
FINDINGS
OF THE
McCAMEY INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
PV-LONESTARSOLAR LLC
(Texas Taxpayer ID #32057439138)
(Application #1082)

December 15, 2015

Board Findings of the McCamey Independent School District

FINDINGS OF THE MCCAMEY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY PV-LONESTARSOLAR LLC

STATE OF TEXAS §

COUNTY OF UPTON §

On the 15th day of December, 2015, a public meeting of the Board of Trustees of the McCamey Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of PV-LoneStarSolar LLC (Application #1082) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the McCamey Independent School District makes the following findings with respect to the application of PV-LoneStarSolar LLC #1082, and the economic impact of that application:

On May 29, 2015, the Superintendent of Schools of the McCamey Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from PV-LoneStarSolar LLC #1082 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, PV-LoneStarSolar LLC (Taxpayer Id. No. 32057439138) ("Applicant"), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

Board Findings of the McCamey Independent School District

The Board of Trustees acknowledges receipt of the Application, along with the required application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Upton County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the application was complete was issued on September 10, 2015. A copy of the Comptroller's completeness letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on December 1, 2015 pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the McCamey Independent School District. A copy of a report prepared by Jigsaw School Finance Solutions, LLC is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the McCamey Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement and letter approving same are attached to these findings as **Attachment G**.

The Texas Commissioner of Education has determined that the project will not impact school enrollment, as stated in **Attachment H**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of Qualified Property under Section 313.024, Texas Tax Code, in the eligibility category of Renewable Energy-Solar.

Board Finding Number 2.

The Applicant's entire proposed investment in the McCamey ISD is \$189,598,069, \$177,200,000 of which is proposed to be Qualified Investment under Section 313.021, Texas Tax Code.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$54,116 per year. The review of the application by the State Comptroller's Office indicates that this amount-based on Texas Workforce Commission data-complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Section 313.021, Texas Tax Code.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$94,799,035 million on the basis of the 2 new qualifying positions committed to by the Applicant for this project.

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$189,598,069, resulting in a relative level of investment per qualifying job of \$94,799,035.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Section 313.25(f-1), Texas Tax Code, and the Board finds such waiver request should be granted.

Board Findings of the McCamey Independent School District

In support of Finding 5, the Board notes that the number of jobs proposed for this project (2 jobs) is consistent with industry standards in the solar industry.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.

In support of Finding 6, the economic impact evaluation states:

Table 2 depicts this project’s estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller’s office calculated the economic impact based on 15 years of annual investment and employment levels.

Table 2: Estimated Statewide Economic Impact of PV-LoneStarSolar LLC (modeled):

Year	Employment		Personal Income			
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	75	68	143	\$2,812,500	\$5,000,000	\$7,812,500
2016	150	137	287	\$5,625,000	\$11,220,703	\$16,845,703
2017	2	14	16	\$108,232	\$2,577,315	\$2,685,547
2018	2	4	6	\$108,232	\$1,600,752	\$1,708,984
2019	2	0	2	\$108,232	\$868,331	\$976,563
2020	2	(2)	0	\$108,232	\$624,190	\$732,422
2021	2	0	2	\$108,232	\$624,190	\$732,422
2022	2	(4)	-2	\$108,232	\$257,979	\$366,211
2023	2	(4)	-2	\$108,232	\$13,838	\$122,070
2024	2	(4)	-2	\$108,232	\$135,909	\$244,141
2025	2	2	4	\$108,232	\$13,838	\$122,070
2026	2	(2)	0	\$108,232	\$13,838	\$122,070
2027	2	(2)	0	\$108,232	\$135,909	\$244,141
2028	2	0	2	\$108,232	-\$108,232	\$0
2029	2	(4)	-2	\$108,232	-\$108,232	\$0
2030	2	(2)	0	\$108,232	-\$596,513	-\$488,281
2031	2	(4)	-2	\$108,232	-\$352,373	-\$244,141

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Upton County, McCamey Hospital District, Upton County Water District and Upton County Emergency Services District #1 with all property tax incentives sought being granted using estimated market value

Board Findings of the McCamey Independent School District

from the Applicant’s application. The Applicant has applied for both a value limitation under Chapter 313, Texas Tax Code and tax abatements with the county and hospital district. The difference noted in the last line is the difference between Table 3 and Table 4:

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital Dist. Tax Levy	Upton County Water District Tax Levy	Upton County ESD #1 Tax Levy	Estimated Total Property Taxes	
				0.0000	1.0400		0.2567	0.4966	0.0038	0.0108		
2017	\$177,200,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$6,734	\$19,138	\$552,840	
2018	\$163,024,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$6,195	\$17,607	\$550,771	
2019	\$148,848,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$5,656	\$16,076	\$548,701	
2020	\$134,672,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$5,118	\$14,545	\$546,631	
2021	\$120,496,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$4,579	\$13,014	\$544,561	
2022	\$106,320,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$4,040	\$11,483	\$542,492	
2023	\$92,144,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$3,501	\$9,952	\$540,422	
2024	\$77,968,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$2,963	\$8,421	\$538,352	
2025	\$63,792,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$2,424	\$6,890	\$536,283	
2026	\$49,616,000	\$25,000,000		\$0	\$260,000	\$260,000	\$127,364	\$246,393	\$1,885	\$5,359	\$641,001	
2027	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720	
2028	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720	
2029	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720	
2030	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720	
2031	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720	
						Total	\$4,442,880	\$1,401,003	\$2,710,323	\$49,829	\$141,618	\$8,745,653
						Diff	\$9,194,432	\$1,965,053	\$3,801,493	\$0	\$0	\$14,960,978

Assumes School Value Limitation and Tax Abatements with the County, hospital, water and emergency services districts.

¹Tax Rate per \$100 Valuation

Table 3 illustrates the estimated tax impact of the Applicant’s project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital Dist. Tax Levy	Upton County Water District Tax Levy	Upton County ESD #1 Tax Levy	Estimated Total Property Taxes		
				0.0000	1.0400		0.2567	0.4966	0.0038	0.0108			
2017	\$177,200,000	\$177,200,000		\$0	\$1,842,880	\$1,842,880	\$454,872	\$879,975	\$6,734	\$19,138	\$3,203,599		
2018	\$163,024,000	\$163,024,000		\$0	\$1,695,450	\$1,695,450	\$418,483	\$809,577	\$6,195	\$17,607	\$2,947,311		
2019	\$148,848,000	\$148,848,000		\$0	\$1,548,019	\$1,548,019	\$382,093	\$739,179	\$5,656	\$16,076	\$2,691,023		
2020	\$134,672,000	\$134,672,000		\$0	\$1,400,589	\$1,400,589	\$345,703	\$668,781	\$5,118	\$14,545	\$2,434,735		
2021	\$120,496,000	\$120,496,000		\$0	\$1,253,158	\$1,253,158	\$309,313	\$598,383	\$4,579	\$13,014	\$2,178,447		
2022	\$106,320,000	\$106,320,000		\$0	\$1,105,728	\$1,105,728	\$272,923	\$527,985	\$4,040	\$11,483	\$1,922,159		
2023	\$92,144,000	\$92,144,000		\$0	\$958,298	\$958,298	\$236,534	\$457,587	\$3,501	\$9,952	\$1,665,871		
2024	\$77,968,000	\$77,968,000		\$0	\$810,867	\$810,867	\$200,144	\$387,189	\$2,963	\$8,421	\$1,409,583		
2025	\$63,792,000	\$63,792,000		\$0	\$663,437	\$663,437	\$163,754	\$316,791	\$2,424	\$6,890	\$1,153,296		
2026	\$49,616,000	\$49,616,000		\$0	\$516,006	\$516,006	\$127,364	\$246,393	\$1,885	\$5,359	\$897,008		
2027	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720		
2028	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720		
2029	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720		
2030	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720		
2031	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720		
						Total	\$13,637,312	\$13,637,312	\$3,366,056	\$6,511,816	\$49,829	\$141,618	\$23,706,631

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.

Board Finding Number 8.

The effect of the Applicant’s proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District’s facility needs, with current trends suggesting little underlying enrollment growth based on the impact of the project.

In support of Finding 8, the Board refers to the finding of the Texas Commissioner of Education at **Attachment H** to these findings.

Board Finding Number 9.

The Applicant’s project is not reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. However, The Comptroller has determined that based on an analysis of the estimated M&O portion of the school district property tax levy, combined with the direct, indirect and induced tax effects from project employment directly related to this project, that the project is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, total tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement.

In support of finding No. 9, **Attachment B** of the economic impact study contains a year-by-year analysis as depicted in the following two tables:

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$260,000	\$260,000	\$1,582,880	\$1,582,880
	2018	\$260,000	\$520,000	\$1,435,450	\$3,018,330
	2019	\$260,000	\$780,000	\$1,288,019	\$4,306,349
	2020	\$260,000	\$1,040,000	\$1,140,589	\$5,446,938
	2021	\$260,000	\$1,300,000	\$993,158	\$6,440,096
	2022	\$260,000	\$1,560,000	\$845,728	\$7,285,824
	2023	\$260,000	\$1,820,000	\$698,298	\$7,984,122
	2024	\$260,000	\$2,080,000	\$550,867	\$8,534,989
	2025	\$260,000	\$2,340,000	\$403,437	\$8,938,426
	2026	\$260,000	\$2,600,000	\$256,006	\$9,194,432
Maintain Viable Presence (5 Years)	2027	\$368,576	\$2,968,576	\$0	\$9,194,432
	2028	\$368,576	\$3,337,152	\$0	\$9,194,432
	2029	\$368,576	\$3,705,728	\$0	\$9,194,432
	2030	\$368,576	\$4,074,304	\$0	\$9,194,432
	2031	\$368,576	\$4,442,880	\$0	\$9,194,432
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$368,576	\$4,811,546	\$0	\$9,194,432
	2033	\$368,576	\$5,180,032	\$0	\$9,194,432
	2034	\$368,576	\$5,548,608	\$0	\$9,194,432
	2035	\$368,576	\$5,917,184	\$0	\$9,194,432
	2036	\$368,576	\$6,285,760	\$0	\$9,194,432

Board Findings of the McCamey Independent School District

	2037	\$368,576	\$6,654,336	\$0	\$9,194,432
	2038	\$368,576	\$7,022,912	\$0	\$9,194,432
	2039	\$368,576	\$7,391,488	\$0	\$9,194,432
	2040	\$368,576	\$7,760,064	\$0	\$9,194,432
	2041	\$368,576	\$8,128,640	\$0	\$9,194,432

\$8,128,640		is less than	\$9,194,432	
Analysis Summary				
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the Limitation agreement				NO

Tax Revenue over 25 Years

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	75	68	143	\$2,812,500	\$5,000,000	\$7,812,500	\$427,246	-\$236,511	\$663,757
2016	150	137	287	\$5,625,000	\$11,220,703	\$16,845,703	\$915,527	-\$419,617	\$1,335,144
2017	2	14	16	\$108,232	\$2,577,315	\$2,685,547	\$167,847	\$267,029	-\$99,182
2018	2	4	6	\$108,232	\$1,600,752	\$1,708,984	\$106,812	\$251,770	-\$144,958
2019	2	0	2	\$108,232	\$868,331	\$976,563	\$83,923	\$228,882	-\$144,959
2020	2	(2)	0	\$108,232	\$624,190	\$732,422	\$53,406	\$183,105	-\$129,699
2021	2	0	2	\$108,232	\$624,190	\$732,422	\$22,888	\$129,700	-\$106,812
2022	2	(4)	-2	\$108,232	\$257,979	\$366,211	-\$7,629	\$83,923	-\$91,552
2023	2	(4)	-2	\$108,232	\$13,838	\$122,070	-\$15,259	\$53,406	-\$68,665
2024	2	(4)	-2	\$108,232	\$135,909	\$244,141	\$7,629	\$38,147	-\$30,518
2025	2	2	4	\$108,232	\$13,838	\$122,070	-\$15,259	\$38,147	-\$53,406
2026	2	(2)	0	\$108,232	\$13,838	\$122,070	-\$15,259	-\$7,629	-\$7,630
2027	2	(2)	0	\$108,232	\$135,909	\$244,141	-\$38,147	-\$38,147	\$0
2028	2	0	2	\$108,232	-\$108,232	\$0	-\$45,776	-\$45,776	\$0
2029	2	(4)	-2	\$108,232	-\$108,232	\$0	-\$38,147	-\$61,035	\$22,888
2030	2	(2)	0	\$108,232	-\$596,513	-\$488,281	-\$83,923	-\$91,553	\$7,630
2031	2	(4)	-2	\$108,232	-\$352,373	-\$244,141	-\$99,182	-\$129,700	\$30,518
2032	2	(4)	-2	\$108,232	-\$840,654	-\$732,422	-\$114,441	-\$122,070	\$7,629
2033	2	(4)	-2	\$108,232	-\$840,654	-\$732,422	-\$122,070	-\$160,217	\$38,147
2034	2	(8)	-6	\$108,232	-\$1,328,935	-\$1,220,703	-\$175,476	-\$167,847	-\$7,629
2035	2	(8)	-6	\$108,232	-\$1,328,935	-\$1,220,703	-\$221,252	-\$221,252	\$0
2036	2	(10)	-8	\$108,232	-\$1,573,076	-\$1,464,844	-\$228,882	-\$267,029	\$38,147
2037	2	(8)	-6	\$108,232	-\$2,061,357	-\$1,953,125	-\$251,770	-\$289,917	\$38,147
2038	2	(12)	-10	\$108,232	-\$2,305,498	-\$2,197,266	-\$244,141	-\$335,693	\$91,552
2039	2	(10)	-8	\$108,232	-\$2,061,357	-\$1,953,125	-\$244,141	-\$381,470	\$137,329
2040	2	(14)	-12	\$108,232	-\$3,037,920	-\$2,929,688	-\$289,917	-\$434,875	\$144,958
2041	2	(10)	-8	\$108,232	-\$3,037,920	-\$2,929,688	-\$320,435	-\$450,134	\$129,699
Total							-\$785,828	-\$2,586,363	\$1,800,535
							\$9,929,175	Is greater than	\$9,194,432

Analysis Summary	
Is the project reasonable likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

Board Finding Number 10.

The limitation on appraised value requested by the Applicant is a determining factor in the Applicant's decision to invest capital and construct the project in this state.

Board Finding Number 11.

The ability of the Applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Findings Nos. 10 and 11, Attachment C of the economic impact study states:

The Comptroller has determined that the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the Applicant. Specifically, the Comptroller notes the following:

Board Findings of the McCamey Independent School District

- According to the company, the Applicant is competing with other companies in Upton County to create a solar project. The company states, without the tax value limitation of the Chapter 313 application, the company would not be able to effectively compete for business.
- The Applicant is a national solar company developing other projects in the states of Utah, Illinois and Colorado.
- According to the company, the tax incentives, afforded by its Chapter 313 application, are essential in improving the project's economics.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

Board Finding Number 12.

The Board of Trustees of the McCamey Independent School District hired consultants to review and verify the information in Application #1082. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently Twenty-Five Million Dollars, which is consistent with the minimum values currently set out by Texas Tax Code, § 313.054(a).

Board Finding Number 14.

The Applicant (Taxpayer Id. 32057439138) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the McCamey Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the official minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the McCamey Independent School District.

[Signature Page to Follow]

Board Findings of the McCamey Independent School District

Dated the 15th day of December, 2015.

MCCAMEY INDEPENDENT SCHOOL DISTRICT

By: Christy Hodges
Christy Hodges
President, Board of Trustees

ATTEST:

By: Kim Smart
Kim Smart
Secretary, Board of Trustees

Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT A
Application of
PV-LoneStarSolar, LLC



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis
Form 50-296-A

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Email Address _____

4. On what date did the district determine this application complete?

5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No

2a. If yes, please fill out contact information for that person.

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Business Email Address _____

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? _____

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____

3. List the NAICS code _____

4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No

4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) _____

2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No

2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

3. Is the applicant current on all tax payments due to the State of Texas? Yes No

4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

1. Application approval by school board _____
 2. Commencement of construction _____
 3. Beginning of qualifying time period _____
 4. First year of limitation _____
 5. Begin hiring new employees _____
 6. Commencement of commercial operations _____
 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? Yes No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? _____

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located _____
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property _____
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: _____ <small>(Name, tax rate and percent of project)</small>	City: _____ <small>(Name, tax rate and percent of project)</small>
Hospital District: _____ <small>(Name, tax rate and percent of project)</small>	Water District: _____ <small>(Name, tax rate and percent of project)</small>
Other (describe): _____ <small>(Name, tax rate and percent of project)</small>	Other (describe): _____ <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? Yes No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? _____
2. What is the amount of appraised value limitation for which you are applying? _____

Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone?

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ _____
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ _____

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2015
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,376.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 0.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,040.68
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 54,115.60
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 54,115.60
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F)
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14** Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15** (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here Janet Hunt Supt. Title

sign here Janet Hunt 9-3-15 Date

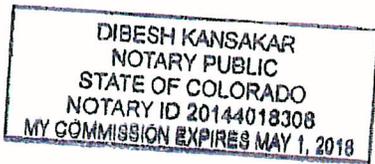
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Alan Knepper Principal Title

sign here [Signature] 8-13-2015 Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

13th day of August 2015

Dibesh Kansakar Notary Public in and for the State of Texas - CO

My Commission expires: 5-1-2018

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Tab 2

Proof of Payment of Application Fee

Proof of payment attached.

