portions of the land that is in the Reinvestment Zone. This shall include semiconductor manufacturing facilities of at least _____ square feet; a natural gas fired ____ megawatt power plant, and an artificial intelligence facility to be used in conjunction with the manufacturing process.

2.2 The Premises are not in an improvement project financed by tax increment bonds.

2.3 This Agreement is entered into subject to the rights of the holders of outstanding bonds of the County.

2.4 The Premises are not owned or leased by any member of the Commissioners Court.

2.5 Owner shall, on or before May 1, of each calendar year that this Agreement is in effect, certify in writing to the County that it is in compliance with this Agreement.

2.6 The “**Term**” of this Agreement shall begin on the Effective Date and shall continue until the Expiration Date, unless sooner terminated as provided herein.

2.7 Owner shall, at its own cost, provide on-site security, fire prevention and response, and emergency medical response services for the Facility. Such services shall be provided solely for the benefit of persons and property located on the Land, and Owner shall have no obligation to provide services to, or respond to incidents occurring outside of, the Land.

2.8 Owner agrees to use commercially reasonable efforts to control water use and promote water re-use at the Facility, and in connection with such efforts, Company intends to construct on-site wastewater treatment facilities.

2.9 Owner agrees to treat all effluent from the manufacturing process and dispose of sludge or water containing high levels of solids or chemicals as required under Applicable Law.

2.10 Owner shall conduct its operations at the Facility in compliance with all applicable state and federal pollution control laws and regulations. Additionally, hazardous chemicals must be stored, used and disposed of in accordance with Applicable Law.

2.11 Owner intends to use water from Gibbons Creek Reservoir in its operations and does not intend to use groundwater in its operations. If Owner does use groundwater in its operations, it must comply with all Applicable Laws concerning use of such groundwater.

2.12 Owner shall use commercially reasonable efforts to design, install, and maintain exterior lighting so that illumination is directed toward the Land and does not materially and unreasonably interfere with adjacent properties.

2.13 Owner shall use commercially reasonable efforts to operate the Facility in a manner that does not result in material and unreasonable noise impacts on adjacent properties, taking into account the nature of the Facility and customary industry practices.

2.14 In furtherance of Owner's hiring plans, Owner will use commercially reasonable efforts to work with local high schools to create programs that would assist students in being hired for positions at the Facility.

2.15 Once operable, the facilities are expected to be powered by electricity generated by on-site power plant(s) and are expected to not use electricity from the grid.

**ARTICLE III.
TAX ABATEMENT AUTHORIZED**

3.1 This Agreement is authorized by the Act and in accordance with the County's Guidelines that were approved by resolution of the County no more than two (2) years before the Effective Date of this Agreement.

3.2 Real Property. Subject to the terms and conditions of this Agreement, the County hereby grants Owner an abatement of 100% of County ad valorem taxes on the Taxable Value of any Improvements for ten (10) consecutive years from tax year 2027 through tax year 2036.

3.3 Tangible Personal Property. Subject to the terms and conditions of this Agreement, the County hereby grants Owner an abatement of 100% of County ad valorem taxes on the Taxable Value of the New Tangible Personal Property in each annual rendition of New Tangible Personal Property occurring during the Term of this Agreement. For clarity, the Parties intend for the abatements granted under this Section 3.3 to apply only to New Tangible Personal Property owned by Owner or Owner's successors and assigns. The County will work with the Grimes Central Appraisal District to ensure the Grime Central Appraisal District will assign each new installation,

delivery, or location of New Tangible Personal Property an account number separate and apart from any other Tangible Personal Property for appraisal purposes, and establish, if necessary, a mutually acceptable administrative method to allow compliance with this Agreement.

The period of tax abatement for New Tangible Personal Property in each annual rendition shall be for a period of up to ten (10) consecutive years beginning with the calendar year in which such rendition statement of New Tangible Personal Property is filed with the Grimes Central Appraisal District, and ending on the earlier of (a) December 31 of the tenth year of abatement, and (b) the Expiration Date. For the avoidance of doubt, no individual item of Tangible Personal Property will receive more than ten (10) years of abatement.

3.4 Payments in Lieu of Taxes. As consideration for the abatement granted by the County under this Agreement, Owner agrees to make annual payments in lieu of taxes (the “**Annual PILOTs**”) to the County for ten (10) consecutive years beginning with 2027.

(a) The Annual PILOTs required by this Agreement must be paid to the County not later than January 31 of the year following the year to which the Annual PILOT relates. By way of illustration, an Annual PILOT that is due with respect to calendar year 2027 will be due and payable no later than January 31, 2028.

(b) The amount of the Annual PILOT for each year will be equal to the fixed amount in the following table. For the avoidance of doubt, such amounts shall be due regardless of the assessed value of the Improvements and Tangible Personal Property.

YEAR	DUE DATE	AMOUNT
2027	January 31, 2028	\$20,000,000
2028	January 31, 2029	\$20,000,000
2029	January 31, 2030	\$20,000,000
2030	January 31, 2031	\$20,000,000
2031	January 31, 2032	\$20,000,000
2032	January 31, 2033	\$20,000,000
2033	January 31, 2034	\$20,000,000
2034	January 31, 2035	\$20,000,000
2035	January 31, 2036	\$20,000,000
2036	January 31, 2037	\$20,000,000

(c) The Parties agree that each Annual PILOT will be in lieu of any County property taxes with respect to the Improvements and Tangible Personal Property which would otherwise be owed by Owner to the County for any year during the Term.

3.5 Tax Protest. Nothing in this Agreement shall limit Owner's right to protest and contest any appraisal or assessment of the Improvements and Tangible Personal Property in accordance with applicable law. However, no protest shall affect the PILOT or delay its payment.

