

Payment In Lieu of Tax Agreement

This Agreement is entered into by and between the Hays Consolidated Independent School District ("HCISD") and ENF (Kyle) Technology, LLC ("Company"), a Delaware limited liability company, upon the terms and conditions set forth herein.

RECITALS

WHEREAS, Company is seeking a designation of its facility at 1550 Kohlers Crossing as a foreign trade zone ("FTZ"); and

WHEREAS, the parties recognize FTZ operations will **exempt** inventory which would otherwise be taxable from taxation by HCISD; and

WHEREAS, a letter executed by HCISD in support of designation of the site as a FTZ will expedite Company's efforts to obtain the designation; and

WHEREAS, Company, its successors and assigns wish to make payments to HSISD throughout the period it or its successors or assigns, as the case may be, maintains the FTZ to offset the revenue impact that might otherwise affect HCISD as a result of the designation of the site as a FTZ; and

NOW, THEREFORE, it is agreed by HCISD and Company that:

1. Letter of Support. In consideration for the promises, financial contributions, and other consideration stated herein, HCISD agrees to execute the letter of support in the form shown in Exhibit "A" attached hereto.
2. Payments in Lieu of Taxes.
 - (a) Beginning in 2027, the Company agrees that on or before October 1 of each year of the Agreement, it will provide to HCISD Company's annual rendition of taxable value to the Hays Central Appraisal District along with information showing the Value of FTZ Inventory, the Value of Otherwise Exempt Inventory, and the Market Value of Net Exempted Inventory, and provide copies of any subsequent correspondence or agreement with the Hays Central Appraisal District which altered the value rendered for inclusion in the certified tax roll. The Company will provide supporting information for the values provided.
 - (b) On or before January 31 of each year following the year for which payment is being made, Company will pay HCISD a Payment in Lieu of Tax ("PILOT") due with respect to the preceding year's property tax. The PILOT amount is be calculated as follows:

Market Value of Net Exempted Inventory, multiplied by the effective HCISD tax rate for the tax year (Maintenance and Operations and Interest and Sinking Fund combined), divided by 100.
 - (c) HCISD may invoice Company for the PILOT payment amount, but regardless of whether an invoice is received by Company, the PILOT payment amount shall be due and owing as of January 31 of each year of this Agreement, beginning with the 2027 tax year. Penalties, interest and statutory attorney's fees (collection costs) for late payments shall be the same as that assessed by HCISD against delinquent taxpayers, pursuant to Texas Property Tax Code sections 33.01, 33.07, and 33.48, or their successor provisions.
3. Tax Obligation. Company acknowledges that this Agreement does not affect any other tax obligations of Company to HCISD.
4. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws

of the State of Texas.

5. Severability. To the extent permitted by law, a holding of any court that any part or provision in this Agreement is invalid, illegal, or unenforceable in any respect shall not affect any other provision, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been a part of the Agreement.
6. Non-waiver of Rights. This Agreement may not be amended except by written agreement signed by both parties. Any right created under this agreement may not be waived except by written waiver signed by the party waiving the right.
7. Termination. This Agreement shall remain in effect so long as the site is designated as a foreign trade zone. Company shall retain the option to cancel the FTZ designation at any time.
8. Entire Agreement. This Agreement constitutes the entire understanding between the parties and supersedes any prior negotiations, discussions, agreements, and understandings between the parties with respect to the subject of this Agreement.
9. Liquidated Damages. If for any reason Company should fail to make an annual payment in lieu of taxes in accordance with paragraph 2 above, the Parties agree that the amount of taxes that would have been imposed upon any Value of Net Exempted Inventory plus the amount of penalties and interest calculated in accordance with sub-paragraph 2(d) shall serve as liquidated damages to HCISD. Further, Company shall be liable for the reasonable attorney's fees and costs of collection should any action be required in order to compel payment of the liquidated damages from Company to HCISD.
10. Miscellaneous.
 - (a) This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, and their respective legal representatives, successors and assign
 - (b) All notices, claims, or demands required or permitted to be given hereunder shall be hand delivered or sent by certified mail, return receipt requested, to the address of each party listed on the signature page.
 - (c) In the event any action or proceeding is commenced by any party to (a) determine rights, duties or obligations hereunder, (b) determine a breach hereof and obtain damages, or (c) otherwise enforce this Agreement, the prevailing party in such action or proceeding shall be entitled to recover from the other party or parties all costs and expenses, including reasonable attorney's fees and costs, to the extent permitted by law.

EXECUTED this ___ day of _____, 2026.

Hays Consolidated ISD
21003 IH-35
Kyle, TX 78640

ENF (Kyle) Technology, LLC
1550 Kohlers Crossing
Kyle, TX 78640

By: _____
Eric Wright
Superintendent of Schools

By: _____
Printed Name

EXHIBIT A



September 28, 2026

Elizabeth Whiteman
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW., Room 21013
Washington, DC 20230

RE: Application for Foreign-Trade Zone Designation - ENF (Kyle) Technology, LLC

Ms. Whiteman,:

I am writing regarding the Foreign Trade Zone of Central Texas, Inc.'s sponsorship of ENF (Kyle) Technology LLC's application to designate its site at 1550 Kohlers Crossing in Kyle, Texas, 78640, which is within the Hays Consolidated Independent School District boundaries.

We understand that domestic inventory held for export and imported inventory at the site will be exempt from ad valorem tax. We have no objection to foreign trade zone designation at the aforementioned site.

Sincerely,

Dr. Eric Wright
HCISD Superintendent of Schools
21003 IH-35
Kyle, TX 78640
512-268-2141