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of
Public Accounts)*

Tab 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)

Not Applicable

Tab 4
Description of the Project

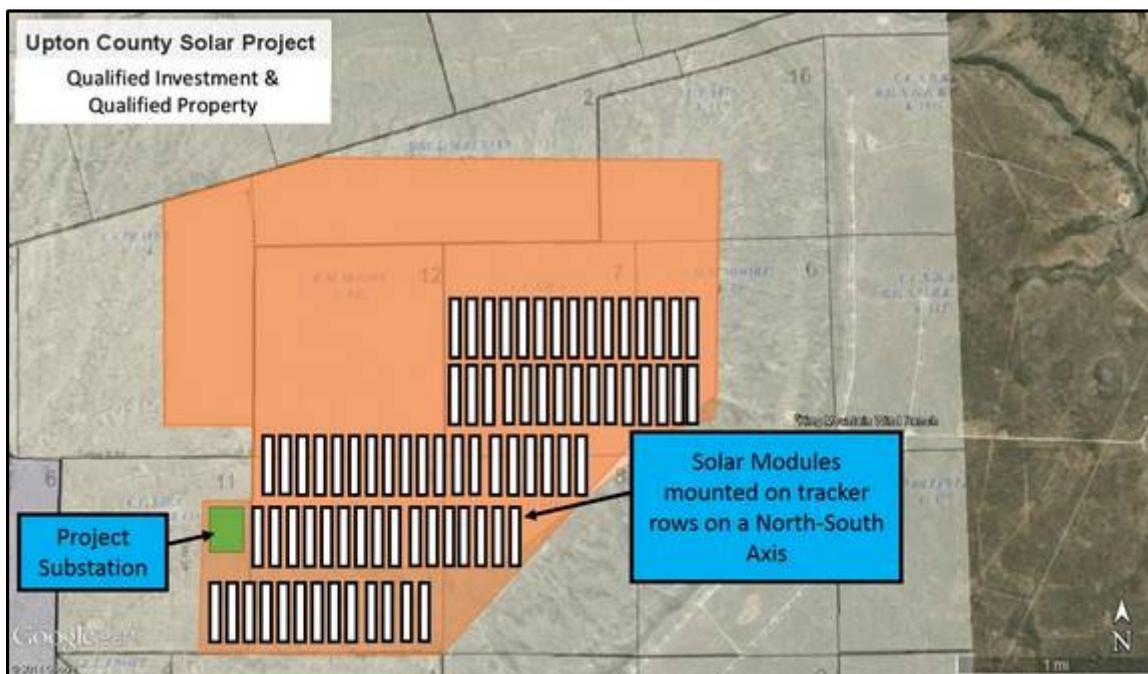
The Applicant for this project is a national solar developer with the ability to locate projects of this type in several other states in the US with strong solar characteristics. The applicant is actively developing other projects in Colorado, Illinois, Utah, and in other Texas Counties that are competing for the limited investment funds.

The anticipated generating capacity of the project is up to 120MW. The qualified investment for which the applicant is seeking an appraised value limitation shall include, but is not limited to, solar modules, mounting system, electrical collection systems, combiner boxes, inverters, project substation, meteorological equipment, operations and maintenance facility, transmission facilities, and other ancillary equipment necessary to safely operate, maintain, and transmit power to the grid.

The project will be located entirely within Upton County and McCamey Independent School District. It may utilize approximately 1500 acres of the land within the Reinvestment Zone. The project design has not yet been finalized so the final location of new buildings and improvements has not been determined. The land on which the project is located will be rented from the landowner, secured by a long term lease.

The applicant anticipates commencing construction activities in the 4th quarter of 2015 and completing construction in the 4th quarter of 2016. Once completed, the project may operate for 25 years or longer.

Project area & panel tracker layout illustration below.



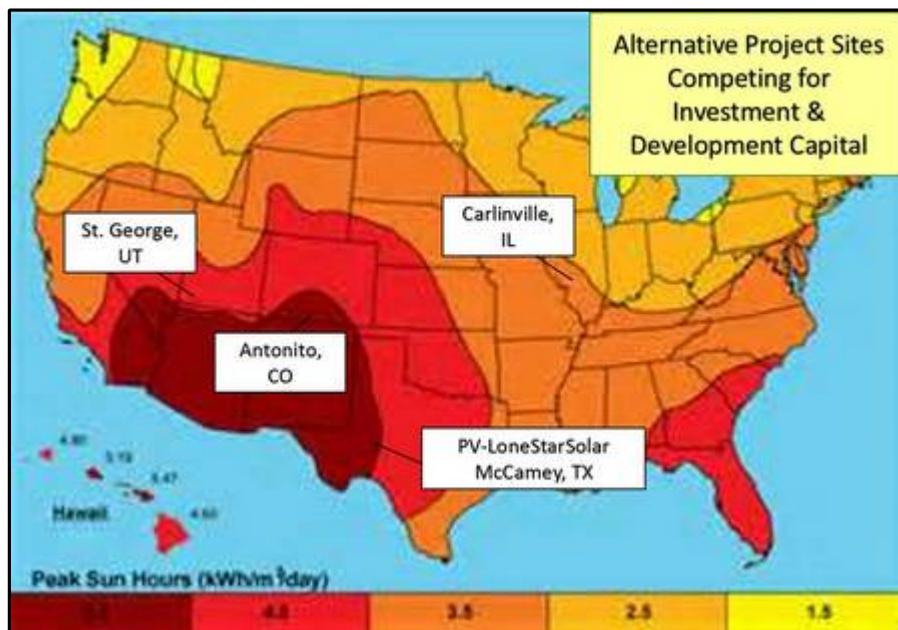
Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The applicant for this project is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics. The applicant is actively developing other projects in Utah, Illinois, and Colorado. All of these projects are competing with the Upton County project for applicant's limited resources. The applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project (e.g., paying for studies related to subsurface geotechnical conditions at the project site, having detailed land surveys carried out, retaining the services of specialized legal counsel), and (ii) to secure long-term (>20 years) project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size.

Applicant is competing with other solar developers that are developing large utility-scale solar projects in other states and are also seeking long-term financing from the same small pool of institutional investors as applicant. These institutional investors have specific investment hurdle rates that must be met. The applicant's solar project is viable only if it is able to sell electricity at competitive prices within the Texas market, which has low electricity rates when compared with most other states. These dual constraints of investor return requirements and the need to offer competitively-priced electricity means that applicant's solar project is viable only if coupled with tax abatements or other form(s) of financial support or relief. Without the value limitation, the solar projects outside of Texas, located in Utah, Illinois & Colorado, would receive the constrained investment capital. With the value limitation approved, applicant's Texas project ROI is near the hurdle required in order to secure capital investment.

The Applicant has multiple other projects outside of Texas with very strong solar irradiance or incentive programs that improve economics (see image below for other projects) that are competing for development and project capital investment. The value limitation is essential to improving the Texas project's economics to a point that we can consider bringing this project to Texas. Solar projects and their associated components are modular and can be deployed anywhere in the USA or the world that provides acceptable return on investment.



Tab 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

Not applicable

The project is located 100% in McCamey ISD and Upton County.

Tab 7

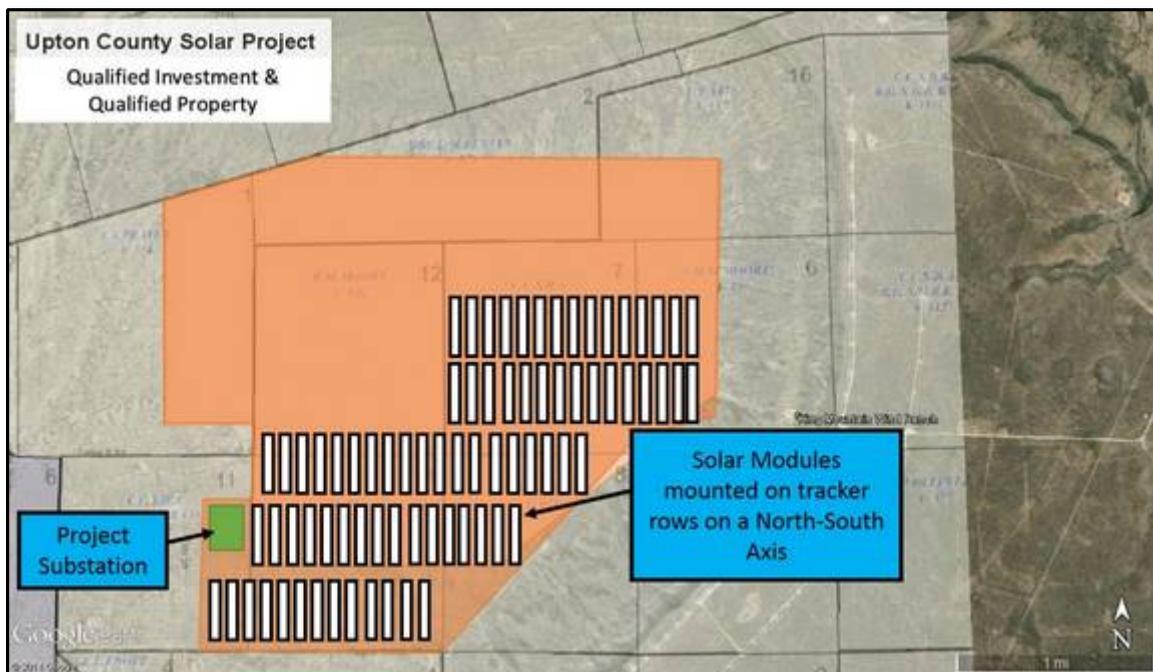
Description of Qualified Investment

The Qualified Investment is described below:

- Up to 120MW solar power generating facility containing:
 - Photovoltaic (PV) Solar Panels and DC-to-AC Inverters
 - Tracker system infrastructure.
 - Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment
 - Inverter boxes on concrete or gravel pads
 - Fencing for safety and security, Video Security System
 - Telephone System and Data Systems for communication and remote monitoring
 - Maintenance trailer and office equipment
 - Meteorological equipment to measure solar irradiance & weather conditions
 - New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid.

Project area & panel tracker layout illustration below.



Tab 8

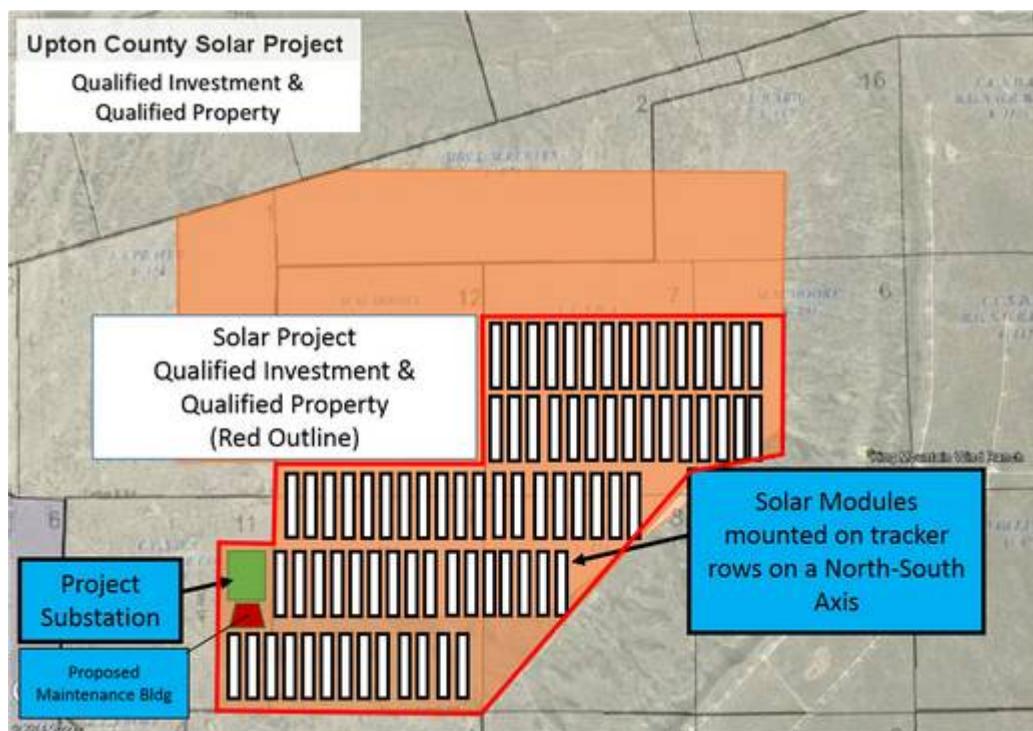
Description of Qualified Property

The Qualified Property is described below:

- Up to a 120MW solar power generating facility containing:
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 - Tracker system infrastructure.
 - Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment
 - Inverter boxes on concrete or gravel pads
 - Fencing for safety and security, Video Security System
 - Telephone System and Data Systems for communication and remote monitoring
 - Maintenance trailer and office equipment
 - Meteorological equipment to measure solar irradiance & weather conditions
 - New or improved access roads and service roads.

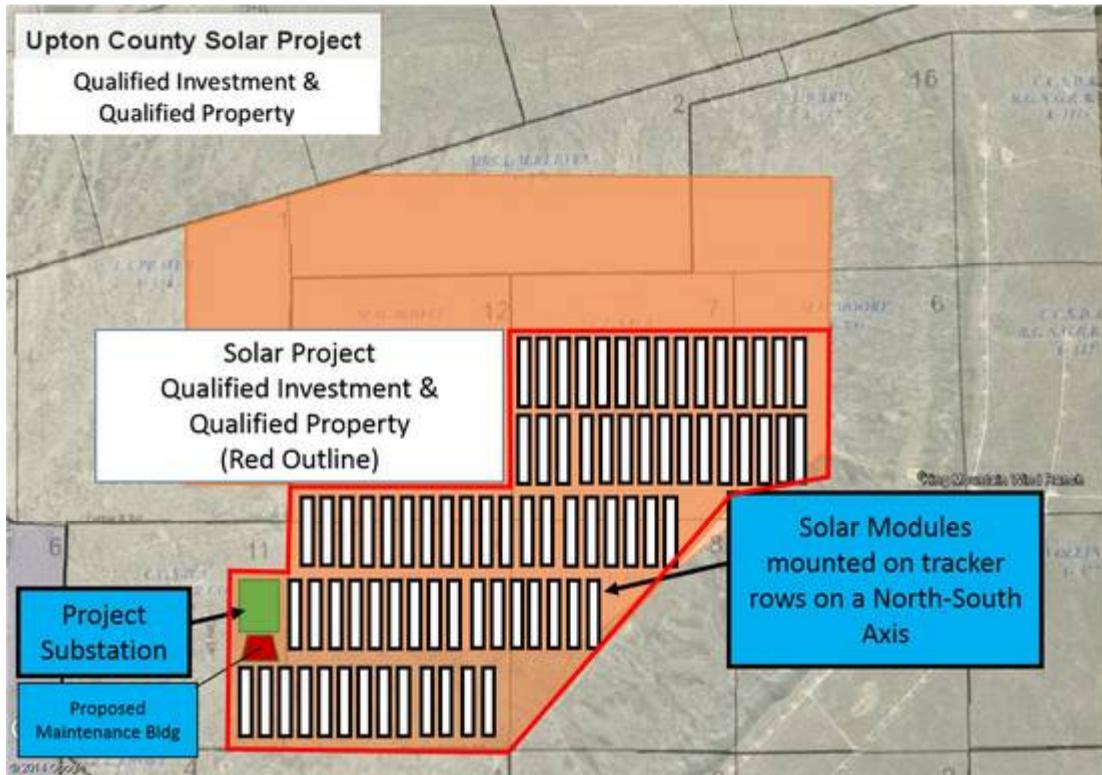
and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid.

Project area & panel tracker layout illustration below.