3.6 Up-Front Payment. Owner shall pay the County a non-refundable up-front payment of \$10,000,000 due within 60 days of the Effective Date.

ARTICLE IV. OBLIGATIONS OF OWNER

During the Term, Owner shall comply with the following terms and conditions:

4.1 Owner agrees, subject to delays resulting from one or more events of Force Majeure and/or the actions or omissions of the County, to invest a minimum of \$5,000,000,000 (five billion dollars) in the Facilities and/or Tangible Personal Property by December 31, 2030.

4.2 Owner agrees, subject to delays resulting from one or more events of Force Majeure and/or the actions or omissions of the County, to create a total of 1,000 Full-Time Equivalent Jobs by December 31, 2035.

For clarity, the obligations to create, fill and/or maintain Full-Time Equivalent Jobs may be satisfied through the employment of individuals by Owner and/or any Owner Affiliate, so long as the relevant employee is assigned to work at the Facilities, and a Full-Time Equivalent Job will be deemed to have been created and filled for purposes of this Agreement by the transfer of an employee from other facilities of Owner or an Owner Affiliate.

4.3 Failure by Owner to comply with the Minimum Capital Investment Requirements or the Minimum Employment Requirements shall not cause Owner to be in default of this Agreement unless the actual amount invested, or the actual number of Full-Time Equivalent Jobs created by Owner, is less than 90% of the required Minimum Capital Investment Requirements or the Minimum Employment Requirements, respectively, as applicable.

4.4 To show its commitment to the community and that it intends to be a good corporate neighbor, and in recognition of the expense incurred by the County in coming to a mutually acceptable agreement, Owner agrees to reimburse the County for its reasonable attorney's fees and publication costs incurred in negotiation of this Agreement in a fixed fee amount of \$35,000.

ARTICLE V. IMPROVEMENTS

5.1 Owner intends to construct or cause to be constructed Improvements on portions of the Premises that are in the Reinvestment Zone and to locate Tangible Personal Property at such Improvements. Nothing in this Agreement shall obligate Owner to construct the Improvements on

the Premises or to locate Tangible Personal Property thereat, but said actions are conditions precedent to tax abatement pursuant to this Agreement.

5.2 Owner agrees to maintain the Improvements during the Term of this Agreement in accordance with all applicable state and local laws, codes, and regulations in all material respects, or shall diligently pursue the cure of any material non-compliance.

5.3 The County, its agents and employees shall have the right of access to the Premises during and following construction to inspect the Improvements at reasonable times and with reasonable notice to Owner (at least 7 days' advanced notice), and in accordance with visitor access and security policies of the Owner, in order to ensure that the construction of the Improvements are in accordance with this Agreement and all applicable state and local laws and regulations (or valid waiver thereof), subject to Owner's reasonable security and confidentiality requirements.

5.4 As part of its certificate of compliance due under Section 2.5 of this Agreement, upon request of the County, Owner shall provide the County with sufficient documentation evidencing that Owner has satisfied its Minimum Capital Investment and Minimum Employment Requirements, and such documentation shall be subject to Owner's reasonable security and confidentiality requirements.

5.5 Owner may not sell or assign any part of the Facility to an entity that is fully exempt from property taxation.

ARTICLE VI. DEFAULT: RECAPTURE OF TAX REVENUE

6.1 If Owner fails to comply with its Material Obligations under this Agreement and does not cure such failure within the notice and cure periods described in Section 6.2, then Owner shall be in default of this Agreement. As liquidated damages in the event of such default, the Owner shall, within 30 days after demand, pay to the County all taxes with respect to the three (3) tax years directly preceding the date of the notice of default which otherwise would have been paid by the Owner to the County without the benefit of the tax abatement under this Agreement (for the avoidance of doubt, net any Annual PILOTs paid), plus interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Act, as amended, but without penalties.

For clarity, it is understood and agreed by the Parties that if a particular action is to be performed by a certain date, and such action is not performed by the required date in the first instance but is then performed before the end of the applicable cure period, then the action shall be deemed to have been performed on time in the first instance, with no effect given to the initial delay.

The Parties acknowledge that actual damages in the event of default and termination by the County would be speculative and difficult to determine. The Parties further agree that the amount of abated tax, including interest, as a result of this Agreement, shall, in accordance with the above provisions of this Section 6.1, be recoverable against the Owner, its successors and assigns and shall constitute a tax lien against the Premises, and shall become due, owing, and shall be paid to the County within thirty (30) days after notice of termination.

6.2 Upon breach by a Party of any of the obligation under this Agreement, the non-breaching Party shall notify the breaching Party in writing and by email, and the breaching Party shall have ninety (90) days from receipt of the notice in which to cure any such breach. If the breach cannot reasonably be cured within such 90-day period, and the breaching Party has diligently pursued such remedies as shall be reasonably necessary to cure such breach, then the breaching Party will have such additional amount of time as is reasonably necessary to cure such breach. Only 30 days notice is required for the Owner's breach of its obligation to timely pay PILOTS.

Periods described above for curing a delinquency or violation shall toll, and shall not be considered for any purpose as having run, beginning upon the day Owner files a petition in district court in Grimes County, Texas to determine whether a delinquency or violation has in fact occurred under this Agreement and/or to determine whether any attempt to cure has been sufficient, and ending upon the issuance of a final court decision or other final resolution of such court proceeding. No action will lie for damages by either Party (beyond the foregoing amounts owed to the County under Section 6.1), including punitive damages, and no special or consequential damages will be recovered by either Party.

6.3 If the Owner fails to cure a default of a Material Obligation under Section 6.1 within the time period specified in Section 6.2, as such time period may be extended, the County, at its sole option, shall have the right to terminate this Agreement by providing written notice to the Owner.

