



Gilbert Santana, Board Chair, and Members of the Board of Regents
Lee College Board of Regents
P.O. Box 818,
Baytown, Texas 77522

Re: Request for Limited Amendment to Tax Abatement Agreement (Chapter 312) — NRG Cedar Bayou 5 LLC
("Project Moonshot" Reinvestment Zone)

Chair Santana and Regents:

NRG Cedar Bayou 5 LLC ("NRG") respectfully requests a limited, administrative amendment to the **Value and Term** provisions of the College's **Tax Abatement Agreement** for the NRG Cedar Bayou 5 project, solely to align the Agreement's incentive start year with the start of the project's **JETI** Incentive Period.

- Under the current Tax Abatement Agreement, the abatement "shall commence no later than the January 1, 2027 valuation date," with a 10-year abatement for Tax Years **2027–2036**.
- The Agreement expressly allows changes "only with the mutual written consent of the COLLEGE and NRG."
- In the executed **JETI** agreement with Goose Creek CISD, **Exhibit A** establishes an **Incentive Period Beginning Date of January 1, 2029** and an Incentive Period through **December 31, 2038**. Aligning the College agreement to this timing will harmonize the project's local and school incentive terms and simplify administration for all parties.

Requested Amendment:

1. Amend Section IV (**Value and Term of Agreement**) so that the College abatement **commences January 1, 2029** (instead of 2027) and runs for **Tax Years 2029–2038** (10 years), with no other changes to negotiated percentages or mechanics.

For the Board's convenience, we include **Attachment A (clean amendment language)** that implements this limited change while preserving terms, including the 10-year duration. This alignment mirrors the JETI start term and eases tracking across overlapping college and school district benefits.

We sincerely appreciate the College's partnership on Project Moonshot and are available to support staff and counsel with any paperwork needed to place this item on the Board's agenda.

Respectfully submitted,

Tony Schum
Managing Director, Site Selection & Incentives Advisory
Kroll, LLC
512-671-5509 | Anthony.Schum@kroll.com

On behalf of:
David Freeman
Senior Director, Project Development
NRG Cedar Bayou 5 LLC
214-597-2517 | David.Freeman@nrg.com

Attachment A — Proposed Amendment

Amendment No. 1 to Tax Abatement Agreement (NRG Cedar Bayou 5 LLC Project Moonshot 2022 Reinvestment Zone)

1. Amendment to Section IV (Value and Term of Agreement).

Section 4.01 is amended and restated in relevant part as follows:

*"The Abatement shall commence **January 1, 2029** (the 'Commencement Date'), and shall continue for **ten (10) consecutive Tax Years 2029–2038** (the 'Abatement Period'). In each year that this Agreement is in effect, the appraised value of the New Eligible Abatement Property shall be abated in accordance with the schedule set forth below, subject to the Base Year Value and other limitations set forth herein."*

Replace the year-by-year table to reflect **Tax Years 2029–2038**, preserving the same abatement percentages as currently stated for each year.

2. No Other Changes.

Except as expressly modified herein, the Agreement remains in full force and effect, including NRG's reporting, job, investment, and administration obligations.

3. Authority; Counterparts.

This Amendment is made pursuant to Section 13.04 of the Tax Abatement Agreement (modification by mutual written consent) and may be executed in counterparts.