Tab 9

Description of the Land



The project is on approximately 1500 acres of land in Upton County, TX, in the following Sections:

- Section 7, Abstract 113, Block 3 ½, CCSD & GGNG RR CO Survey, ~450 acres
- Section 6, Abstract 833, Block 3 ½, CCSD & GGNG RR CO Survey, ~200 acres
- Section 8, Abstract 834, Block 3 ½, CCSD & GGNG RR CO Survey, ~320 acres
- Section 10, Abstract 985, Block 3 ½, MM Moore Survey, ~640 acres
- Section 11, Abstract 115, CCSD & RGNG RR CO Survey, ~110 acres

Tab 10

Description of all Property Not Eligible to Become Qualified Property

Not applicable

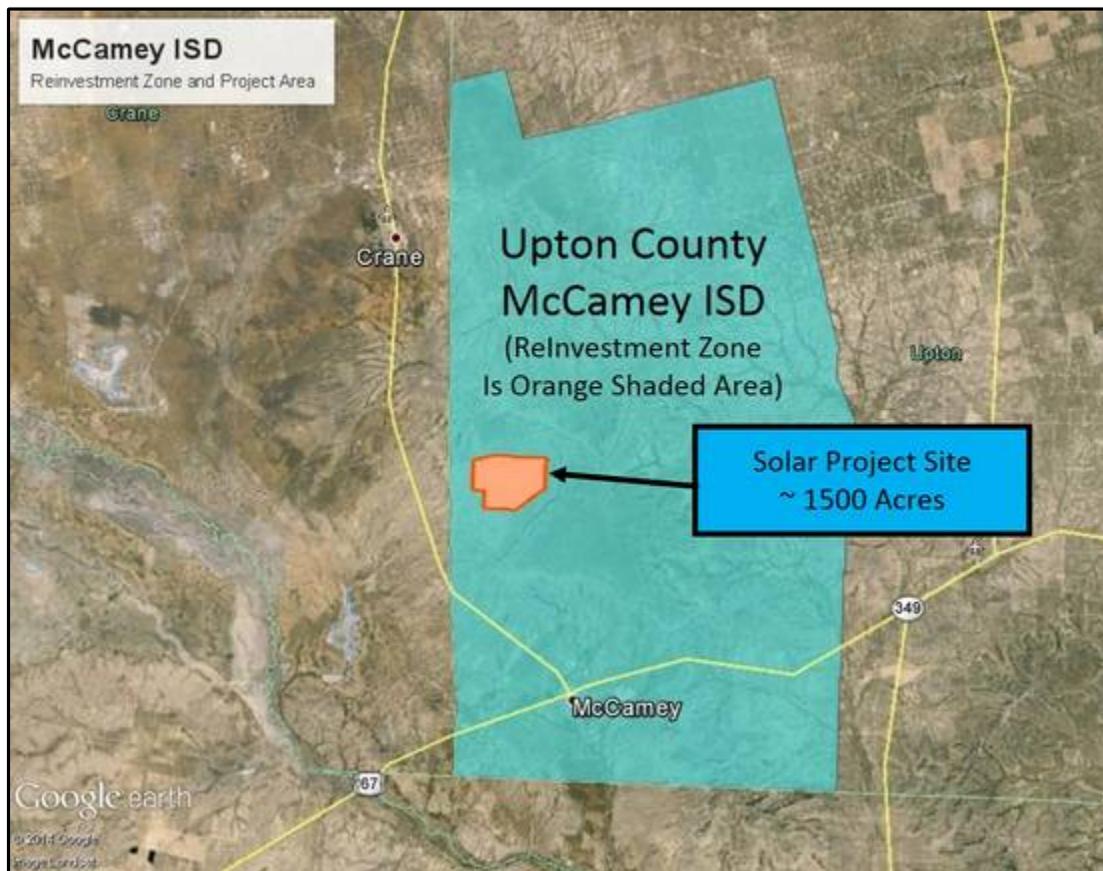
There are no buildings or improvements on the property

Tab 11

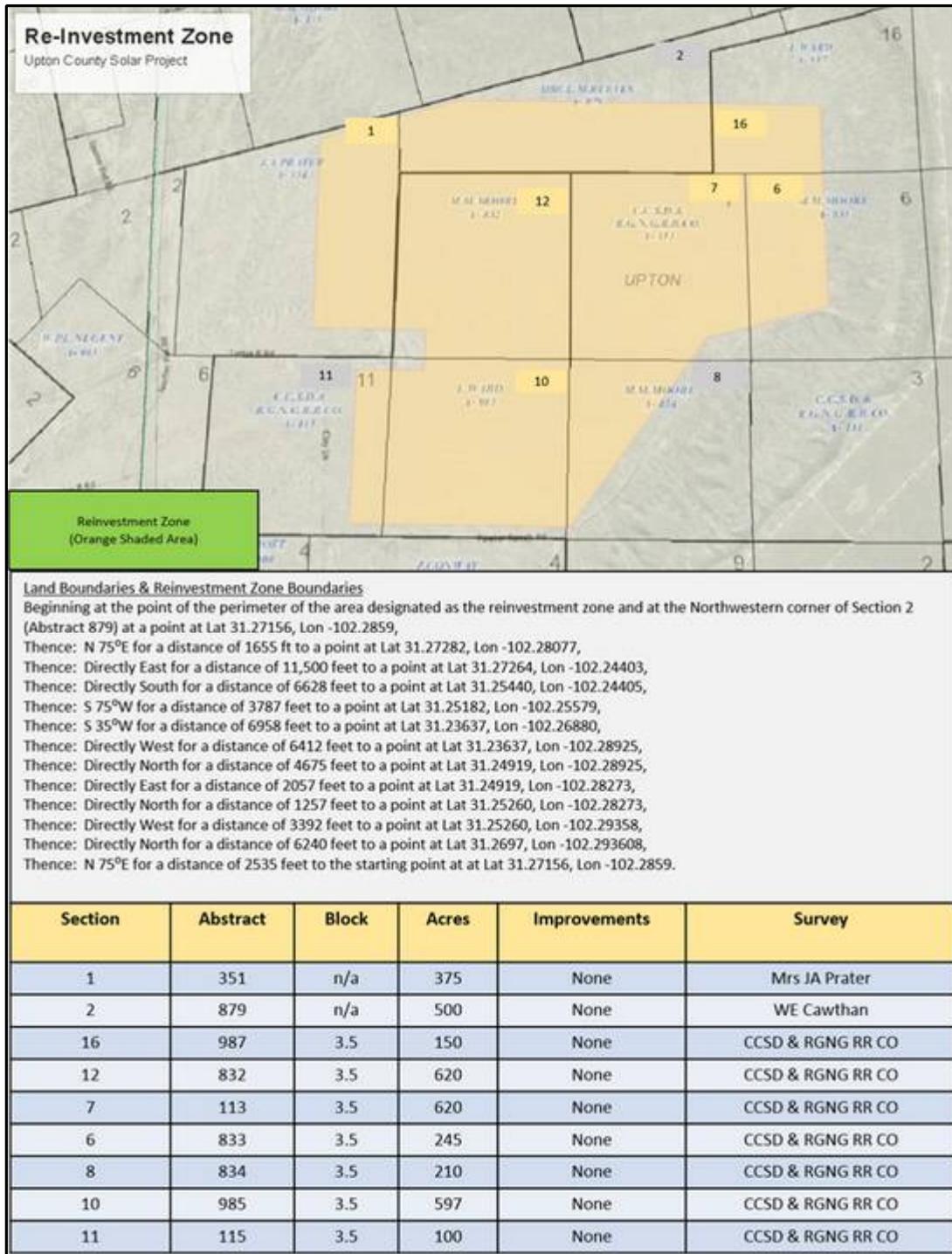
Maps that clearly show:

- a) Project vicinity (See Below)
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period (See Below)
- c) Qualified property including location of new buildings or new improvements (See Below)
- d) Existing property (There is no existing property on the site)
- e) Land location within vicinity map (See Below)
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size (See Below)

Vicinity Map: Solar Project is located 100% in Upton County and 100% in McCamey ISD



Reinvestment Zone



Land Boundaries & Reinvestment Zone Boundaries

Beginning at the point of the perimeter of the area designated as the reinvestment zone and at the southwestern corner of Upton County Section 12 (Abstract 832) at a point at Lat 31.250200, Lon -102.28567,

Thence: Directly North approximately 870 feet to a point at Lat 31.252646, Lon -102.285726,

Thence: Directly West approximately 2500 feet to a point at Lat 31.252649, Lon -102.293656,

Thence: Directly North approximately 6250 feet to a point at Lat 31.269823, Lon -102.293799,

Thence: N 75°E for a distance of 4490 feet to a point at Lat 31.273076, Lon -102.279995,

Thence: Directly East for a distance of 11250 feet to a point at Lat 31.272301, Lon -102.244097,

Thence: Directly South for a distance of 6520 feet to a point at Lat 31.254331, Lon -102.244767,

Thence: S 53°W for a distance of 7680 feet to a point at Lat 31.241617, Lon -102.264313,

Thence: Directly West for a distance of 6800 feet to a point at Lat 31.242014, Lon -102.285991,

Thence: Directly North for a distance of 3000 feet to the starting point at Lat 31.250200, Lon -102.28567

Tab 12

**Request for Waiver of Job Creation Requirement
and supporting information (if applicable)**

PV-LoneStarSolar LLC
Alan Knepper
Principal
1328 Pontiac St.
Suite 100
Denver, CO 80220

June 4, 2015

Ms. Jan Hunt
Superintendent
McCamey Independent School District
111 East 11th
McCamey, TX 79752

Re: Chapter 313 Job Waiver Request

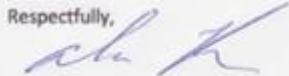
Dear Ms. Hunt:

This letter is to request a waiver of the requirement to create 10 full time jobs as part of the Appraised Value Limitation application for the PV-LoneStarSolar LLC solar project contemplated for McCamey ISD's district. House Bill 1470 altered the jobs requirement by adding Section 313.025(f-1) to permit a school district's board of trustees to make a finding that the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

PV-LoneStarSolar LLC requests that the McCamey ISD Board of Trustees make such a finding and waive the job creation requirement for ten (10) permanent jobs. According to industry data and based upon the size and scope of this project, PV-LoneStarSolar LLC expects to permanently employ two (2) highly skilled maintenance technicians for this facility. Based upon our experience, the two permanent employees are sufficient to maintain the facility during the expected 25 year operational phase.

This waiver request is in line with industry standards for the number of jobs related to a solar generation facility of this size. This is evidenced by previously filed limitation agreement applications by solar developers who requested a waiver of the job requirements and through readily available documentation related to the development of solar generation facilities.

Respectfully,



Alan Knepper
PV-LoneStarSolar LLC

Calculation of Wage Information - Based on Most Recent Data Available

110% of County Average Weekly Wage for all Jobs

2015	1Q	\$ 1,487
2014	2Q	\$ 1,252
2014	3Q	\$ 1,280
2014	4Q	\$ 1,486

$$\begin{aligned} & \$ 5,505 /4 = && \$1,376 \text{ average weekly salary} \\ & && \underline{\times 1.1 (110\%)} \\ & && \$ 1,513.88 \end{aligned}$$

110% of County Average Weekly Wage for Manufacturing Jobs in County

2014	1Q	\$ -
2014	2Q	\$ -
2014	3Q	\$ -
2014	4Q	\$ -

Information Not Available

$$\begin{aligned} & \$ - /4 = && \$0 \text{ average weekly salary} \\ & && \underline{\times 1.1 (110\%)} \\ & && \$ - \end{aligned}$$

110% of County Average Weekly Wage for Manufacturing Jobs in Region

\$49,196.00 per year

X1.10 (110%)

\$54,115.60

\$1,040.68 Average weekly

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	County	Industry	Employment	Wages	Wages per Employee	Total, All Industries	Wages per Employee
2014	1st Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,927
2015	1st Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,487
2014	2nd Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,252
2014	3rd Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,280
2014	4th Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,486

**2014 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
<u>1. Panhandle Regional Planning Commission</u>	\$21.07	\$43,821
<u>2. South Plains Association of Governments</u>	\$16.75	\$34,834
<u>3. NORTEX Regional Planning Commission</u>	\$20.23	\$42,077
<u>4. North Central Texas Council of Governments</u>	\$25.32	\$52,672
<u>5. Ark-Tex Council of Governments</u>	\$17.80	\$37,017
<u>6. East Texas Council of Governments</u>	\$19.87	\$41,332
<u>7. West Central Texas Council of Governments</u>	\$19.41	\$40,365
<u>8. Rio Grande Council of Governments</u>	\$17.82	\$37,063
<u>9. Permian Basin Regional Planning Commission</u>	\$23.65	\$49,196
<u>10. Concho Valley Council of Governments</u>	\$18.70	\$38,886
<u>11. Heart of Texas Council of Governments</u>	\$20.98	\$43,636
<u>12. Capital Area Council of Governments</u>	\$28.34	\$58,937
<u>13. Brazos Valley Council of Governments</u>	\$17.57	\$36,547
<u>14. Deep East Texas Council of Governments</u>	\$17.76	\$36,939
<u>15. South East Texas Regional Planning Commission</u>	\$29.21	\$60,754
<u>16. Houston-Galveston Area Council</u>	\$26.21	\$54,524
<u>17. Golden Crescent Regional Planning Commission</u>	\$23.31	\$48,487
<u>18. Alamo Area Council of Governments</u>	\$19.46	\$40,477
<u>19. South Texas Development Council</u>	\$13.91	\$28,923
<u>20. Coastal Bend Council of Governments</u>	\$25.12	\$52,240
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.25	\$33,808
<u>22. Texoma Council of Governments</u>	\$20.51	\$42,668
<u>23. Central Texas Council of Governments</u>	\$18.02	\$37,486
<u>24. Middle Rio Grande Development Council</u>	\$20.02	\$41,646

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only

Tab 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

Please see attached Spreadsheets

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date **6/23/2015**
 Applicant Name **PV-LoneStarSolar LLC**
 ISD Name **McCamey ISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	2015	2015-16	2015	Not eligible to become Qualified Property		\$0	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	\$0
Investment made after filing complete application with district, but before final board approval of application				\$0	\$0	\$0	\$0	\$0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$8,860,000	\$0	\$0	\$0	\$8,860,000
Complete tax years of qualifying time period	QTP1	2016-2017	2016	\$168,340,000	\$0	\$0	\$0	\$168,340,000
	QTP2	2017-2018	2017	\$0	Qualified Investment	Qualified Investment	\$0	\$0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$177,200,000	\$0	\$0	\$0	\$177,200,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$177,200,000	\$0			

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$177,200,000				
Enter amounts from TOTAL row in Schedule A1 in the row below								
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2015-2016	2015	\$8,860,000	\$0	\$0	\$0	\$8,860,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2016-2017	2016	\$168,340,000	\$0	\$345,600	\$0	\$168,685,600
Value limitation period***	1	2017-2018	2017	\$0	\$0	\$1,152,000	\$0	\$1,152,000
	2	2018-2019	2018	\$0	\$0	\$1,163,520	\$0	\$1,163,520
	3	2019-2020	2019	\$0	\$0	\$1,175,155	\$0	\$1,175,155
	4	2020-2021	2020	\$0	\$0	\$1,186,907	\$0	\$1,186,907
	5	2021-2022	2021	\$0	\$0	\$1,198,776	\$0	\$1,198,776
	6	2022-2023	2022	\$0	\$0	\$1,210,764	\$0	\$1,210,764
	7	2023-2024	2023	\$0	\$0	\$1,222,871	\$0	\$1,222,871
	8	2024-2025	2024	\$0	\$0	\$1,235,100	\$0	\$1,235,100
	9	2025-2026	2025	\$0	\$0	\$1,247,451	\$0	\$1,247,451
	10	2026-2027	2026	\$0	\$0	\$1,259,925	\$0	\$1,259,925
Total Investment made through limitation				\$177,200,000	\$0	\$12,398,069	\$0	\$189,598,069
Continue to maintain viable presence	11	2027-2028	2027			\$1,272,525		\$1,272,525
	12	2028-2029	2028			\$16,347,419		\$16,347,419
	13	2029-2030	2029			\$1,298,102		\$1,298,102
	14	2030-2031	2030			\$1,311,083		\$1,311,083
	15	2031-2032	2031			\$1,324,194		\$1,324,194
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			\$1,337,436		\$1,337,436
	17	2033-2034	2033			\$1,350,811		\$1,350,811
	18	2034-2035	2034			\$1,364,319		\$1,364,319
	19	2035-2036	2035			\$1,377,962		\$1,377,962
	20	2036-2037	2036			\$1,391,742		\$1,391,742
	21	2037-2038	2037			\$1,405,659		\$1,405,659
	22	2038-2039	2038			\$1,419,716		\$1,419,716
	23	2039-2040	2039			\$1,433,913		\$1,433,913
	24	2040-2041	2040			\$1,448,252		\$1,448,252
	25	2041-2042	2041			\$1,462,734		\$1,462,734

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

6/23/2015

Applicant Name

PV-LoneStarSolar LLC

Form 50-296A

ISD Name

McCamey ISD

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Prior Years	0	2015-2016	2015	\$0	\$0	\$0	\$0	\$0	\$0
Prior Years	0	2016-2017	2016	\$0	\$8,860,000	\$0	\$0	\$8,860,000	\$8,860,000
Value Limitation Period	1	2017-2018	2017	\$0	\$177,200,000	\$0	\$0	\$177,200,000	\$25,000,000
	2	2018-2019	2018	\$0	\$163,024,000	\$0	\$0	\$163,024,000	\$25,000,000
	3	2019-2020	2019	\$0	\$148,848,000	\$0	\$0	\$148,848,000	\$25,000,000
	4	2020-2021	2020	\$0	\$134,672,000	\$0	\$0	\$134,672,000	\$25,000,000
	5	2021-2022	2021	\$0	\$120,496,000	\$0	\$0	\$120,496,000	\$25,000,000
	6	2022-2023	2022	\$0	\$106,320,000	\$0	\$0	\$106,320,000	\$25,000,000
	7	2023-2024	2023	\$0	\$92,144,000	\$0	\$0	\$92,144,000	\$25,000,000
	8	2024-2025	2024	\$0	\$77,968,000	\$0	\$0	\$77,968,000	\$25,000,000
	9	2025-2026	2025	\$0	\$63,792,000	\$0	\$0	\$63,792,000	\$25,000,000
	10	2026-2027	2026	\$0	\$49,616,000	\$0	\$0	\$49,616,000	\$25,000,000
Continue to maintain viable presence	11	2027-2028	2027	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	12	2028-2029	2028	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	13	2029-2030	2029	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	14	2030-2031	2030	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	15	2031-2032	2031	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	17	2033-2034	2033	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	18	2034-2035	2034	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	19	2035-2036	2035	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	20	2036-2037	2036	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	21	2037-2038	2037	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	22	2038-2039	2038	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	23	2039-2040	2039	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	24	2040-2041	2040	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000
	25	2041-2042	2041	\$0	\$35,440,000	\$0	\$0	\$35,440,000	\$35,440,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 6/23/2015
 Applicant Name PV-LoneStarSolar LLC
 ISD Name McCamey ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	75 FTE Avg, 125 FTE Peak	\$37,500	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	150 FTE Avg, 300 FTE Peak	\$37,500	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017	0	\$0	0	2	\$54,115.60
	2	2018-2019	2018	0	0	0	2	\$54,115.60
	3	2019-2020	2019	0	0	0	2	\$54,115.60
	4	2020-2021	2020	0	0	0	2	\$54,115.60
	5	2021-2022	2021	0	0	0	2	\$54,115.60
	6	2022-2023	2022	0	0	0	2	\$54,115.60
	7	2023-2024	2023	0	0	0	2	\$54,115.60
	8	2024-2025	2024	0	0	0	2	\$54,115.60
	9	2025-2026	2025	0	0	0	2	\$54,115.60
Years Following Value Limitation Period	11 through 25	2027-2042	2026-2040	0	0	0	2	\$54,115.60

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
 Only include jobs on the project site in this school district.