Upon termination of this Agreement by County, the amount of liquidated damages set forth in Section 6.1, shall become a debt to the County as liquidated damages, and shall become due and payable not later than thirty (30) days after a notice of termination is provided. The County shall have all remedies for the collection of such amount described in Section 6.1 as provided generally in the Act for the collection of delinquent property tax, but without penalties. The computation of the abated tax for the purposes of the Agreement shall be based upon the full Taxable Value of the Improvements and Tangible Personal Property without tax abatement for the applicable years for which recapture is required as set forth above and in which tax abatement hereunder was received by the Owner, as determined by the Grimes Appraisal District, multiplied by the tax rate of the years in question, as calculated by the Grimes County Tax Assessor or Collector, net any Annual PILOTS paid by Owner. The liquidated damages shall incur interest as provided for delinquent taxes and shall commence to accrue after expiration of the thirty-day payment period.

6.4 Notwithstanding anything to the contrary herein, if Owner is alleged to breach Section 5.5 of this Agreement, Owner shall have the opportunity pursuant to this Article VI to show that it has not in-fact breached Section 5.5 (including through judicial review); however, if it is ultimately determined that Owner breached Section 5.5, then such default shall not be curable.

ARTICLE VII. ANNUAL APPLICATION FOR TAX EXEMPTION

It shall be the responsibility of the Owner, pursuant to Section 11.43 of the Act, as amended, to file, **on or before April 30**, an annual exemption application form for the

Improvements and Tangible Personal Property with the Grimes County Chief Appraiser. A copy of the respective exemption application shall be submitted to the County upon request.

**ARTICLE VIII.
ANNUAL RENDITION**

The Owner shall annually render the value of the Tangible Personal Property to the Grimes Appraisal District as required by law and shall provide a copy of the same to the County upon written request.

**ARTICLE IX
ROAD USE AGREEMENT**

The Parties have entered into a separate Road Use Agreement, pursuant to which Owner shall be responsible to the County for repairing any material damage caused in connection with construction of the Facilities. The Road Use Agreement is attached hereto as Exhibit "B".

**ARTICLE X
MISCELLANEOUS**

10.1 Notice. Any notice required or permitted to be delivered hereunder shall be delivered both by email correspondence at the email addresses set forth below as well as by hard copy (United States Mail, postage prepaid, certified mail, return receipt requested) at the addresses set forth below, or such other address as is designated by the applicable Party from time to time.

If intended for County, to:

Grimes County, Texas
270 FM 149 W
Anderson, Texas 77830
Attn: County Judge
joe.fauth@grimescountytexas.gov

With required copy to:

Mike Dixon
Haley & Olson
100 N. Ritchie Road, Suite 200
Waco, Texas 76712
mdixon@haleyolson.com

If intended for Owner, to:

Name: J. Ryan Simpson
Phone: 310.806.5862
Email: james.simpson@spacex.com
Title: Manager, Property Tax

Name: Jane Hasselberg
Phone: 310.806.5862
Email: jane.hasselberg@spacex.com
Title: Director, Tax

Name: Ben Lancaster
Phone: 512.550.1229
Email: Benjamin.Lancaster@spacex.com
Title: Sr. Manager, Government Affairs

With required copy to:

Bucky Brannen
Bracewell LLP
1445 Ross Avenue, Suite 3800
Dallas, Texas 75202
bucky.brannen@bracewell.com

10.2 Insurance. The Facility shall be kept fully insured by the Owner in accordance with commercially reasonable standards.

10.3 Future Expansion. Nothing herein is a representation or commitment with regard to any future expansion in another reinvestment zone.

10.4 Authorization. This Agreement was authorized by resolution of the Grimes County Commissioners at a meeting authorizing the County Judge to execute this Agreement on behalf of the County.

10.5 Severability. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal, unconstitutional or unenforceable, such invalidity, illegality, unconstitutionality or unenforceability shall not affect other provisions, and it is the intention of the Parties that in lieu of each provision that is held to be invalid, illegal, unconstitutional or unenforceable, a provision will be added to this Agreement which is valid, legal, constitutional and enforceable and is as similar in terms as possible to the provision held to be invalid, illegal, unconstitutional or unenforceable.

10.6 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be the State District Court of Grimes County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

10.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. This Agreement may be executed in facsimile or electronically transmitted portable document format (“PDF”) or

by electronic means, and such signatures shall have the same force of law as one executed and witnessed by the Parties in person.

10.8 Entire Agreement. This Agreement is the entire agreement of the Parties with respect to the tax abatements provided for hereunder. This Agreement cannot be modified without written agreement of the Parties.

10.9 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

10.10 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

10.11 Assignment. This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. Owner may assign this Agreement in full or in part upon written notice to the County; provided, however, no such assignment shall be effective unless and until the County receives a copy of the written assignment that provides for the assignee, in the case of a full assignment, to assume all rights and obligations of Owner set forth in this Agreement.

10.12 Employment of Undocumented Workers. During the Term of this Agreement, the Owner agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a(f), the Owner shall repay the taxes abated herein, and any other funds received by the Owner from the County as of the date of such violation within 120 days after the date the Owner is notified by the County of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Owner is not liable for a violation of this Section 11.3 by a subsidiary, affiliate (Owner Affiliate), or franchisee of Owner or by a person with whom Owner contracts. Owner hereby verifies in accordance with the requirements of Chapters 2271 and 2274 of the Texas Government Code and subject to applicable law that Owner will not Boycott Israel, does not and will not Boycott Energy Companies, and does not and will not Discriminate Against Firearm Entities or Firearm Trade Associations, as such capitalized terms are defined in such chapters of the Texas Government Code and subject to the provisions of such chapters of the Texas Government Code.