- C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) Yes No
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 If yes, answer the following two questions:
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date 6/23/2015
 Applicant Name PV-LoneStarSolar LLC
 ISD Name McCamey ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Upton County	2016	2016-2025	\$454,872	\$363,897.92	\$90,974
	City:	n/a				
	Other: McCamey Hospital District	2016	2016-2025	\$879,975	\$703,980.16	\$175,995
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$1,334,848	\$1,067,878	\$266,970

Additional information on incentives for this project:

Tab 15

**Economic Impact Analysis, other payments made in the state or other economic information
(if applicable)**

PV-LoneStarSolar LLC did not conduct an Economic Impact Analysis

Not applicable

Tab 16

Description of Reinvestment or Enterprise Zone, including:

- a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office
 - b) legal description of reinvestment zone*
 - c) order, resolution or ordinance establishing the reinvestment zone*
 - d) guidelines and criteria for creating the zone*
- * To be submitted with application or before date of final application approval by school board

Resolution Creating Reinvestment Zone

**AN ORDER OF THE COMMISSIONERS COURT OF UPTON COUNTY, TEXAS,
DESIGNATING CERTAIN REAL PROPERTY WITHIN UPTON COUNTY AS A
REINVESTMENT ZONE UNDER CHAPTER 312 OF THE
TEXAS TAX CODE**

WHEREAS in conformity with Chapter 312 of the Texas Tax Code and Upton County, Texas' Tax Abatement Guidelines and Criteria which were adopted on January 26, 2015 (hereinafter "the Guidelines"), the Commissioners Court of Upton County conducted a public hearing at 9:00 a.m. on February 23, 2015, regarding the designation of the real property within Upton County identified in Exhibit A attached (hereinafter "the Property") as a reinvestment zone under the said chapter at the request of SPD-Solar Texas2 LLC" (hereinafter "Applicant"); and

WHEREAS Applicant has filed an application with the Commissioners Court of Upton County, Texas proposing certain improvements (hereinafter the "Improvements") to be located on the Property and requesting abatement of property taxes with respect to such Improvements; and

WHEREAS Chapter 312 and the Guidelines require that certain findings of fact be entered in order to designate a reinvestment zone.

NOW, THEREFORE, the Commissioners Court of Upton County, Texas finds as follows with regard to the Property:

- a) That the Applicant has met his burden and demonstrated to this body that the designation of the Property as a reinvestment zone is reasonable likely to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the Property and that would contribute to the economic development of Upton County; and
- b) That the Improvements sought are feasible and practical; and
- c) That the Improvements sought will be a benefit to the Property and to Upton County after the expiration of an agreement entered into under V.T.C.A. Tax Code, Section 312.204; and

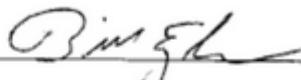
- d) That, not later than the seventh day before the date of said hearing, notice of the hearing was (1) published in the McCamey News, a newspaper having a general circulation in Upton County, Texas, and (2) delivered in writing to the presiding officers of the McCamey Independent School District, McCamey Hospital District, Upton County ESD #2, and Upton County Water District, said taxing entities being the only other taxing units that includes the Property in its boundaries; and
- e) That notice of said public hearing and the meeting at which this order was adopted was open to the public and was preceded by proper notice as required by Chapter 551 of the Texas Government Code (the Open Meetings Act); and
- f) That the Property is not in the taxing jurisdiction of any municipality.

WHEREAS the Commissioners Court of Upton County has made the findings of fact Necessary to designate the Property as a reinvestment zone; and

WHEREAS the Commissioners Court of Upton County believes such designation to be advantageous to the inhabitants of Upton County;

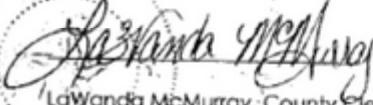
It is therefore ORDERED by the Commissioners Court of Upton County that the Property identified above within Upton County is hereby designated as a reinvestment zone under Chapter 312 of the Texas Tax Code and, in accordance with TEXAS TAX CODE 312.213 such designation shall be effective for a period of *twenty five 25* years from the date of this order and may be renewed as provided by applicable law.

PASSED AND APPROVED on this the *24th* day of *February* 2015



Bill Eyer, County Judge
Upton County, Texas

I, the undersigned, LaWanda McMurray, County Clerk of Upton County, Texas, do hereby certify that the above is a true and correct copy of a resolution duly adopted by the County of Upton, at a regular meeting duly convened on February 24 2015.


LaWanda McMurray, County Clerk

February 24, 2015
Date

EXHIBIT "A"

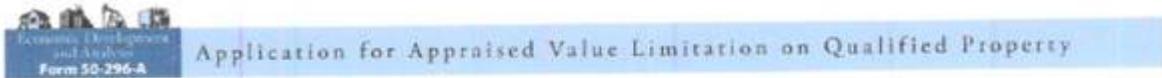
LEGAL DESCRIPTION

Land Boundaries & Reinvestment Zone Boundaries, Located totally in Upton County Texas,

Beginning at the point of the perimeter of the area designated as the reinvestment zone and at the Northwestern corner of Section 2 (Abstract 879) at a point at Lat 31.27156, Lon -102.2859,
Thence: N 75°E for a distance of 1655 feet to a point at Lat 31.27282, Lon -102.28077,
Thence: Directly East for a distance of 11,500 feet to a point at Lat 31.27264, Lon -102.24403,
Thence: Directly South for a distance of 6628 feet to a point at Lat 31.25440, Lon -102.24405,
Thence: S 75°W for a distance of 3787 feet to a point at Lat 31.25182, Lon -102.25579,
Thence: S 35°W for a distance of 6958 feet to a point at Lat 31.23637, Lon -102.26880,
Thence: Directly West for a distance of 6412 feet to a point at Lat 31.23637, Lon -102.28925,
Thence: Directly North for a distance of 4675 feet to a point at Lat 31.24919, Lon -102.28925,
Thence: Directly East for a distance of 2057 feet to a point at Lat 31.24919, Lon -102.28273,
Thence: Directly North for a distance of 1257 feet to a point at Lat 31.25260, Lon -102.28273,
Thence: Directly West for a distance of 3392 feet to a point at Lat 31.25260, Lon -102.29358,
Thence: Directly North for a distance of 6240 feet to a point at Lat 31.2697, Lon -102.293608,
Thence: N 75°E for a distance of 2535 feet to the starting point at Lat 31.27156, Lon -102.2859.

Tab 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)



SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here ▶ _____ Title _____
Print Name (Authorized School District Representative)

sign here ▶ _____ Date _____
Signature (Authorized School District Representative)

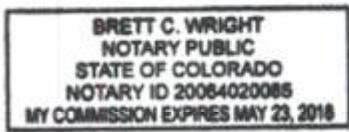
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Alan Knepper Principal
Print Name (Authorized Company Representative (Applicant)) Title

sign here ▶ *Alan Knepper* 6-23-2015
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
23 day of June, 2015
Brett C. Wright
Notary Public in and for the State of ~~Texas~~ Colorado
My Commission expires: May 23, 2018

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Tab 17

SIGNATURE PAGE

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here ▶ Janet Hunt Supt.
Print Name (Authorized School District Representative) Title

sign here ▶ Janet Hunt 9-3-15
Signature (Authorized School District Representative) Date

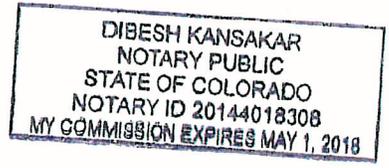
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Alan Knepper Principal
Print Name (Authorized Company Representative (Applicant)) Title

sign here ▶ [Signature] 8-13-2015
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
13th day of August 2015
Dibesh Kansakar
 Notary Public in and for the State of ~~Texas~~ CO
 My Commission expires: 5-1-2018

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT B
Franchise Account Status of
PV-LoneStarSolar, LLC



[Taxable Entity Search Results](#)
[Taxable Entity Search](#)
[Help](#)

Franchise Tax Account Status

As of: 12/09/2015 12:30:44 PM

This Page is Not Sufficient for Filings with the Secretary of State

[Obtain a certification](#) for filings with the Secretary of State.

PV-LONESTARSOLAR LLC	
Texas Taxpayer Number	32057439138
Mailing Address	2 RIVERWAY STE 1500 HOUSTON, TX 77056-1949
 Right to Transact Business in Texas	ACTIVE
State of Formation	CO
Effective SOS Registration Date	06/04/2015
Texas SOS File Number	0802227890
Registered Agent Name	JEREMY SANDERS
Registered Office Street Address	TWO RIVERWAY SUITE 1500 HOUSTON, TX 77056

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Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT C
Comptroller Letter of
September 10, 2015 Certifying
Application as Complete



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

September 10, 2015

Janet Hunt
Superintendent
McCamey Independent School District
111 E. 11th St.
McCamey, Texas 79752

Dear Superintendent Hunt:

On Jul. 2, 2015, the Comptroller's office received from McCamey Independent School District (McCamey ISD) an application from PV-LoneStarSolar, LLC for a limitation on appraised value (App #1082).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on Sep. 10, 2015.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the ISD and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact John Villarreal with our office. He can be reached by email at john.villarreal@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-5241, or direct in Austin at 512-463-5241.

Sincerely,

A handwritten signature in black ink, appearing to read "Korry Castillo".

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Sara Leon, Powell and Leon, LLP
Alan Knepper, PV-LoneStarSolar, LLC
Mike Fry, KE Andrews

Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT D
Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

December 1, 2015

Jan Hunt
Superintendent
McCamey Independent School District
111 E. 11th St.
McCamey, Texas 79752

Dear Superintendent Hunt:

On September 10, 2015, the Comptroller issued written notice that PV-LoneStarSolar, LLC (the applicant) submitted a completed application (Application #1082) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on May 29, 2015, to the McCamey Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver for the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1082.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

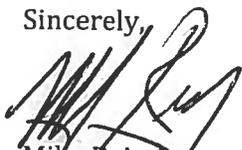
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of September 10, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of PV-LoneStarSolar, LLC (the project) applying to McCamey Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of PV-LoneStarSolar, LLC.

Summary Information for McCamey ISD, PV-LoneStarSolar, LLC, 2017	
Applicant	PV-LoneStarSolar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Solar
School District	McCamey ISD
Estimated 2014-2015 Average Daily Attendance	535
County	Upton
Proposed Total Investment in District	\$189,598,069
Proposed Qualified Investment	\$177,200,000
Limitation Amount	\$25,000,000
Number of new qualifying jobs committed to by applicant*	2
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,041
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$1,041
Minimum annual wage committed to by applicant for qualified jobs	\$54,116
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$94,799,035
Estimated M&O levy without any limit (15 years)	\$13,637,312
Estimated M&O levy with Limitation (15 years)	\$4,442,880
Estimated gross M&O tax benefit (15 years)	\$9,194,432
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of PV-LoneStarSolar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	75	68	143	\$2,812,500	\$5,000,000	\$7,812,500
2016	150	137	287	\$5,625,000	\$11,220,703	\$16,845,703
2017	2	14	16	\$108,232	\$2,577,315	\$2,685,547
2018	2	4	6	\$108,232	\$1,600,752	\$1,708,984
2019	2	0	2	\$108,232	\$868,331	\$976,563
2020	2	(2)	0	\$108,232	\$624,190	\$732,422
2021	2	0	2	\$108,232	\$624,190	\$732,422
2022	2	(4)	-2	\$108,232	\$257,979	\$366,211
2023	2	(4)	-2	\$108,232	\$13,838	\$122,070
2024	2	(4)	-2	\$108,232	\$135,909	\$244,141
2025	2	2	4	\$108,232	\$13,838	\$122,070
2026	2	(2)	0	\$108,232	\$13,838	\$122,070
2027	2	(2)	0	\$108,232	\$135,909	\$244,141
2028	2	0	2	\$108,232	-\$108,232	\$0
2029	2	(4)	-2	\$108,232	-\$108,232	\$0
2030	2	(2)	0	\$108,232	-\$596,513	-\$488,281
2031	2	(4)	-2	\$108,232	-\$352,373	-\$244,141

Source: CPA, REMI, PV-LoneStarSolar, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital Dist. Tax Levy	Upton County Water District Tax Levy	Upton County ESD #1 Tax Levy	Estimated Total Property Taxes
			0.0000		1.0400		0.2567	0.4966	0.0038	0.0108	
2017	\$177,200,000	\$177,200,000		\$0	\$1,842,880	\$1,842,880	\$454,872	\$879,975	\$6,734	\$19,138	\$3,203,599
2018	\$163,024,000	\$163,024,000		\$0	\$1,695,450	\$1,695,450	\$418,483	\$809,577	\$6,195	\$17,607	\$2,947,311
2019	\$148,848,000	\$148,848,000		\$0	\$1,548,019	\$1,548,019	\$382,093	\$739,179	\$5,656	\$16,076	\$2,691,023
2020	\$134,672,000	\$134,672,000		\$0	\$1,400,589	\$1,400,589	\$345,703	\$668,781	\$5,118	\$14,545	\$2,434,735
2021	\$120,496,000	\$120,496,000		\$0	\$1,253,158	\$1,253,158	\$309,313	\$598,383	\$4,579	\$13,014	\$2,178,447
2022	\$106,320,000	\$106,320,000		\$0	\$1,105,728	\$1,105,728	\$272,923	\$527,985	\$4,040	\$11,483	\$1,922,159
2023	\$92,144,000	\$92,144,000		\$0	\$958,298	\$958,298	\$236,534	\$457,587	\$3,501	\$9,952	\$1,665,871
2024	\$77,968,000	\$77,968,000		\$0	\$810,867	\$810,867	\$200,144	\$387,189	\$2,963	\$8,421	\$1,409,583
2025	\$63,792,000	\$63,792,000		\$0	\$663,437	\$663,437	\$163,754	\$316,791	\$2,424	\$6,890	\$1,153,296
2026	\$49,616,000	\$49,616,000		\$0	\$516,006	\$516,006	\$127,364	\$246,393	\$1,885	\$5,359	\$897,008
2027	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2028	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2029	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2030	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2031	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
					\$13,637,312	\$13,637,312	\$3,366,056	\$6,511,816	\$49,829	\$141,618	\$23,706,631

Source: CPA, PV-LoneStarSolar, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Upton County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county and the hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax R	McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	McCamey ISD M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hospital Dist. Tax Levy	Upton County Water District Tax	Upton County ESD #1 Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.2567	0.4966	0.0038	0.0108	
2017	\$177,200,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$6,734	\$19,138	\$552,840
2018	\$163,024,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$6,195	\$17,607	\$550,771
2019	\$148,848,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$5,656	\$16,076	\$548,701
2020	\$134,672,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$5,118	\$14,545	\$546,631
2021	\$120,496,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$4,579	\$13,014	\$544,561
2022	\$106,320,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$4,040	\$11,483	\$542,492
2023	\$92,144,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$3,501	\$9,952	\$540,422
2024	\$77,968,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$2,963	\$8,421	\$538,352
2025	\$63,792,000	\$25,000,000		\$0	\$260,000	\$260,000	\$90,974	\$175,995	\$2,424	\$6,890	\$536,283
2026	\$49,616,000	\$25,000,000		\$0	\$260,000	\$260,000	\$127,364	\$246,393	\$1,885	\$5,359	\$641,001
2027	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2028	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2029	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2030	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
2031	\$35,440,000	\$35,440,000		\$0	\$368,576	\$368,576	\$90,974	\$175,995	\$1,347	\$3,828	\$640,720
					Total	\$4,442,880	\$1,401,003	\$2,710,323	\$49,829	\$141,618	\$8,745,653
					Diff	\$9,194,432	\$1,965,053	\$3,801,493	\$0	\$0	\$14,960,978

Source: CPA, PV-LoneStarSolar, LLC

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller’s determination that PV-LoneStarSolar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$260,000	\$260,000	\$1,582,880	\$1,582,880
	2018	\$260,000	\$520,000	\$1,435,450	\$3,018,330
	2019	\$260,000	\$780,000	\$1,288,019	\$4,306,349
	2020	\$260,000	\$1,040,000	\$1,140,589	\$5,446,938
	2021	\$260,000	\$1,300,000	\$993,158	\$6,440,096
	2022	\$260,000	\$1,560,000	\$845,728	\$7,285,824
	2023	\$260,000	\$1,820,000	\$698,298	\$7,984,122
	2024	\$260,000	\$2,080,000	\$550,867	\$8,534,989
	2025	\$260,000	\$2,340,000	\$403,437	\$8,938,426
	2026	\$260,000	\$2,600,000	\$256,006	\$9,194,432
Maintain Viable Presence (5 Years)	2027	\$368,576	\$2,968,576	\$0	\$9,194,432
	2028	\$368,576	\$3,337,152	\$0	\$9,194,432
	2029	\$368,576	\$3,705,728	\$0	\$9,194,432
	2030	\$368,576	\$4,074,304	\$0	\$9,194,432
	2031	\$368,576	\$4,442,880	\$0	\$9,194,432
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$368,576	\$4,811,456	\$0	\$9,194,432
	2033	\$368,576	\$5,180,032	\$0	\$9,194,432
	2034	\$368,576	\$5,548,608	\$0	\$9,194,432
	2035	\$368,576	\$5,917,184	\$0	\$9,194,432
	2036	\$368,576	\$6,285,760	\$0	\$9,194,432
	2037	\$368,576	\$6,654,336	\$0	\$9,194,432
	2038	\$368,576	\$7,022,912	\$0	\$9,194,432
	2039	\$368,576	\$7,391,488	\$0	\$9,194,432
	2040	\$368,576	\$7,760,064	\$0	\$9,194,432
	2041	\$368,576	\$8,128,640	\$0	\$9,194,432

\$8,128,640 is less than **\$9,194,432**

Analysis Summary	
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

Source: CPA, PV-LoneStarSolar, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	75	68	143	\$2,812,500	\$5,000,000	\$7,812,500	\$427,246	-\$236,511	\$663,757
2016	150	137	287	\$5,625,000	\$11,220,703	\$16,845,703	\$915,527	-\$419,617	\$1,335,144
2017	2	14	16	\$108,232	\$2,577,315	\$2,685,547	\$167,847	\$267,029	-\$99,182
2018	2	4	6	\$108,232	\$1,600,752	\$1,708,984	\$106,812	\$251,770	-\$144,958
2019	2	0	2	\$108,232	\$868,331	\$976,563	\$83,923	\$228,882	-\$144,959
2020	2	(2)	0	\$108,232	\$624,190	\$732,422	\$53,406	\$183,105	-\$129,699
2021	2	0	2	\$108,232	\$624,190	\$732,422	\$22,888	\$129,700	-\$106,812
2022	2	(4)	-2	\$108,232	\$257,979	\$366,211	-\$7,629	\$83,923	-\$91,552
2023	2	(4)	-2	\$108,232	\$13,838	\$122,070	-\$15,259	\$53,406	-\$68,665
2024	2	(4)	-2	\$108,232	\$135,909	\$244,141	\$7,629	\$38,147	-\$30,518
2025	2	2	4	\$108,232	\$13,838	\$122,070	-\$15,259	\$38,147	-\$53,406
2026	2	(2)	0	\$108,232	\$13,838	\$122,070	-\$15,259	-\$7,629	-\$7,630
2027	2	(2)	0	\$108,232	\$135,909	\$244,141	-\$38,147	-\$38,147	\$0
2028	2	0	2	\$108,232	-\$108,232	\$0	-\$45,776	-\$45,776	\$0
2029	2	(4)	-2	\$108,232	-\$108,232	\$0	-\$38,147	-\$61,035	\$22,888
2030	2	(2)	0	\$108,232	-\$596,513	-\$488,281	-\$83,923	-\$91,553	\$7,630
2031	2	(4)	-2	\$108,232	-\$352,373	-\$244,141	-\$99,182	-\$129,700	\$30,518
2032	2	(4)	-2	\$108,232	-\$840,654	-\$732,422	-\$114,441	-\$122,070	\$7,629
2033	2	(4)	-2	\$108,232	-\$840,654	-\$732,422	-\$122,070	-\$160,217	\$38,147
2034	2	(8)	-6	\$108,232	-\$1,328,935	-\$1,220,703	-\$175,476	-\$167,847	-\$7,629
2035	2	(8)	-6	\$108,232	-\$1,328,935	-\$1,220,703	-\$221,252	-\$221,252	\$0
2036	2	(10)	-8	\$108,232	-\$1,573,076	-\$1,464,844	-\$228,882	-\$267,029	\$38,147
2037	2	(8)	-6	\$108,232	-\$2,061,357	-\$1,953,125	-\$251,770	-\$289,917	\$38,147
2038	2	(12)	-10	\$108,232	-\$2,305,498	-\$2,197,266	-\$244,141	-\$335,693	\$91,552
2039	2	(10)	-8	\$108,232	-\$2,061,357	-\$1,953,125	-\$244,141	-\$381,470	\$137,329
2040	2	(14)	-12	\$108,232	-\$3,037,920	-\$2,929,688	-\$289,917	-\$434,875	\$144,958
2041	2	(10)	-8	\$108,232	-\$3,037,920	-\$2,929,688	-\$320,435	-\$450,134	\$129,699
						Total	-\$785,828	-\$2,586,363	\$1,800,535
							\$9,929,175	is greater than	\$9,194,432

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

Source: CPA, PV-LoneStarSolar, LLC

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the PV-LoneStarSolar, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the company, the applicant is competing with other companies in Upton County to create a solar project. The company states, without the tax value limitation of the Chapter 313 application, the company would not be able to effectively compete for business.
- The applicant is a national solar company developing other projects in the states of Utah, Illinois and Colorado.
- According to the company, the tax incentives, afforded by its Chapter 313 application, are essential in improving the project’s economics.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

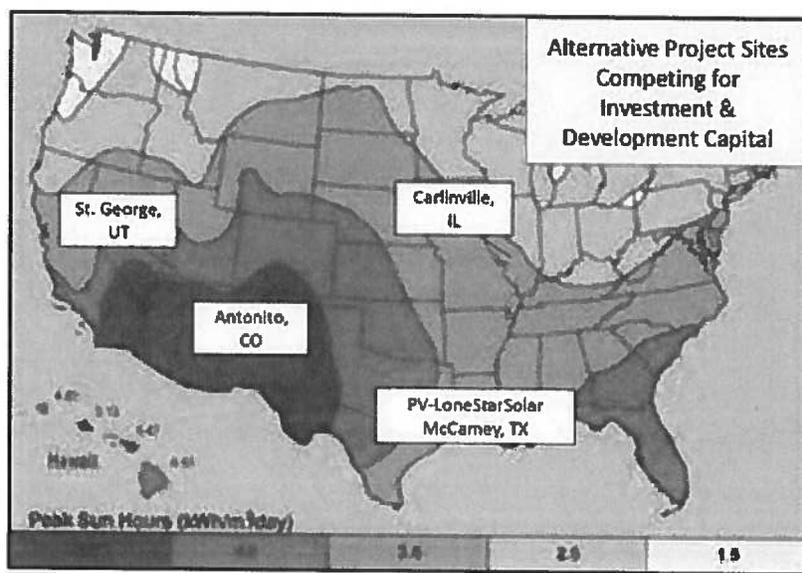
Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The applicant for this project is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics. The applicant is actively developing other projects in Utah, Illinois, and Colorado. All of these projects are competing with the Upton County project for applicant's limited resources. The applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project (e.g., paying for studies related to subsurface geotechnical conditions at the project site, having detailed land surveys carried out, retaining the services of specialized legal counsel), and (ii) to secure long-term (>20 years) project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size.

Applicant is competing with other solar developers that are developing large utility-scale solar projects in other states and are also seeking long-term financing from the same small pool of institutional investors as applicant. These institutional investors have specific investment hurdle rates that must be met. The applicant's solar project is viable only if it is able to sell electricity at competitive prices within the Texas market, which has low electricity rates when compared with most other states. These dual constraints of investor return requirements and the need to offer competitively-priced electricity means that applicant's solar project is viable only if coupled with tax abatements or other form(s) of financial support or relief. Without the value limitation, the solar projects outside of Texas, located in Utah, Illinois & Colorado, would receive the constrained investment capital. With the value limitation approved, applicant's Texas project ROI is near the hurdle required in order to secure capital investment.

The Applicant has multiple other projects outside of Texas with very strong solar irradiance or incentive programs that improve economics (see image below for other projects) that are competing for development and project capital investment. The value limitation is essential to improving the Texas project's economics to a point that we can consider bringing this project to Texas. Solar projects and their associated components are modular and can be deployed anywhere in the USA or the world that provides acceptable return on investment.



Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT E
Summary of Financial Impact on McCamey
ISD Jigsaw School Finance Solutions, LLC

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
PV-LONESTAR SOLAR, LLC PROJECT (APP # 1082) ON THE
FINANCES OF McCAMEY ISD UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
DECEMBER 9, 2015

Introduction

PV-LoneStarSolar, LLC has submitted an application to the McCamey ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The McCamey ISD Board of Trustees accepted the application on June 25, 2015. The application is for a renewable energy project as authorized by Sec. 313.024 (b) of the Tax Code with a proposed \$177 million qualifying investment.

This project is consistent with the state's goal for economic development, the expanded intent of House Bill 1200 as originally passed by the Texas Legislature in 2001 and amended thereafter, and with Chapter 313 of the Texas Tax Code.

PV-LoneStarSolar, LLC is proposing to invest in McCamey ISD for a solar power generating facility. Under the provisions of Chapter 313, MISD may offer a minimum value limitation of \$25 million. Under Sec. 313.027, the application must provide that the limitation under Subsection (a) applies for a period of 10 years; and (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after: (A) the application date; (B) the qualifying time period; or (C) the date commercial operations begin at the site of the project. PV-LoneStarSolar, LLC proposed October 1, 2016 as the commencement of commercial operations with a January 1, 2017 beginning date of the limitation. For the purpose of this review, the limitation would extend from 2017-18 through 2026-27 (years 1-10). Beginning with the 2017-18 school year, the project would go on the local tax roll at \$25 million and remain at that level of taxable value for ten years for maintenance and operations (M&O) taxes.

School Finance Background

McCamey ISD intends to offer a value limitation for this project of \$25 million effective school year 2017-18 through 2026-27. As a result, the project will impact the local tax roll of the school district at that same amount for M&O taxes only. Taxes for debt service, voter approved projects financed by the sale of bonds, will be at the full taxable value. I&S taxes for any future projects approved by the voters of the district will also be assessed against the full taxable value. Depreciation will reduce the taxable value of the project over time at an estimated annual rate range of 8.7-28.6% in accordance with schedule B of the application.

While taxes are collected by the district on the current year county appraisal district (CAD) value, the state funding formulas use the comptroller's property tax division (CPTD) value for the purpose of calculating the district's required local shares within the funding tiers of that formula. The CPTD is a reflection of last year's CAD value; therefore, it lags behind the CAD value in all years. As a result, state and local revenues are generated by two different values in any given year.

With the passage of House Bill 1 in the 2006 special legislative session, the school finance system in Texas moved from one that was formula driven with a maximum M&O tax rate of \$1.50 to one that was, and continues to be, target revenue driven at a maximum tax rate of generally \$1.04, voter approval for a higher tax rate up to \$1.17 notwithstanding. This means that many districts now receive additional state aid for tax reduction (ASATR) to offset the loss

in state and local funds at the new maximum \$1.04 M&O tax cap vs. what was previously generated at the \$1.50 maximum M&O tax cap. The stated goal is for ASATR revenue to be completely eliminated by school year 2017-18.

This initial school finance analysis incorporates the principal legislative changes adopted in May 2015 following the 84th Regular Session of the Texas Legislature. The basic allotment was raised from \$5040 to \$5140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 in 2015-16 and \$77.53 in 2016-17 and beyond. Currently filed legal challenges and future legislative sessions will determine the course of school finance after school year 2016-17 and beyond.

Underlying Assumptions

The drivers of the funding mechanisms for Texas school districts are the current year property values, known as the County Appraisal District (CAD values), the prior year property values [after review by the Texas State Comptroller become the “comptroller’s property tax division” (CPTD) values (used for next year funding)] and Average Daily Attendance (ADA of current funding year).

In calculating district’s state and local tax revenue for any year the current year CAD values, current year ADA and prior year CPTD is used. The 2014 Comptroller’s *adjusted* CPTD values were used in this review. For the purposes of these calculations, the starting point is to determine the projected CAD value for the 2015-16 school year. The District’s 2015 local CAD certified value is \$1,042,247,087.

ADA of 505.97 has been used as the basis of these calculations for the duration of the agreement. PV-LoneStarSolar, LLC has requested a waiver of the job creation requirement and increased student enrollment is not anticipated as a result of this facility.

For the Chapter 313 projects, 15 years of data must be calculated. In order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by Core Solar SPV V, LLC, certain constants and assumptions are used.

1. The estimates presented below are based upon the school funding system and formulas as defined by House Bill 1 passed in 2015 as mentioned above. In addition, the hold harmless provisions related to the additional \$10,000 homestead exemption outlined in Senate Bill 1 and the constitutional amendment approved by the voters in November have also been factored into this review as the provisions are understood at this time. This school funding system and formulas were used for the duration of the project; although, no guarantee exists that this system or these formulas will remain in effect after the 2016-17 school year.
2. The ADA funding driver used is 505.97 was held constant for the duration of the agreement.

3. The general approach used here is to maintain relatively static base property values. The certified freeze adjusted CAD taxable value as furnished by Upton County Appraisal District for school year 2015-16 as released on July 27, 2015 was used as the base value. The estimated schedule B project values for the Value Limitation Agreement (application #1073), which was approved by the McCamey ISD Board on August 27, 2015, were then added to the base value. Once the base value was established as described above, PV-LoneStarSolar's project values for each year as set forth in schedule B of their application were added. These projected CAD values were then used for the CPTD values in each of the following years based on the lag between these two values as heretofore explained. Estimated project values from Core Solar SPV V, LLC, McCamey ISD's additional application #1081 currently under review, are not factored into this review.
4. Although the impact of the approval of this agreement could result in lower M&O tax rates in future years, evaluation of the M&O tax rate is not included in the scope of this analysis. The calculated tax collections each year are based on the district's 2015-16 adopted M&O rate of \$1.04 and was used for the duration of the review with an assumed collection rate of 100 percent each year.

The enrollment and property value assumptions are summarized in Table 1.

Table 1 – Data Assumptions for McCamey ISD and PV-LoneStarSolar, LLC, – This table illustrates by year the tax rates, CAD Values with the Limitation in place, CAD Values for full taxable value for I&S purposes and the respective move to the next year of those value to the CPTD value. This respective data is then used as the basis for calculations in Tables 2 - 4.

Tables 2 - 4 – M&O Revenue Without the Limitation and With the Limitation – The first set of calculations (Table 2) uses the data to calculate the baseline revenue by adding the value of the proposed facility to the model, but without assuming that the value limitation is approved. The second set of the calculations (Table 3) show the M&O taxes and state revenue with the limitation in place. The ending result after the basic calculations are performed is to illustrate the difference between the two sets of calculations since this will be the basis for the Revenue Protection under the agreement (Table 4). **If the full value of the project increases significantly during the value limitation period, the school district revenue losses may be larger than these estimates.**

Financial Impact on the District

A summary of the differences in Table 2 and Table 3 are summarized in Table 4. A loss in total state and local M&O revenue to the district is noted in year one resulting from the agreement due to the inverted value lag between the CPTD and CAD values during the first year of the value limitation. Gains are noted in years 2-11. The larger gain noted in year 11 is due primarily to another value lag between the CPTD and CAD values, the

inverse of that observed in year 1. This analysis assumes the aforementioned elimination of ASATR funding at the end of school year 2016-17.

M&O Impact on Taxpayer (PV-LoneStarSolar, LLC)

In tax year 2017, the tax value limitation applies, but only to the M&O portion of the M&O taxes collected at the assumed rate of \$1.04 per \$100 of taxable value.

Under these provisions, PV-LoneStarSolar, LLC has the potential savings in M&O taxes of \$9,194,432 in savings. This does not include school revenue loss or any other supplemental payments permitted by law. PV-LoneStarSolar, LLC is not eligible for a tax credit(s) on taxes paid on value in excess of the value limitation in the years prior to the value limitation becoming effective. House Bill (HB) 3390 as passed by the 83rd Texas Legislature repealed the provision for tax credits. Correspondingly the provision for the school district to make such payments to PV-LoneStarSolar, LLC and the reimbursement by the state for such tax credit payments has been eliminated. Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. **It is important to note that future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.**

I&S Funding Impact on School District

The project remains fully taxable for debt service purposes. MISD currently levies \$0.2980 per \$100 for I&S taxes with 2024-25 being the final year of the current aggregated debt service obligation for the district. The value of the PV-LoneStarSolar, LLC project is expected to depreciate over the term of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to \$1.34 million in the peak year of I&S taxable project value. Even with depreciation in project values in future years, local taxpayers should benefit from the addition of the project to the local I&S tax roll.

The PV-LoneStarSolar, LLC project is not expected to affect MISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population.

Conclusion

While some uncertainty exists concerning school finance legislation over the future of this project, the following points appear to currently apply to the PV-LoneStarSolar, LLC project and the MISD. The proposed project enhances the tax base of MISD and it reflects continued capital investment and job creation in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential tax savings for PV-LoneStarSolar, LLC under a Chapter 313 agreement could reach an

estimated \$8.3 million. This amount is net of any anticipated revenue losses, and prior to any supplemental payments to MISD as permitted by law. The additional taxable value also enhances the tax base of MISD in meeting possible future debt service obligations without creating an overall financial loss for the district with regard to M&O earnings over the term of the project provided PV-LoneStarSolar, LLC contractually agrees to offset the loss that is indicated in the Table 5.