10.13 Termination by Owner. Owner shall have the right, at any time and for any reason, to terminate this Agreement upon 30 days' written notice to the County.

Upon the date of termination (i) all prospective obligations of Owner under this Agreement shall immediately cease, (ii) any prospective tax abatement benefits under this Agreement shall terminate, and (iii) Owner shall remain responsible only for PILOT payments for years that commenced prior to the date of termination AND shall repay abated taxes for a period not to exceed three (3) years. Notwithstanding the above, if Owner terminates this Agreement in calendar year 2027, Owner shall not be responsible for the PILOT applicable to 2027.

Owner's exercise of its termination rights under this Section 10.13 shall not constitute a default or breach of this Agreement, nor shall it give rise to any claims for damages, penalties, or recapture

of property tax abated under this Agreement, except as otherwise expressly provided elsewhere in this Section 10.13.

[SIGNATURE PAGE TO FOLLOW]

EXHIBIT A

Reinvestment Zone

IOLA INDEPENDENT SCHOOL DISTRICT
NOTICE OF SPECIAL SCHOOL BOARD MEETING AND PUBLIC HEARING

Notice is hereby given that at [REDACTED] the Board of Trustees of the Iola School District will hold a Special Board meeting [REDACTED] to conduct a Public Hearing pursuant to Texas Government Code §403.611 regarding applications for an Agreement for Limitation on Taxable Value for School District Maintenance and Operations Ad Valorem Taxes filed by Terafab AI, LLC, Texas Comptroller of Public Accounts Application(s) Nos. J0035, J0036, J0037, J0038.

This meeting will be held by videoconference call in accordance with section 551.127 of the Texas Government Code. Board Members may attend by videoconference call in compliance with the Texas Open Meetings Act. In accordance with Texas Government Code 551.127(e), the Board will be physically present at [REDACTED] and intends to have a quorum present at that location. The public is welcome to be present at that location for the open portions of the Board meeting.

The subjects to be discussed are listed on the agenda which is attached to and made a part of this Notice.

If, during the course of the meeting covered by this Notice, the Board of Trustees should determine that a closed session of the Board of Trustees is required, then such closed session as authorized by the Texas Open Meeting Act, Texas Government Code Section 551.001 *et seq.*, will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed session concerning any and all purposes permitted by the Act, including, but not limited to the following sections and purposes:

Texas Government Code Section:

- 551.071 Private consultation with the board's secretary.
- 551.072 Discussing purchase, exchange, lease, or value of real property.
- 551.073 Discussing negotiated contracts for prospective gifts or donations.
- 551.074 Discussing personnel or to hear complaints against personnel.
- 551.075 To confer with employees of the school district to receive information or to ask questions.
- 551.076 Considering the deployment, specific occasions for, or implementation of, security personnel or devices.
- 551.082 Considering discipline of the public school child, or complaint or charge against personnel.
- 551.083 Considering the standards, guidelines, terms, or conditions the board will follow, or will instruct its representatives follow, in consultation with representatives of employees groups.
- 551.084 Excluding witnesses from a hearing.
- 551.087 Deliberations regarding Economic development negotiations

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed session, then the final action, final decision, or final vote shall be either:

- (a) in the open meeting covered by the Notice upon the reconvening of the public meeting;
or
- (b) at a subsequent public meeting of the School Board upon notice thereof; as the School Board shall determine.

This notice was posted and filed in compliance with the Open Meetings Law on May ____, 2026 at __:00 PM

For the Board of Education

Jeff Dyer, Superintendent
For the Board of Education

IOLA INDEPENDENT SCHOOL DISTRICT
NOTICE SPECIAL SCHOOL BOARD MEETING AND PUBLIC HEARING

MONDAY, JUNE 15, 2026, [REDACTED]
[REDACTED]
[REDACTED]

AGENDA

The subjects to be discussed or considered, or upon which any formal action may be taken, are as follows: (Items do not have to be taken in the same order as shown on this meeting notice.)

1. Call to order

2. Invocation

3. Public Comment

4. PUBLIC HEARINGS

A. Public Hearing pursuant to Texas Government Code §403.611(b) regarding an Application for an Agreement for Taxable Value Limitation on Eligible Property filed by **Terafab AI, LLC, Phase 1**, Texas Comptroller of Public Accounts Application **J0035**, under the Texas Jobs, Energy, Technology, and Innovation Act, Texas Government Code §403, Subchapter T, to operate a semiconductor fabrication plant with a projected investment of **\$6.43 B** within Grimes County Reinvestment Zone _____ located at _____.

B. Public Hearing pursuant to Texas Government Code §403.611(b) regarding an Application for an Agreement for Taxable Value Limitation on Eligible Property filed by **Terafab AI, LLC, Phase 2**, Texas Comptroller of Public Accounts Application **J0036**, under the Texas Jobs, Energy, Technology, and Innovation Act, Texas Government Code §403, Subchapter T, to operate a semiconductor fabrication plant with a projected investment of **\$14.8 B** within Grimes County Reinvestment Zone _____ located at _____.

C. Public Hearing pursuant to Texas Government Code §403.611(b) regarding an Application for an Agreement for Taxable Value Limitation on Eligible Property filed by **Terafab AI, LLC, Phase 3**, Texas Comptroller of Public Accounts Application **J0037**, under the Texas Jobs, Energy, Technology, and Innovation Act, Texas Government Code §403, Subchapter T, to operate a semiconductor fabrication plant with a projected investment of **\$14.8 B** within Grimes County Reinvestment Zone _____ located at _____.