Table 1- Base District Information with PV-LoneStarSolar, LLC Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP 1	2015-16	505.97	927.25	\$1.0400	\$0.2980	\$1,042,247,087	\$1,042,247,087	\$1,265,362,609	\$1,265,362,609	\$1,364,634	\$1,364,634
QTP 2	2016-17	505.97	927.25	\$1.0400	\$0.2980	\$1,077,244,587	\$1,077,244,587	\$1,042,247,087	\$1,042,247,087	\$1,124,015	\$1,124,015
1	2017-18	505.97	927.25	\$1.0400	\$0.2980	\$1,244,447,087	\$1,092,247,087	\$1,077,244,587	\$1,077,244,587	\$1,161,758	\$1,161,758
2	2018-19	505.97	927.25	\$1.0400	\$0.2980	\$1,230,271,087	\$1,092,247,087	\$1,244,447,087	\$1,092,247,087	\$1,342,078	\$1,177,937
3	2019-20	505.97	927.25	\$1.0400	\$0.2980	\$1,216,095,087	\$1,092,247,087	\$1,230,271,087	\$1,092,247,087	\$1,326,790	\$1,177,937
4	2020-21	505.97	927.25	\$1.0400	\$0.2980	\$1,201,919,087	\$1,092,247,087	\$1,216,095,087	\$1,092,247,087	\$1,311,502	\$1,177,937
5	2021-22	505.97	927.25	\$1.0400	\$0.2980	\$1,187,743,087	\$1,092,247,087	\$1,201,919,087	\$1,092,247,087	\$1,296,213	\$1,177,937
6	2022-23	505.97	927.25	\$1.0400	\$0.2980	\$1,173,567,087	\$1,092,247,087	\$1,187,743,087	\$1,092,247,087	\$1,280,925	\$1,177,937
7	2023-24	505.97	927.25	\$1.0400	\$0.2980	\$1,159,391,087	\$1,092,247,087	\$1,173,567,087	\$1,092,247,087	\$1,265,637	\$1,177,937
8	2024-25	505.97	927.25	\$1.0400	\$0.2980	\$1,145,215,087	\$1,092,247,087	\$1,159,391,087	\$1,092,247,087	\$1,250,349	\$1,177,937
9	2025-26	505.97	927.25	\$1.0400	\$0.0000	\$1,131,039,087	\$1,092,247,087	\$1,145,215,087	\$1,092,247,087	\$1,235,061	\$1,177,937
10	2026-27	505.97	927.25	\$1.0400	\$0.0000	\$1,116,863,087	\$1,092,247,087	\$1,131,039,087	\$1,092,247,087	\$1,219,773	\$1,177,937
11	2027-28	505.97	927.25	\$1.0400	\$0.0000	\$1,133,953,087	\$1,133,953,087	\$1,116,863,087	\$1,092,247,087	\$1,204,485	\$1,177,937
12	2028-29	505.97	927.25	\$1.0400	\$0.0000	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,222,915	\$1,222,915
13	2029-30	505.97	927.25	\$1.0400	\$0.0000	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,222,915	\$1,222,915
14	2030-31	505.97	927.25	\$1.0400	\$0.0000	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,222,915	\$1,222,915
15	2031-32	505.97	927.25	\$1.0400	\$0.0000	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,133,953,087	\$1,222,915	\$1,222,915

Basic Allotment: \$5140; AISD Yield: 2015-16 \$74.28/2016-17 and beyond \$77.53.; Equalized Wealth: \$514,000 per WADA

Table 2 - "Baseline Revenue Model" - Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture at the \$514,000 Level	Additional Local M&O Collections	Additional Local M&O Collections	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
QTP 1	2015-16	\$10,422,471	\$129,033	\$1,756,561	-\$6,329,421	\$416,899	\$0	\$416,899	\$0	\$0	\$19,562	\$6,415,105
QTP 2	2016-17	\$10,772,446	\$169,934	\$755,726	-\$5,719,462	\$430,898	\$0	\$430,898	\$0	\$0	\$19,605	\$6,429,147
1	2017-18	\$12,444,471	\$169,934	\$0	-\$5,827,540	\$497,779	\$0	\$497,779	\$0	\$0	\$20,531	\$7,305,174
2	2018-19	\$12,302,711	\$206,383	\$0	-\$6,592,555	\$492,108	\$0	\$492,108	\$0	\$0	\$20,592	\$6,429,239
3	2019-20	\$12,160,951	\$206,383	\$0	-\$6,454,114	\$486,438	\$0	\$486,438	\$0	\$0	\$20,569	\$6,420,227
4	2020-21	\$12,019,191	\$206,383	\$0	-\$6,315,698	\$480,768	\$0	\$480,768	\$0	\$0	\$20,545	\$6,411,188
5	2021-22	\$11,877,431	\$206,383	\$0	-\$6,756,177	\$475,097	\$0	\$475,097	\$0	\$0	\$20,775	\$5,823,509
6	2022-23	\$11,735,671	\$206,383	\$0	-\$6,617,689	\$469,427	\$0	\$469,427	\$0	\$0	\$20,497	\$5,814,289
7	2023-24	\$11,593,911	\$206,383	\$0	-\$6,479,226	\$463,756	\$0	\$463,756	\$0	\$0	\$20,473	\$5,805,297
8	2024-25	\$11,452,151	\$206,383	\$0	-\$6,340,790	\$458,086	\$0	\$458,086	\$0	\$0	\$20,449	\$5,796,279
9	2025-26	\$11,310,391	\$206,383	\$0	-\$6,202,383	\$452,416	\$0	\$452,416	\$0	\$0	\$20,667	\$5,787,474
10	2026-27	\$11,168,631	\$206,383	\$0	-\$6,064,003	\$446,745	\$0	\$446,745	\$0	\$0	\$20,402	\$5,778,158
11	2027-28	\$11,339,531	\$206,383	\$0	-\$6,097,495	\$453,581	\$0	\$453,581	\$0	\$0	\$20,416	\$5,922,416
12	2028-29	\$11,339,531	\$206,383	\$0	-\$6,171,321	\$453,581	\$0	\$453,581	\$0	\$0	\$20,424	\$5,848,598
13	2029-30	\$11,339,531	\$206,383	\$0	-\$6,171,326	\$453,581	\$0	\$453,581	\$0	\$0	\$20,666	\$5,848,835
14	2030-31	\$11,339,531	\$206,383	\$0	-\$6,171,326	\$453,581	\$0	\$453,581	\$0	\$0	\$20,424	\$5,848,593
15	2031-32	\$11,339,531	\$206,383	\$0	-\$6,171,326	\$453,581	\$0	\$453,581	\$0	\$0	\$20,424	\$5,848,593

Table 3 - "Value Limitation Revenue Model" - Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture at the \$514,000 Level	Additional Local M&O Collections	Additional Local M&O Collections	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
QTP 1	2015-16	\$10,422,471	\$129,033	\$1,756,561	-\$6,329,421	\$416,899	\$0	\$416,899	\$0	\$0	\$19,562	\$6,415,105
QTP 2	2016-17	\$10,772,446	\$169,934	\$755,726	-\$5,719,462	\$430,898	\$0	\$430,898	\$0	\$0	\$19,605	\$6,429,147
1	2017-18	\$10,922,471	\$169,934	\$0	-\$5,100,845	\$436,899	\$0	\$436,899	\$0	\$0	\$20,347	\$6,448,806
2	2018-19	\$10,922,471	\$206,383	\$0	-\$5,176,391	\$436,899	\$0	\$436,899	\$0	\$0	\$20,354	\$6,409,716
3	2019-20	\$10,922,471	\$206,383	\$0	-\$5,176,391	\$436,899	\$0	\$436,899	\$0	\$0	\$20,354	\$6,409,716
4	2020-21	\$10,922,471	\$206,383	\$0	-\$5,176,391	\$436,899	\$0	\$436,899	\$0	\$0	\$20,354	\$6,409,716
5	2021-22	\$10,922,471	\$206,383	\$0	-\$5,761,964	\$436,899	\$0	\$436,899	\$0	\$0	\$20,587	\$5,824,376
6	2022-23	\$10,922,471	\$206,383	\$0	-\$5,761,964	\$436,899	\$0	\$436,899	\$0	\$0	\$20,354	\$5,824,142
7	2023-24	\$10,922,471	\$206,383	\$0	-\$5,761,964	\$436,899	\$0	\$436,899	\$0	\$0	\$20,354	\$5,824,142
8	2024-25	\$10,922,471	\$206,383	\$0	-\$5,761,964	\$436,899	\$0	\$436,899	\$0	\$0	\$20,354	\$5,824,142
9	2025-26	\$10,922,471	\$206,383	\$0	-\$5,761,964	\$436,899	\$0	\$436,899	\$0	\$0	\$20,587	\$5,824,376
10	2026-27	\$10,922,471	\$206,383	\$0	-\$5,761,964	\$436,899	\$0	\$436,899	\$0	\$0	\$20,354	\$5,824,142
11	2027-28	\$11,339,531	\$206,383	\$0	-\$5,986,952	\$453,581	\$0	\$453,581	\$0	\$0	\$20,404	\$6,032,947
12	2028-29	\$11,339,531	\$206,383	\$0	-\$6,171,321	\$453,581	\$0	\$453,581	\$0	\$0	\$20,424	\$5,848,598
13	2029-30	\$11,339,531	\$206,383	\$0	-\$6,171,326	\$453,581	\$0	\$453,581	\$0	\$0	\$20,666	\$5,848,835
14	2030-31	\$11,339,531	\$206,383	\$0	-\$6,171,326	\$453,581	\$0	\$453,581	\$0	\$0	\$20,424	\$5,848,593
15	2031-32	\$11,339,531	\$206,383	\$0	-\$6,171,326	\$453,581	\$0	\$453,581	\$0	\$0	\$20,424	\$5,848,593

Table 4 - "Baseline Revenue Model" Less "Value Limitation Model"

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture at the \$514,000 Level	Additional Local M&O Collections	Additional Local M&O Collections	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
QTP 1	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP 2	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2017-18	-\$1,522,000	\$0	\$0	\$726,695	-\$60,880	\$0	-\$60,880	\$0	\$0	-\$184	-\$856,369
2	2018-19	-\$1,380,240	\$0	\$0	\$1,416,165	-\$55,210	\$0	-\$55,210	\$0	\$0	-\$239	-\$19,524
3	2019-20	-\$1,238,480	\$0	\$0	\$1,277,723	-\$49,539	\$0	-\$49,539	\$0	\$0	-\$215	-\$10,511
4	2020-21	-\$1,096,720	\$0	\$0	\$1,139,307	-\$43,869	\$0	-\$43,869	\$0	\$0	-\$191	-\$1,473
5	2021-22	-\$954,960	\$0	\$0	\$994,213	-\$38,198	\$0	-\$38,198	\$0	\$0	-\$188	\$867
6	2022-23	-\$813,200	\$0	\$0	\$855,725	-\$32,528	\$0	-\$32,528	\$0	\$0	-\$143	\$9,853
7	2023-24	-\$671,440	\$0	\$0	\$717,262	-\$26,858	\$0	-\$26,858	\$0	\$0	-\$120	\$18,845
8	2024-25	-\$529,680	\$0	\$0	\$578,827	-\$21,187	\$0	-\$21,187	\$0	\$0	-\$96	\$27,864
9	2025-26	-\$387,920	\$0	\$0	\$440,419	-\$15,517	\$0	-\$15,517	\$0	\$0	-\$80	\$36,902
10	2026-27	-\$246,160	\$0	\$0	\$302,039	-\$9,846	\$0	-\$9,846	\$0	\$0	-\$48	\$45,984
11	2027-28	\$0	\$0	\$0	\$110,543	\$0	\$0	\$0	\$0	\$0	-\$12	\$110,532
12	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5: Estimated Financial Impact of the PV-LoneStarSolar, LLC Property Value Limitation Request Submitted to McCamey ISD at \$1.04 M&O Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
QTP 1	2015-16	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0
QTP 2	2016-17	\$8,860,000	\$8,860,000	\$0	\$1.040	\$92,144	\$92,144	\$0	\$0	\$0	\$0
LP 1	2017-18	\$177,200,000	\$25,000,000	\$152,200,000	\$1.040	\$1,842,880	\$260,000	\$1,582,880	\$1,582,880	-\$856,369	\$726,511
LP 2	2018-19	\$163,024,000	\$25,000,000	\$138,024,000	\$1.040	\$1,695,450	\$260,000	\$1,435,450	\$1,435,450	-\$19,524	\$1,415,926
LP 3	2019-20	\$148,848,000	\$25,000,000	\$123,848,000	\$1.040	\$1,548,019	\$260,000	\$1,288,019	\$1,288,019	-\$10,511	\$1,277,508
LP 4	2020-21	\$134,672,000	\$25,000,000	\$109,672,000	\$1.040	\$1,400,589	\$260,000	\$1,140,589	\$1,140,589	-\$1,473	\$1,139,116
LP 5	2021-22	\$120,496,000	\$25,000,000	\$95,496,000	\$1.040	\$1,253,158	\$260,000	\$993,158	\$993,158	\$0	\$993,158
LP 6	2022-23	\$106,320,000	\$25,000,000	\$81,320,000	\$1.040	\$1,105,728	\$260,000	\$845,728	\$845,728	\$0	\$845,728
LP 7	2023-24	\$92,144,000	\$25,000,000	\$67,144,000	\$1.040	\$958,298	\$260,000	\$698,298	\$698,298	\$0	\$698,298
LP 8	2024-25	\$77,968,000	\$25,000,000	\$52,968,000	\$1.040	\$810,867	\$260,000	\$550,867	\$550,867	\$0	\$550,867
LP 9	2025-26	\$63,792,000	\$25,000,000	\$38,792,000	\$1.040	\$663,437	\$260,000	\$403,437	\$403,437	\$0	\$403,437
LP 10	2026-27	\$49,616,000	\$25,000,000	\$24,616,000	\$1.040	\$516,006	\$260,000	\$256,006	\$256,006	\$0	\$256,006
VP 1	2027-28	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$0
VP 2	2028-29	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$0
VP 3	2029-30	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$0
14	2030-31	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$0
15	2031-32	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$0
						\$13,729,456	\$4,535,024	\$9,194,432	\$9,194,432	-\$887,876	\$8,306,556

QTP = Qualifying Time Period

LP = Limitation Period

VP = Continue to Maintain Viable Presence

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Estimated Financial Impact of the PV-LoneStarSolar, LLC #1082 Property Value Limitation Request Submitted to McCamey ISD at \$1.04 M&O Rate

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit \$100 per ADA	Company Tax Benefit
QTP 1	2015-16	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$54,800	-\$54,800
QTP 2	2016-17	\$8,860,000	\$8,860,000	\$0	\$1.040	\$92,144	\$92,144	\$0	\$0	\$0	\$54,800	-\$54,800
LP 1	2017-18	\$177,200,000	\$25,000,000	\$152,200,000	\$1.040	\$1,842,880	\$260,000	\$1,582,880	-\$856,369	\$726,511	\$54,800	\$671,711
LP 2	2018-19	\$163,024,000	\$25,000,000	\$138,024,000	\$1.040	\$1,695,450	\$260,000	\$1,435,450	-\$19,524	\$1,415,926	\$54,800	\$1,361,126
LP 3	2019-20	\$148,848,000	\$25,000,000	\$123,848,000	\$1.040	\$1,548,019	\$260,000	\$1,288,019	-\$10,511	\$1,277,508	\$54,800	\$1,222,708
LP 4	2020-21	\$134,672,000	\$25,000,000	\$109,672,000	\$1.040	\$1,400,589	\$260,000	\$1,140,589	-\$1,473	\$1,139,116	\$54,800	\$1,084,316
LP 5	2021-22	\$120,496,000	\$25,000,000	\$95,496,000	\$1.040	\$1,253,158	\$260,000	\$993,158	\$0	\$993,158	\$54,800	\$938,358
LP 6	2022-23	\$106,320,000	\$25,000,000	\$81,320,000	\$1.040	\$1,105,728	\$260,000	\$845,728	\$0	\$845,728	\$54,800	\$790,928
LP 7	2023-24	\$92,144,000	\$25,000,000	\$67,144,000	\$1.040	\$958,298	\$260,000	\$698,298	\$0	\$698,298	\$54,800	\$643,498
LP 8	2024-25	\$77,968,000	\$25,000,000	\$52,968,000	\$1.040	\$810,867	\$260,000	\$550,867	\$0	\$550,867	\$54,800	\$496,067
LP 9	2025-26	\$63,792,000	\$25,000,000	\$38,792,000	\$1.040	\$663,437	\$260,000	\$403,437	\$0	\$403,437	\$54,800	\$348,637
LP 10	2026-27	\$49,616,000	\$25,000,000	\$24,616,000	\$1.040	\$516,006	\$260,000	\$256,006	\$0	\$256,006	\$54,800	\$201,206
VP 1	2027-28	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$54,800	-\$54,800
VP 2	2028-29	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$54,800	-\$54,800
VP 3	2029-30	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$54,800	-\$54,800
14	2030-31	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$54,800	-\$54,800
15	2031-32	\$35,440,000	\$35,440,000	\$0	\$1.040	\$368,576	\$368,576	\$0	\$0	\$0	\$0	\$0
						\$13,729,456	\$4,535,024	\$9,194,432	-\$887,876	\$8,306,556	\$876,800	\$7,539,356

QTP = Qualifying Time Period
 LP = Limitation Period
 VP = Viable Presence

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.



Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT F
Comptroller's 2014 ISD Summary Worksheet - McCamey ISD



Glenn Hegar

Texas Comptroller of Public Accounts

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2014 ISD Summary Worksheet

231/Upton

231-901/McCamey ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	36,163,780	N/A	36,163,780	36,163,780
B. Multi-Family Residences	21,980	N/A	21,980	21,980
C1. Vacant Lots	1,090,499	N/A	1,090,499	1,090,499
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	814,715	.9862	826,120	814,715
D2. Real Prop Farm & Ranch	426,220	N/A	426,220	426,220
E. Real Prop NonQual Acres	4,624,430	N/A	4,624,430	4,624,430
F1. Commercial Real	8,135,830	N/A	8,135,830	8,135,830
F2. Industrial Real	3,454,590	N/A	3,454,590	3,454,590
G. Oil, Gas, Minerals	993,805,614	1.0328	962,244,010	993,805,614
J. Utilities	110,389,550	.9736	113,382,857	110,389,550
L1. Commercial Personal	7,913,690	N/A	7,913,690	7,913,690
L2. Industrial Personal	118,395,460	N/A	118,395,460	118,395,460
M. Other Personal	771,800	N/A	771,800	771,800
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0

Subtotal	1,286,008,158		1,257,451,266	1,286,008,158
Less Total Deductions	16,599,694		16,599,694	16,599,694
Total Taxable Value	1,269,408,464		1,240,851,572	1,269,408,464 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
1,274,728,652	1,269,408,464	1,272,357,336	1,267,037,148	1,269,462,118	1,267,090,802

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
5,320,188	2,371,316

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
1,274,728,652	1,269,408,464	1,272,357,336	1,267,037,148	1,269,462,118	1,267,090,802

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

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Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT G
Proposed Agreement Between
McCamey ISD and
PV-LoneStarSolar, LLC



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

December 11, 2015

Jan Hunt
Superintendent
McCamey Independent School District
111 E. 11th St.
McCamey, Texas 79752

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between McCamey Independent School District and Lone Star Solar, LLC

Dear Superintendent Hunt:

This office has been provided with the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes" by and between McCamey Independent School District and Lone Star Solar, LLC (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

If you need additional information or have questions, please contact John Villarreal, Economic Development & Local Government Section, at (512) 463-5241.

Sincerely,

A handwritten signature in black ink that reads "Korry Castillo". The signature is fluid and cursive, with the first name "Korry" and the last name "Castillo" clearly legible.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Sara Leon, Powell and Leon, LLP
Alan Knepper, PV-LoneStarSolar, LLC
Mike Fry, KE Andrews

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE
OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES**

by and between

MCCAMEY INDEPENDENT SCHOOL DISTRICT

and

PV-LONESTARSOLAR, LLC

(Texas Taxpayer ID # 32057439138)

TEXAS COMPTROLLER APPLICATION NUMBER 1082

Dated

December 15, 2015

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS §

COUNTY OF UPTON §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **MCCAMEY INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as “District,” a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **PV-LONESTARSOLAR, LLC**, Texas Taxpayer Identification Number 32057439138 hereinafter referred to as “Applicant.” Applicant and District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on May 29, 2015, the Superintendent of Schools of the McCamey Independent School District, acting as agent of the Board of Trustees of District, received from Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the application;

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025(a-1) of the TEXAS TAX CODE; and,

WHEREAS, the District and Texas Comptroller’s Office have determined that the application is complete and September 10, 2015 is the Application Review Start Date as that term is defined by 34 TEX. ADMIN. CODE 9.1051;

WHEREAS, pursuant to 34 TEX. ADMIN. CODE §9.1054, the Application was delivered for review to the Upton County Appraisal District established in Upton County, Texas (the “Upton County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on December 1, 2015 issued a certificate for limitation on

appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.026 of the TEXAS TAX CODE;

WHEREAS, on December 15, 2015, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on December 15, 2015, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant's Qualified Property; (iii) the project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas;

WHEREAS, on December 15, 2015, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on December 11, 2015, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and,

WHEREAS, on December 15, 2015, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS.

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEX. ADMIN. CODE §9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEX. ADMIN. CODE §9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Section 10.2.

“Applicable School Finance Law” means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

“Applicant” means PV-LoneStarSolar, LLC (*Texas Taxpayer ID # 32057439138*), the company listed in the Preamble of this Agreement and that listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include Applicant’s assigns and successors-in-interest as approved according to Section 10.2 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in Section 3.3 of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with District by Applicant on June 25, 2015. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with District. The term also includes all amendments and supplements thereto submitted by Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which District issues its written notice that Applicant has submitted a completed application or the date on which Comptroller issues its written notice that Applicant has submitted a completed application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

“Appraisal District” means the Upton County Appraisal District.

“Board of Trustees” means the Board of Trustees of the McCamey Independent School District

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of Comptroller set forth in Chapter 34 Texas Administrative Code, Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Upton County, Texas.

“District” or “School District” means the McCamey Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each party must inform the other in writing with proof of receipt within three business days of the existence of such force majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the development, construction and operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the retention during the term of this Agreement of the number of New Qualifying Jobs set forth in its Application by Applicant; (iii) and continue the average weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"New Qualifying Jobs" means the total number of jobs to be created and maintained by Applicant after the Application Approval Date in connection with the Project which is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(4) of the TEXAS TAX CODE.

"Qualified Investment" has the meaning set forth in Chapter 313 of the TEXAS TAX CODE, as interpreted by Comptroller's Rules, as these provisions existed on the Application Review Start Date.

"Non-Qualifying Jobs" means the number of New Non-Qualifying Jobs, as defined in 34 TAC §9.0151, to be created and maintained by the Applicant after the Application Approval Date in connection with the Project which is the subject of its Application.

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code and as interpreted by Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of the Application is approved by District,

"Qualifying Time Period" means the period that begins on the date of approval of this Agreement by District's Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property in the amount required by the Act, the Comptroller's rules, and this Agreement and as further identified in Section 2.3.C of this Agreement.

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

“State” means the State of Texas.

“Substantive Document” means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the school district and any subsequent amendments or assignments, and any school district written finding or report filed with the comptroller as required under this subchapter.

“Supplemental Payment” has the meaning as set forth in Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Applicant’s Qualified Property for each tax year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

“Texas Education Agency Rules” means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the TEXAS TAX CODE, which are set forth at 19 TEX. ADMIN. CODE, Part 2, together with any court or administrative decisions interpreting same.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

This Agreement is executed by District as its written agreement with Applicant pursuant to the provisions and authority granted to District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE.

In consideration of the execution of and subsequent performance of the terms and obligations by Applicant pursuant to this Agreement, identified in Section 2.5 and 2.6 and as more fully specified in this Agreement, the value of Applicant's Qualified Property listed and assessed by the County Appraiser for District's operation and maintenance ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is September 10, 2015 which will determine Applicant's Qualified Property and applicable wage standard.

B. The Application Approval Date for this Agreement is December 15, 2015, which will determine the qualifying time period.

C. The Qualifying Time Period for this agreement:
1. Starts on December 15, 2015, Application Approval Date; and
2. Ends on December 31, 2017; being the second complete tax year after the effective date of this agreement

D. The Tax Limitation Period for this Agreement:
1. Starts on January 1, 2017
2. Ends on December 31, 2026.

E. The Final Termination Date for this Agreement is December 31, 2031.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Subsection B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection E, unless extended by the express terms of this Agreement.

2.4. TAX LIMITATION.

So long as Applicant makes the Qualified Investment as defined by Section 2.5 below, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

A. The Market Value of the Applicant's Qualified Property; or,

B. Twenty Five Million Dollars (\$25,000,000.00)

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Section 313.052 of the TEXAS TAX CODE.

2.5. QUALIFIED INVESTMENT FOR TAX LIMITATION ELIGIBILITY.

In order to be eligible and entitled to receive the value limitation identified in 2.4 for the Qualified Property identified in Article III, Applicant shall:

A. have completed Qualified Investment in the amount of Twenty Five Million Dollars (\$25,000,000.00) by the end of the Qualifying Time Period;

B. have created the number of Qualifying Jobs specified in, and in the time period specified on, Schedule C of the Application; and

C. be paying the average weekly wage of all jobs in the county in which District's administrative office is located for all non-qualifying jobs created by Applicant.

2.6. TAX LIMITATION OBLIGATIONS.

In order to receive and maintain the limitation authorized by 2.4, Applicant shall:

A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;

C. provide such supplemental payments as more fully specified in Article VI; and

D. create and Maintain Viable Presence on and/or with the qualified property and perform additional obligations as more fully specified in Article VII of this Agreement.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of making the Qualified Investment and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS

TAX CODE. The legal description of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described on **EXHIBIT 2** which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

If at any time after the Application Approval Date there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**; or, upon a reasonable request of District, Comptroller, the Appraisal District, or the State Auditor's Office, Applicant shall provide to District, Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE.

Applicant's Qualified Property described above in Section 2.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy electric generation facility.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES.

In conformance with the provisions of Texas Tax Code § 313.027(f)(1), it is the intent of the Parties that the District shall be compensated over the course of this Agreement by the Applicant for: (i) any monetary loss that the District incurs in its Maintenance and Operations Revenue; or, (ii) for any new uncompensated operating cost incurred as a sole and direct result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Subject to the limitations contained in this Agreement. It is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all support due under Article VI.

A. The calculation of the amount of any Revenue Protection Amount required to be paid by Applicant under this Article IV shall be made for the first time for the first complete tax year following the start of Commercial Operations.

B. For purposes of this Article IV, and of Section 2.3(d)(1), above, the term “Commercial Operations” means the date on which Project described in **EXHIBIT 3**, below becomes commercially operational and placed into service, such that it has been constructed, tested, and is fully capable of commercial generation and transmission of electricity.

C. Within 60 days from the date commercial operations begin, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such qualified property within the boundaries of the land which is subject to the agreement, if such final description is different than the description provided in the application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.

The amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the “M&O Amount”) shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O Amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. “Original M&O Revenue” means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year.
- ii. “New M&O Revenue” means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this agreement.

In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property and/or the Applicant’s Qualified Investment will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years 2015 through 2026 of this Agreement under Section 4.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CUMULATIVE PAYMENT LIMITATION.

In no event shall the Cumulative Payments made by Applicant to the District exceed an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the Commencement Date through Tax Year 2026. For each year of this Agreement, amounts due and owing by Applicant to the District which, by virtue of the application of payment limitation set forth in this Section are not payable to the District for a given year, shall be carried forward to future years, but shall be subject, in each subsequent year to the limit set forth in this Section.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected each year by the District. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- A. All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 herein.
- B. Any other loss of District revenues which are, or may be reasonably attributable to the payment by the Applicant to or on behalf of any third party beneficiary of this Agreement.
- C. Any other costs to the District, including costs under Subsection 8.6(c), below, which are or may be attributable to compliance with State imposed costs of compliance with the terms of this Agreement.

Section 4.5. CALCULATIONS TO BE MADE BY THIRD PARTY.

Except for any certifications made by the District's external auditor under Article V, all calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 9.5 of this Agreement.

Section 4.6. DATA USED FOR CALCULATIONS.

The calculations under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the

Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.7. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties the calculations required under Section 4.2 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of four (4) years after the Final Termination date of this Agreement. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 4.8, if such fee is timely paid.

Section 4.8. PAYMENT BY APPLICANT.

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, reports required by any state agency, disclosures, other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of any total expenses under this Section and Section 4.6, above, in excess of Fifteen Thousand Dollars (\$15,000.00).

Section 4.9. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to Section 4.6 of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the calculation. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the calculations.

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

In the event that, at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of a new value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.11. EFFECT OF STATUTORY CHANGES.

Notwithstanding any other provision in this Agreement, but subject only to the limitations contained in Section 7.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or to other governmental entities including the Appraisal District, because of its participation in this Agreement, the Applicant shall make payments to the District, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Section

4.10, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 9.5.

Section 4.12. OPTION TO CANCEL AGREEMENT

In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment and so long as the Appraised Value Limitation described in Section 2.4 has not been applied to Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes for such tax year, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 4.12, this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties' respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES.

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

A. all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the Project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Project; and

B. any other loss of District revenues related to the Project which are, or may be attributable to the payment by Applicant to or on behalf any other third party beneficiary.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

In interpreting the provisions of Article IV, V and VI, the Parties agree as follows:

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article IV, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under Article VI of this agreement are separate and independent of the obligation of the Applicant to pay the amounts described in Article IV; provided, however, that all payments under Articles IV, V and VI are subject to such limitations as are contained in Section 7.1, and that all payments under Article VI are subject to the separate limitations contained in Section 6.4.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

C. Definitions. As used in Article IV and this Article VI, the following terms shall be defined as follows:

- i. "Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under each of Article IV, Article V and Article VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant for all previous Tax Years under Article IV and Article VI of this Agreement.
- ii. "Cumulative Unadjusted Tax Benefit" means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for the applicable Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years of this Agreement.
- iii. "Unadjusted Tax Benefit" means for each Tax Year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant's taxable value for debt service taxes for each applicable Tax

Year, minus the Tax Limitation Amount defined in Section 2.4 above, as Twenty Five Million Dollars (\$25,000,000.00), multiplied by the District's Maintenance & Operations tax rate for the applicable Tax Year.

- iv. "Net Tax Benefit" means (a) the amount of maintenance and operations ad valorem taxes that the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (b) adding to the amount determined under clause, and (c) subtracting from the sum of the amounts determined under clauses (a) and (b) the sum of (d) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (e) any payments due to the District under Article IV under this Agreement as well as the Annual Limit.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. Notwithstanding the foregoing, the total annual supplement payment made pursuant to this article shall:

i. not exceed in any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year; and

ii. only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

B. This limitation does not apply to amounts described by Section 313.027(f)(1)-(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

C. For purposes of this Agreement, the amount of the Annual Limit shall be \$54,800, based upon the District's 2015-2016 Average Daily Attendance of 548, rounded to the whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION.

A. During the entire term of this Agreement, District shall, subject to the limitations set forth in Subsection 6.3(B) and Section 7.1, below, be entitled to receive supplemental payments equal to the Annual Limit, as defined in Section 6.2(C), above.

B. Beginning with the first year of the Tax Limitation Period, as defined in Section 2.3(D)(1), above, and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, Applicant's Supplemental Payment Obligation, set forth in Subsection

Agreement for Limitation on Appraised Value

Between McCamey Independent School District and PV-LoneStarSolar, LLC

TEXAS COMPTROLLER APPLICATION NUMBER 1082

December 15, 2015

Page 18

Texas Economic Development Act Agreement

6.3.(A) shall be further limited to an amount not to exceed Forty Percent (40%) of Applicant's Net Tax Benefit, as the term is defined in Section 6.1(C)(iii), above.

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT.

The Parties agree that for each Tax Year of this Agreement, beginning with Tax Year 2015, the first year of the qualifying time period specified in Section 2.3(c)(1) of this Agreement, the Stipulated Supplemental Payment amount, described in Section 6.2, above will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Minus,

Any amounts previously paid to the District under Article IV for such Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 6.2 and 6.3, above, with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party selected pursuant to Section 4.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

Section 6.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.4, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

C. The payment of all amounts due under this Article shall be made by December 31 of the tax year for which the payment is due.

Section 6.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments calculated as described in Section 6.5, above.

**ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

Section 7.1 ANNUAL LIMITATION.

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by Applicant to District for such Tax Year, plus the sum of all payments otherwise due from Applicant to District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that Applicant would have paid to District for such Tax Year (determined by using District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 4.2 of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in

Agreement for Limitation on Appraised Value

Between McCamey Independent School District and PV-LoneStarSolar, LLC

TEXAS COMPTROLLER APPLICATION NUMBER 1082

December 15, 2015

Page 20

Texas Economic Development Act Agreement

said clause (ii), then the payments otherwise due from Applicant to District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT.

In the event that any payment otherwise due from Applicant to District under Article IV, Article V, and/or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1 above, then the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option to terminate this Agreement by notifying District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION.

Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments, records and dispute resolution shall survive the termination or expiration dates of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.

In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall Maintain Viable Presence in District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure. The Final Termination Date will only be extended for the mutually agreed length of the Force Majeure.

Section 8.2. REPORTS.

In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall submit the following reports completed by Applicant to the satisfaction of Comptroller on the dates indicated on the form and starting on the first such due date after the Application Approval Date:

A. The Annual Eligibility Report, Form 50-772 located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-772.pdf>;

B. The Biennial Progress Report, Form 50-773, located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-773.pdf>; and

C. The Job Creation Compliance Report, Form 50-825, located at the Comptroller website http://www.texasahead.org/tax_programs/chapter313/forms.php.

Section 8.3. COMPTROLLER'S ANNUAL REPORT ON CHAPTER 313 AGREEMENTS.

During the term of this Agreement, both Parties shall provide Comptroller with all information reasonably necessary for Comptroller to assess performance under this Agreement for the purpose of issuing Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS.

During the term of this Agreement, and upon the written request of District, the State Auditor's Office, or Comptroller, the Applicant shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW.

Applicant shall allow authorized employees of District, the Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records, in accordance with Section 22.07 of the TEXAS TAX CODE, from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of Applicant, and shall be conducted in accordance with Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide District, Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS.