D. Public Hearing pursuant to Texas Government Code §403.611(b) regarding an Application for an Agreement for Taxable Value Limitation on Eligible Property filed by **Terafab AI, LLC, Phase 4**, Texas Comptroller of Public Accounts Application **J0038**, under the Texas Jobs, Energy, Technology, and Innovation Act, Texas Government Code §403, Subchapter T, to operate a semiconductor fabrication plant with a projected investment of **\$9.7 B** within Grimes County Reinvestment Zone _____ located at _____.

5. Deliberation regarding Economic Development, and closed session pursuant to Texas Government Code section 551.087 to discuss commercial and financial information related to the construction of a potential new manufacturing facility in the District and possible financial incentives related to Texas Comptroller of Public Account Applications J0035, J0036, J0037, and J0038 under the Jobs, Energy, Technology and Innovation Act, and possible consultation with School's Attorney in closed session pursuant to Texas Government Code sections 551.071 to receive legal advice regarding same.
6. Adjourn

This notice was posted and filed in compliance with the Open Meetings Law on May ____, 2026 at __:00 PM

Jeff Dyer, Superintendent



Jeff Dyer <jdyer@iolaisd.net>

Special Board meeting for Public Hearings on JETI Applications

4 messages

Fred Stormer <Fred.Stormer@uwlaw.com>
 To: Jeff Dyer <jdyer@iolaisd.net>
 Cc: Chris Grammer <chris@cgstrategiesllc.com>

Thu, May 21, 2026 at 5:12 PM

Hi Jeff,

It was good to speak with you and your board on Monday night. I'm working on a draft of the Notice for the Public Hearing. I understand this will be a special meeting just for the public hearing on the applications, but will there be anything else on the agenda for this meeting? Also, will the hearing take place at Iola Elementary School Cafeteria, 22709 FM 244, Iola, Texas 77861? Hope to have you a draft to review tomorrow.

Thanks.

UNDERWOOD
 UWLAW.COM

Fred Stormer
 O 500 S. Taylor, Suite 1200, Amarillo, TX 79101
 M PO Box 9158, Amarillo, TX 79105
 D 806.379.0306 O 806.376.5613

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Fred Stormer <Fred.Stormer@uwlaw.com>
 To: Jeff Dyer <jdyer@iolaisd.net>
 Cc: Chris Grammer <chris@cgstrategiesllc.com>

Fri, May 22, 2026 at 5:52 PM

Hi Jeff,

Attached is the Notice of Special Board Meeting and Public Hearing. I've highlighted in green the information that needs your review. Please let me know if we need any revisions.

The yellow highlights are information that I need SpaceX to confirm. Finally, I'm still waiting on SpaceX to provide information on the County Reinvestment Zone. I had hoped to have this information before the weekend, but we'll need it before you post next week. You must post no later than May 29 to have the public hearing on June 15 (and I hope to post no later than next Thursday, assuming we get the Comptroller's recommendation by then). Note that I included language to allow a board meeting via video conference if needed, as SpaceX may be juggling multiple meetings and unable to attend in person.

I'll keep you posted and please let me know if you get any communications from the Comptroller with copies of the application and the recommendations.

Thanks, and have a great weekend.

Fred

[Quoted text hidden]

 **Iola ISD - Notice of Special Board Meeting and Public Hearing a Meeting June 15_ 2026(fs)(4691965.1).docx**
29K

Jeff Dyer <jdyer@iolaisd.net>
To: Fred Stormer <Fred.Stormer@uwlaw.com>

Fri, May 22, 2026 at 6:04 PM

Nothing else on the agenda for that night.
The location is correct.
JD
[Quoted text hidden]

Fred Stormer <Fred.Stormer@uwlaw.com>
To: Jeff Dyer <jdyer@iolaisd.net>

Fri, May 22, 2026 at 6:08 PM

Thanks.

[Quoted text hidden]

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Jeff Dyer <jdyer@iolaisd.net>

Chip Manufacturing and possible JETI

8 messages

Fred Stormer <Fred.Stormer@uwlaw.com>
 To: Jeff Dyer <jdyer@iolaisd.net>
 Cc: Chris Grammer <chris@cgstrategiesllc.com>

Thu, Apr 30, 2026 at 2:35 PM

Hi Jeff,

Good to talk with you; sounds like an exciting opportunity (especially with a pending bond election). I had a good talk with Chris Grammer after our call. We are both interested in helping the District as best we can. If it sounds like a plan for you, please send us an email after your meeting with the company on Monday to let us know how it went and we can set up a conference call between all of us for next week. We're interested in hearing some of the details for this project.

Thanks ,and please reach out to either of us if you have any questions or learn anything else in the meantime. Otherwise we'll wait to hear from next week.

UNDERWOOD
 UWLAW.COM

Fred Stormer

O 500 S. Taylor, Suite 1200, Amarillo, TX 79101

M PO Box 9158, Amarillo, TX 79105

D 806.379.0306 O 806.376.5613

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Jeff Dyer <jdyer@iolaisd.net>
 To: Fred Stormer <Fred.Stormer@uwlaw.com>

Tue, May 5, 2026 at 9:34 AM

I met with SpaceX and they are talking about a power plant and Semiconductor facility at the old TMPA location. We share the land with Anderson Shiro ISD. Rough numbers are \$50 billion with that divide approximately 1/3 - 2/3 in favor of Anderson. The JETI was filed yesterday according to Ben Lancaster. I am available any time during the following week.

Thanks,
 Jeff Dyer

[Quoted text hidden]

Fred Stormer <Fred.Stormer@uwlaw.com>
To: Jeff Dyer <jdyer@iolaisd.net>
Cc: Chris Grammer <chris@cgstrategiesllc.com>

Tue, May 5, 2026 at 9:41 AM

Thanks Jeff. Apologies for being available yesterday; a few fires burning from over the weekend.