This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE, and the following requirements:

A. District and Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. Applicant and District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the later of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. District and Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to the Applicant's Qualified Property, Qualified Investment, Qualifying Jobs, and wages paid for Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by Comptroller, State Auditor's Office, State of Texas or their authorized representatives. Applicant and District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, Applicant's failure to comply with this Section shall constitute a material breach of this Agreement.

C. Comptroller may require, at Applicant's or District's sole cost and expense, as applicable, independent audits by a qualified certified public accounting firm of Applicant's, District's or the Comptroller's books, records, or property. The independent auditor shall provide Comptroller with a copy of such audit at the same time it is provided to Applicant and/or District.

D. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE, the state auditor may conduct an audit or investigation of Applicant or District or any other entity or person receiving funds from the

state directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by Applicant or District or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Applicant or District or other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. This Agreement may be amended unilaterally by Comptroller to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.003 of the TEXAS GOVERNMENT CODE.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which Comptroller would not have approved this Agreement and District would not executed this Agreement. By signature to this Agreement, Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct; and

B. acknowledges that if Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that Applicant has violated any of the representations, warranties, guarantees, certifications or affirmations included in the Application or this Agreement, Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Tex. Admin. Code § 9.1053(f)(2)(L).

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to a material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. Applicant failed to have complete Qualified Investment as required by Section 2.5 of this Agreement;

C. Applicant failed to create the number of Qualifying Jobs specified in Schedule C of the Application;

D. Applicant failed to pay the average weekly wage of all jobs in the county in which District's administrative office is located for all Non-Qualifying Jobs created by Applicant;

E. Applicant failed to provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

F. Applicant failed to provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V of this Agreement;

G. Applicant failed to provide such supplemental payments as more fully specified in Article VI of this Agreement;

H. Applicant failed to create and Maintain Viable Presence on and/or with the qualified property as more fully specified in Article VIII of this Agreement;

I. Applicant failed to submit the reports required to be submitted by section 8.2 to the satisfaction of Comptroller on the dates indicated on the form;

J. Applicant failed to provide the District or Comptroller with all information reasonably necessary for District or Comptroller determine whether Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

K. Applicant failed to allow authorized employees of District, Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property;

L. Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with the Agreement.

M. Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles III and IV, of this Agreement; or

N. Applicant fails either to:

- i. Implement a plan to remedy non-compliance as required by Comptroller pursuant to 34 TAC Section 9.1059; or
- ii. Pay a penalty assessed by Comptroller pursuant to 34 TAC Section 9.1059.

Section 9.2. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that Applicant terminates this Agreement without the consent of District, except as provided in Section 7.2 of this Agreement, or in the event that Applicant fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 9.3, then District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 9.3.C on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A, in the event that District determines that Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then Applicant shall pay to District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by Applicant to District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

C. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, District shall first determine the base amount of recaptured taxes less all credits under Section 9.2.A owed for each Tax Year during the Tax Limitation Period. District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.2.A had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH.

In accordance with the provisions of Section 313.0275 of the Texas Tax Code, for any full tax year which commences after the project has become operational, Applicant may cure the Material Breaches of this Agreement, defined in Sections 9.1.C. or 9.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 9.1.C. or 9.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Section 313.0275(b) of the Texas Tax Code, in accordance with the provisions of Section 313.0275(c) of the Texas Tax Code.

Section 9.3. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in District as required by Section 8.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, District shall provide Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by District. After receipt of the notice, Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

B. If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 9.2.A and B (net of all credits under Section 9.2.A and B), and the amount of any penalty and/or interest under Section 9.2.C that are owed to District.

C. After making its determination regarding any alleged breach, the Board of Trustees shall cause Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination.").

Section 9.4. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.3, Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written

notice to District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 9.3, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Upton County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) District shall bear one-half of such mediator's fees and expenses and Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Chapter 33, Subchapters B and C, of the Texas Tax Code for the collection of delinquent taxes. In the event that District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on Applicant's Qualified Property and Applicant's Qualified Investment pursuant to Section 33.07 of the Texas Tax Code to the attorneys representing District pursuant to Section 6.30 of the Texas Tax Code.

C. In any event where a dispute between District and Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either District or Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 9.5. LIMITATION OF OTHER DAMAGES.

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 9.2 above, or the monetary sum of the difference between the payments and credits due and owing to Applicant at the time of such default and District taxes that would have been lawfully payable to District had this Agreement not been executed. In addition, District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. BINDING ON SUCCESSORS.

In the event of a merger or consolidation of District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with “answer back” or other “advice of receipt” obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to District shall be addressed to District’s Authorized Representative as follows:

	To the District	With copy to
Name:	McCamey ISD	Powell & Leon. LLP
Attn:	Superintendent Jan Hunt, Or her successor	Attn: Sara Hardner Leon
Address:	111 East 11 th Street	115 Wild Basin Road #106
City/Zip:	McCamey, Texas 79752	West Lake Hills TX 78746
Phone :	(432)652-3666	Phone : (512) 494-1177
Fax :	(432) 652-4219	Fax : (512) 494-1188
Email:	janhunt@mcisd.esc18.net	sleon@powell-leon.com

C. Notices to Applicant shall be addressed to its Authorized Representative as follows:

Alan Knepper, Principal
PV-LoneStarSolar, LLC
1328 Pontiac Street, Suite 100
Denver, Colorado
Tel. 303-378-2554
awknepper@comcast.net

with a copy to:

Michael Fry
KE Andrews
Tel. 469-298-1594
Fax: 469-298-1619
mike@keatax.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as Applicant may designate by written notice to District.

Section 10.2. AMENDMENTS TO AGREEMENT; WAIVERS.

Section 10.2. AMENDMENTS TO AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of subsection B hereof. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

B. By official action of the District's Board of Trustees, this Agreement may only be amended according to the following:

- i. Applicant shall submit to District and Comptroller:
 - a. a written request to amend the Application and this Agreement which shall specify the changes Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by District and considered by Comptroller;
 - c. and any additional information requested by District or Comptroller necessary to evaluate the amendment or modification; and
- ii. Comptroller shall review the request and any additional information and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by Comptroller by the end of the 90 day period, the request is denied;
- iii. If Comptroller has not denied the request, District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 10.3 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the Texas Tax Code;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- iii. define minimum eligibility requirements for the recipient of limited value.

d. This Agreement may not be amended to extend the value limitation time period beyond its ten year statutory term.

Section 10.3 [Intentionally Left Blank]

Section 10.4. ASSIGNMENT.

Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.3 regarding amendments to the Agreement.

Section 10.5. MERGER.

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS.

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 10.7. GOVERNING LAW.

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Upton County.

Section 10.8. AUTHORITY TO EXECUTE AGREEMENT.

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.9. SEVERABILITY.

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.10. PAYMENT OF EXPENSES.

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.11. INTERPRETATION.

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase " , but not limited to,". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 10.12. EXECUTION OF COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.13. PUBLICATION OF DOCUMENTS.

The Parties acknowledge that District is required to publish Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of such document, the school district shall submit a copy to Comptroller for Publication on Comptroller's Internet website;

B. District shall provide on its website a link to the location of those documents posted on Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the Texas Tax Code.

Section 10.14. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

Applicant shall immediately notify District in writing of any actual or anticipated change in the control or ownership of Applicant and of any legal or administrative investigations or proceedings initiated against Applicant regardless of the jurisdiction from which such proceedings originate.

Section 10.15. DUTY TO DISCLOSE.

If circumstances change or additional information is obtained regarding any of the representations and warranties made by Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, Applicant's duty to disclose continues throughout the term of this Contract.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 15th day of December, 2015.

PV-LONESTARSOLAR, LLC

By: Robert Reichenberger
Authorized Representative

Name: ROBERT REICHENBERGER

Title: AUTHORIZED REPRESENTATIVE

MCCAMEY INDEPENDENT SCHOOL DISTRICT

By: Christy Hodges
CHRISTY HODGES, President
Board of Trustees

Attest:
By: Kim Smart
KIM SMART, Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

A map of the reinvestment zone is attached as the second page of this **EXHIBIT 1** following the legal description:

Beginning at the point of the perimeter of the area designated as the reinvestment zone and at the southwestern corner of Upton County Section 12 (Abstract 832) at a point at Lat 31.250200, Lon -102.28567,

Thence: Directly North approximately 870 feet to a point at Lat 31.252646, Lon -102.285726,

Thence: Directly West approximately 2500 feet to a point at Lat 31.252649, Lon -102.293656,

Thence: Directly North approximately 6250 feet to a point at Lat 31.269823, Lon -102.293799,

Thence: N 75°E for a distance of 4490 feet to a point at Lat 31.273076, Lon -102.279995,

Thence: Directly East for a distance of 11250 feet to a point at Lat 31.272301, Lon -102.244097,

Thence: Directly South for a distance of 6520 feet to a point at Lat 31.254331, Lon -102.244767,

Thence: S 53°W for a distance of 7680 feet to a point at Lat 31.241617, Lon -102.264313,

Thence: Directly West for a distance of 6800 feet to a point at Lat 31.242014, Lon -102.285991,

Thence: Directly North for a distance of 3000 feet to the starting point at Lat 31.250200, Lon -102.28567

Reinvestment Zone

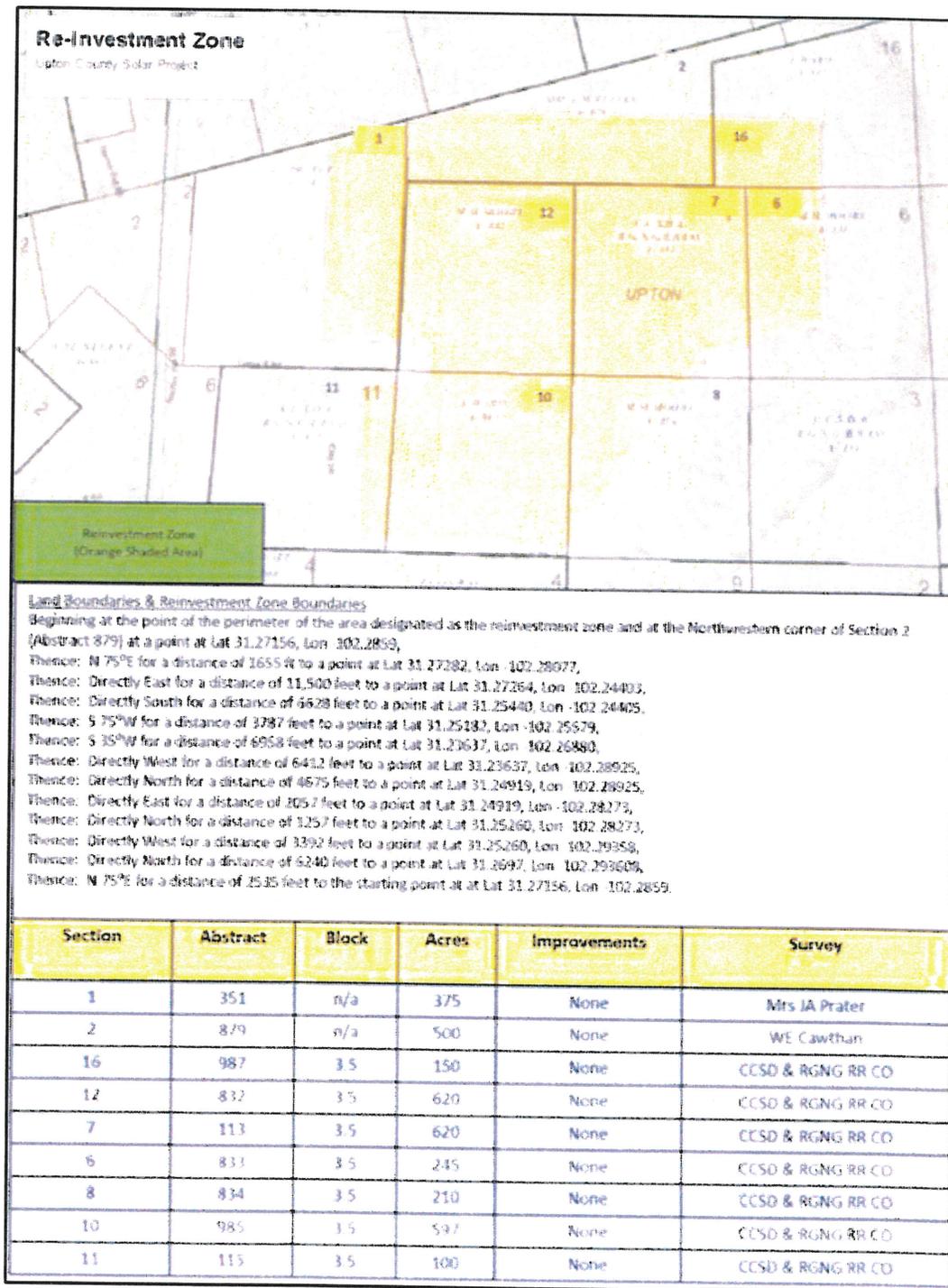


EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

The Qualified Investment is described below:

- A 120 MV solar power generating facility containing:
- Photovoltaic (PV) Solar Panels and DC-to-AC Inverters;
- Tracker system infrastructure;
- Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment;
- Inverter boxes on concrete or gravel pads;
- Fencing for safety and security, Video Security System;
- Telephone System and Data Systems for communication and remote monitoring;
- Maintenance trailer and office equipment;
- Meteorological equipment to measure solar irradiance & weather conditions; and
- New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid.

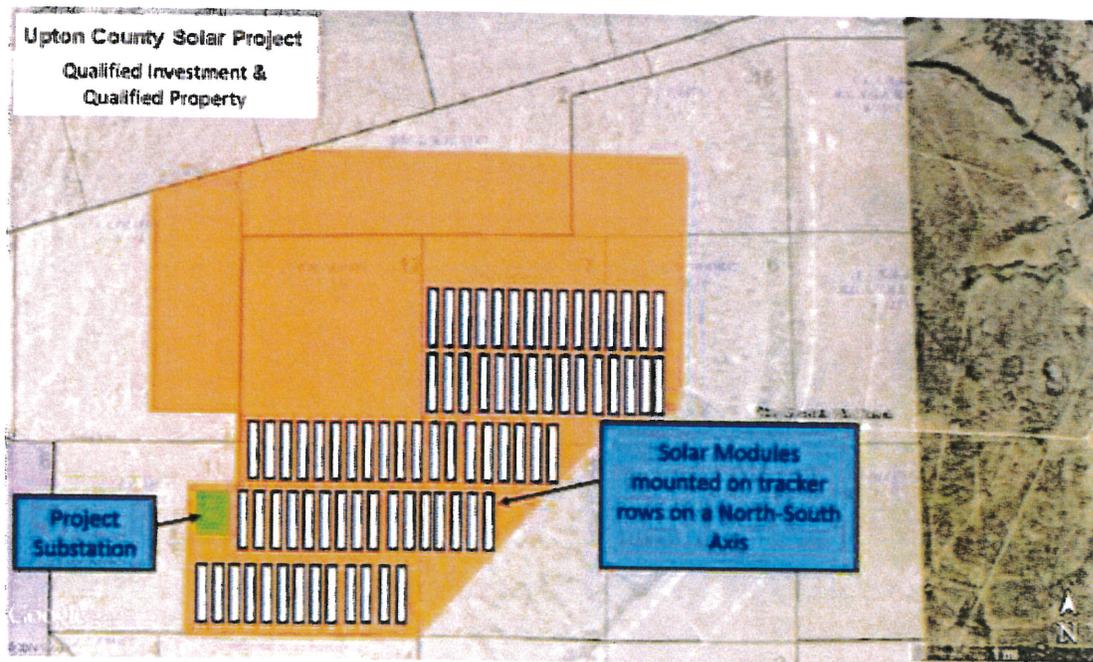


EXHIBIT 3

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

All of the Qualified property will be located on 1500 acres of land in Upton County, TX, in the following Sections:

- Section 7, Abstract 113, Block 3 ., CCSD & GGNG RR CO Survey, ~450 acres
- Section 6, Abstract 833, Block 3 ., CCSD & GGNG RR CO Survey, ~200 acres
- Section 8, Abstract 834, Block 3 ., CCSD & GGNG RR CO Survey, ~320 acres
- Section 10, Abstract 985, Block 3 ., MM Moore Survey, ~640 acres
- Section 11, Abstract 115, CCSD & RGNG RR CO Survey, ~110 acres

The qualified property may be more fully described as:

- A 120 MV solar power generating facility containing:
- Photovoltaic (PV) Solar Panels and DC-to-AC Inverters;
- Tracker system infrastructure;
- Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment;
- Inverter boxes on concrete or gravel pads;
- Fencing for safety and security, Video Security System;
- Telephone System and Data Systems for communication and remote monitoring;
- Maintenance trailer and office equipment;
- Meteorological equipment to measure solar irradiance & weather conditions; and
- New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid.

Findings and Order of the McCamey Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
PV-LoneStarSolar, LLC (Tax ID 32057439138) (Application #1082)

ATTACHMENT H
Letter From the Texas Commissioner of
Education Regarding Impact on
Enrollment



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael Williams
Commissioner

September 11, 2015

Christy Hodges, President
Board of Trustees
McCamey Independent School District
111 East 11th Street
McCamey, TX 79752-1069

Dear Ms. Hodges:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed PV Lone Star Solar LLC project on the number and size of school facilities in McCamey Independent School District (MISD). Based on an examination of MISD enrollment and the number of potential new jobs, the TEA has determined that the PV Lone Star Solar LLC project should not have a significant impact on the number or size of school facilities in MISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al McKenzie', with a stylized flourish at the end.

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Janet Hunt