I've copied Chris Grammer on this email. I think he would be the most integral part of the JETI process. Chris will need to run some projections on the impact of this project and the JETI would have on the District.

I think it would be good for the 3 of us to have a conference call to map out next steps. I can make myself available anytime this week. Is there a day/time that works best for you guys? Just let me know and I'll get it scheduled.

Thanks.

Fred

[Quoted text hidden]

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Jeff Dyer <jdyer@iolaisd.net>
To: Fred Stormer <Fred.Stormer@uwlaw.com>
Cc: Chris Grammer <chris@cgstrategiesllc.com>

Tue, May 5, 2026 at 9:55 AM

I am out of the office on Wednesday but I'm good for Thursday or Friday.

JD

[Quoted text hidden]

Chris Grammer <chris@cgstrategiesllc.com>
To: Jeff Dyer <jdyer@iolaisd.net>
Cc: Fred Stormer <Fred.Stormer@uwlaw.com>

Tue, May 5, 2026 at 10:27 AM

Thursday I am free before 10 am or between 11 am - 3 p.m.
I can make anytime work on Friday.

[Quoted text hidden]

Fred Stormer <Fred.Stormer@uwlaw.com>
To: Chris Grammer <chris@cgstrategiesllc.com>, Jeff Dyer <jdyer@iolaisd.net>

Tue, May 5, 2026 at 10:44 AM

Will Thursday at 1:30 work for everyone?

[Quoted text hidden]

Chris Grammer <chris@cgstrategiesllc.com>

Tue, May 5, 2026 at 10:59 AM

To: Fred Stormer <Fred.Stormer@uwlaw.com>
Cc: Jeff Dyer <jdyer@iolaisd.net>

Perfect.

On May 5, 2026, at 10:44 AM, Fred Stormer <Fred.Stormer@uwlaw.com> wrote:

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

Fred Stormer

O 500 S. Taylor, Suite 1200, Amarillo, TX 79101

M PO Box 9158, Amarillo, TX 79105

D 806.379.0306 O 806.376.5613

<image001.png>

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[Quoted text hidden]

Fred Stormer <Fred.Stormer@uwlaw.com>
To: Chris Grammer <chris@cgstrategiesllc.com>
Cc: Jeff Dyer <jdyer@iolaisd.net>

Tue, May 5, 2026 at 11:09 AM

I sent out a zoom invite for Thursday at 1:30. But if we need to do this as regular conference call, just let me know your direct dial phone numbers.

Thanks.

Fred

[Quoted text hidden]



Jeff Dyer <jdyer@iolaisd.net>

Board Meeting Presentation

10 messages

Chris Grammer <chris@cgstrategiesllc.com>

Fri, May 8, 2026 at 3:18 PM

To: Jeff Dyer <jdyer@iolaisd.net>

Cc: Fred Stormer <fred.stormer@uwlaw.com>

Mr. Dyer,

I just left a voicemail with your office, but Fred and I just got off the phone with SpaceX attorney Bucky Brannen. He let us know that SpaceX representatives are presenting to the Anderson-Shiro ISD School Board in a closed session on Monday 5/11. It looks like you have a board meeting scheduled for May 18th and seeing if you would like to have them present in closed session then? This would be an opportunity for board members to ask any questions they have of the company, and for Fred and me to begin addressing any legal and school finance related issues.

We can discuss more, but I wanted to get this question to you as soon as possible so we can meet your posting deadline for the meeting on the 18th. If interested, Fred will send over agenda language to include the closed session item.

Thanks,

Chris

--

Chris Grammer
President
CG Strategies LLC
512-914-1328
chris@cgstrategiesllc.com
www.cgstrategiesllc.com

Jeff Dyer <jdyer@iolaisd.net>

Mon, May 11, 2026 at 9:11 AM

To: Chris Grammer <chris@cgstrategiesllc.com>

Cc: Fred Stormer <fred.stormer@uwlaw.com>

I would like them to present to the board on May 18th.

JD

[Quoted text hidden]

Chris Grammer <chris@cgstrategiesllc.com>

Mon, May 11, 2026 at 10:21 AM

To: Jeff Dyer <jdyer@iolaisd.net>

Cc: Fred Stormer <fred.stormer@uwlaw.com>

We will inform the company so they can plan accordingly.

[Quoted text hidden]

[Quoted text hidden]

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Fred Stormer <Fred.Stormer@uwlaw.com>

Mon, May 11, 2026 at 11:04 AM

To: Jeff Dyer <jdyer@iolaisd.net>, Chris Grammer <chris@cgstrategiesllc.com>

Hi Jeff,

I suggest the following agenda item to do this:

- ***Closed session pursuant to Texas Government Code section 551.087, Deliberation regarding Economic Development, to discuss commercial and financial information related to the construction of a potential new manufacturing facility that the Board may seek to have locate in the District and possible offer of financial incentives related to an application for an agreement for Limitation on Taxable Values under the Jobs, Energy, Technology and Innovation Act, and possible consultation with School's Attorney in closed session pursuant to Texas Government Code sections 551.071 and 551.129 to receive legal advice regarding same.***

I'm afraid I've got a conflict and am unable to travel for the meeting, but can be available via phone or video conference, and the Opens Meeting Act allows me to attend remotely. We can coordinate as needed

Thanks.

Fred

[Quoted text hidden]

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Jeff Dyer <jdyer@iolaisd.net>
To: Fred Stormer <Fred.Stormer@uwlaw.com>
Cc: Chris Grammer <chris@cgstrategiesllc.com>

Mon, May 11, 2026 at 11:13 AM

Sounds good to me.
Thanks,
JD
[Quoted text hidden]

Jeff Dyer <jdyer@iolaisd.net>
To: JO BACA <jbaca@iolaisd.net>

Mon, May 11, 2026 at 11:13 AM

[Quoted text hidden]

Chris Grammer <chris@cgstrategiesllc.com>
To: Jeff Dyer <jdyer@iolaisd.net>
Cc: Fred Stormer <Fred.Stormer@uwlaw.com>

Mon, May 11, 2026 at 11:23 AM

Mr. Dyer,

In addition to the company's presentation, I would like to share with the board our preliminary financial analysis. This would entail walking them through the timing of the taxable value coming online, the impact of the JETI agreement, and providing insights into how this will affect the M&O and I&S revenue, the tax rates, and existing taxpayers. Combined with the company's presentation, and how many questions there are, this could take considerable time, so please let me know if you have any time constraints.

Can you confirm the meeting's time and location?

Thank you,

Chris
[Quoted text hidden]

Jeff Dyer <jdyer@iolaisd.net>
To: Chris Grammer <chris@cgstrategiesllc.com>
Cc: Fred Stormer <Fred.Stormer@uwlaw.com>

Mon, May 11, 2026 at 11:39 AM

Location will be 7282 Fort Worth street is the physical address but we will be in the elementary cafeteria on HWY 244.
Time will be 6:00pm May 18th.
Thanks so much.
Jeff Dyer

[Quoted text hidden]

Fred Stormer <Fred.Stormer@uwlaw.com>
To: Jeff Dyer <jdyer@iolaisd.net>, Chris Grammer <chris@cgstrategiesllc.com>

Mon, May 11, 2026 at 11:44 AM

Jeff,

Given the Board President wants to make an opening statement before going into closed session, I suggest we revise the agenda item slightly:

- ***Deliberation regarding Economic Development, and closed session pursuant to Texas Government Code section 551.087 to discuss commercial and financial information related to the construction of a potential new manufacturing facility that the Board may seek to have locate in the District and possible offer of financial incentives related to an application for an agreement for Limitation on Taxable Values on School District M&O Taxes under the Jobs, Energy, Technology and Innovation Act, and possible consultation with School's Attorney in closed session pursuant to Texas Government Code sections 551.071 and 551.129 to receive legal advice regarding same.***

[Quoted text hidden]

Jeff Dyer <jdyer@iolaisd.net>
To: Fred Stormer <Fred.Stormer@uwlaw.com>
Cc: Chris Grammer <chris@cgstrategiesllc.com>

Mon, May 11, 2026 at 1:39 PM

Received.
JD
[Quoted text hidden]



Jeff Dyer <jdyer@iolaisd.net>

Space Exploration Technologies Corp– Lola ISD -Phases 1-4 Applications received

2 messages

Tabita Collazo <Tabita.Collazo@cpa.texas.gov> Tue, May 5, 2026 at 9:32 AM
 To: "james.simpson@spacex.com" <james.simpson@spacex.com>, "Benjamin.Lancaster@spacex.com" <Benjamin.Lancaster@spacex.com>, "Brannen, Bucky" <bucky.brannen@bracewell.com>, "jdyer@iolaisd.net" <jdyer@iolaisd.net>
 Cc: JETI Apps <JETI.Apps@cpa.texas.gov>, Desiree Caufield <Desiree.Caufield@cpa.texas.gov>, Sandra Kage <Sandra.Kage@cpa.texas.gov>, Nayla Gonzalez <Nayla.Gonzalez@cpa.texas.gov>, Stephan Zapparoli <Stephan.Zapparoli@cpa.texas.gov>

Good morning,

Phases 1-4 for Space Exploration Technologies Corp– Lola ISD applications were received.

Our office will conduct a preliminary review to determine if the application will be accepted. The assigned analyst will notify the application contacts when the application is accepted, or if any initial revisions are required.

After acceptance, the analyst will review the application for completeness and request any additional information or revisions. Once deemed complete, a recommendation will be issued within the statutorily required 60-day period.

Have a nice day,
 Tabita Collazo
 Senior Research Analyst- JETI Team Lead
 Economic Development & Local Government
 Data Analysis & Transparency Division
 Texas Comptroller of Public Accounts
 111 East 17th Street, Room 427
 Austin, Texas 78774
 Phone: (512) 475-5626
 tabita.collazo@cpa.texas.gov

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-----Original Message-----

From: noreply.jeti@cpa.texas.gov <noreply.jeti@cpa.texas.gov>
 Sent: Monday, May 4, 2026 8:41 PM
 To: JETI Apps <JETI.Apps@cpa.texas.gov>
 Subject: [JETI] New Application Submitted

Hello,

A new application TERAFAAB (Phase-1-4) has been submitted through the JETI system and is now available for review.

To view the application, please log in to the JETI Admin Tool.

This is an automated message. No reply is necessary.

Jeff Dyer <jdyer@iolaisd.net>
 To: Fred Stormer <Fred.Stormer@uwlaw.com>

Tue, May 5, 2026 at 9:35 AM

[Quoted text hidden]



Jeff Dyer <jdyer@iolaisd.net>

Pre-call before Board meeting

1 message

Fred Stormer <Fred.Stormer@uwlaw.com>
 To: Jeff Dyer <jdyer@iolaisd.net>
 Cc: Chris Grammer <chris@cgstrategiesllc.com>

Mon, May 18, 2026 at 1:18 PM

Hi Jeff,

Let us know if you any questions/concerns about the JETI application/process before the Board meeting tonight. We can find some time for a call this afternoon.

Thanks.



Fred Stormer
 O 500 S. Taylor, Suite 1200, Amarillo, TX 79101
 M PO Box 9158, Amarillo, TX 79105
 D 806.379.0306 O 806.376.5613

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President's public remarks before closed session agenda item to discuss economic development incentives at May 18th Board meeting

I would like to announce that lola ISD has received a Jobs, Energy, Technology, and Innovation Act (JETI) application from SpaceX. This application requests that lola ISD approve certain ad valorem tax incentives by agreeing to enter what's known as an agreement for Limitation on Taxable Value for School M & O Taxes for the recently announced advanced manufacturing facility. Please note – there are widespread misunderstandings about what an agreement for Limitation on Taxable Value means. Such an agreement would provide property tax incentives for SpaceX by reducing the taxable valuation on certain eligible property for M&O tax purposes during a specified period of time and to the extent permitted by law, but the property's full market value would remain taxable for I&S tax purposes. Without providing specific numbers, if such an agreement is approved and the project is built, SpaceX is expected to be lola ISD's largest taxpayer and remove significant tax burden from existing taxpayers.

Under this school board's leadership, lola ISD values transparency. Therefore, I want to be clear how this application has moved forward. It was well known that the current landowners of where SpaceX is considering locating the project were searching for an industrial project for the site; however, no previously reported project had moved forward. On March XX, I participated in a meeting about this project. The meeting outlined a data center project. During the course of the meeting, I let company officials know that I was planning on attending the Grimes County Citizens for Responsible Development information meeting and would share important information about the proposed data center project with the community. They had no concerns, simply asking that I not divulge the company name at that time.

After this meeting, I contacted a local member of the Grimes County Citizens for Responsible Development group and notified him that I had information I believed would be useful for their upcoming lola community meeting. The eventual response was that the group was not planning on allowing public officials to speak at this meeting. I attended their lola community meeting on March XX – at the end of the evening, I communicated again that I had this information and, even though we may disagree about the projects, I was willing to provide this information to them. They offered to follow up at a later date – which has not yet happened.

Mr. Dyer and I then met with SpaceX on May 4, at which point we learned this project has changed from a data center to an advanced manufacturing facility. We were informed at this meeting that SpaceX intended to file a JETI application. Multiple JETI Applications were filed earlier this month. lola ISD is required to follow a specific timeline under JETI:

- Tonight – the lola ISD school board will go into closed session to receive proprietary, commercial and financial information from SpaceX, to hear a report from our financial advisors about the impact of a potential agreement for Limitation on Taxable Values, and obtain legal advice from our lawyers.
- June 15 – The lola ISD school board will hold a public hearing on the JETI application, the Comptroller’s recommendation, and how this project is expected to affect lola ISD’s finances, tax rate, and enrollment if the Agreement for Limitation on Taxable Values is approved or not. We will also invite public comments, in their entirety as part of this hearing. Please note – while we will make sure every citizen that wants to make comments is able, I have received clear guidance from our lawyers on how to maintain decorum. This will be an orderly meeting in compliance with the Texas Open Meeting Act and Board policy to ensure that every person has an opportunity to address the Board, one at a time.
- June 15 – following the public hearing, the lola ISD school board will consider and vote on whether the District is agreeable to entering a Limitation on Taxable Value Agreement pursuant to JETI.

I want to be very clear that lola ISD has no legal authority relating to land use or permitting. Our role in this discussion is to determine if the Limitation on Taxable Value, as provided by JETI, will be approved or rejected by the Board.

I would like to announce that lola ISD has received a Jobs, Energy, Technology, and Innovation (JETI) application from SpaceX. This application requests that lola ISD provide a tax abatement for the recently announced next generation manufacturing facility. Please note – there are widespread misunderstandings about what abatement means. Without providing specific numbers, if the abatement is approved, SpaceX will be lola ISD's largest taxpayer and remove significant burden from existing taxpayers.

Under this school board's leadership, lola ISD values transparency. Therefore, I want to be clear in how this application moved forward. On March XX, I participated in a meeting about this project. It was well known that the current landowners were searching for an industrial project for the site; however, no previously reported project had moved forward. The meeting outlined a data center project. During the course of the meeting, I let company officials know that I was planning on attending the Grimes County Citizens for Responsible Development information meeting and would share important information with the community. They had no concerns, simply asking that I not divulge the company name.

After this meeting, I contacted a local member of the Grimes County Citizens for Responsible Development group and notified him that I had information that would be useful for their upcoming lola community meeting. The eventual response was that the group was not planning on allowing public officials to speak at this meeting. I attended their lola community meeting on March XX – at the end of the evening, I communicated again that I had this information and, even though we may disagree about the projects, I was willing to provide this information to them. They offered to follow up at a later date – which has not yet happened.

Mr. Dyer and I then met with SpaceX on May 4, at which point we learned this project has changed from a data center to an advanced manufacturing facility. We were informed that SpaceX intended to file a JETI application at this meeting. lola ISD is required to follow a specific timeline:

- Tonight – the lola ISD school board will go into closed session to receive proprietary information from SpaceX, a report from our financial advisors, and instruction about our legal obligations from our lawyers.
- May X – The lola ISD school board will hold a public hearing in which we will present how this project will affect lola ISD's finances, tax rate, and enrollment if the abatement is approved or not. We will also hear public comments, in their entirety. Please note – while we will make sure every citizen that wants to make comments is able, I have received clear guidance from our lawyers on how to maintain decorum. This will be an orderly meeting in which every person can make their opinion known, one at a time.

- June 15 – The lola ISD school board will consider and vote to approve/reject the JETI application.

I want to be very clear that lola ISD has no legal authority relating to land use or permitting. Our role in this discussion is to determine if the JETI application will be approved or rejected.