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

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by and between

MCCAMEY INDEPENDENT SCHOOL DISTRICT

and

MORADA DEL SOL, LLC

(Texas Taxpayer ID # 32056188546)

TEXAS COMPTROLLER APPLICATION NUMBER 1151

Dated

August 30, 2017

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

STATE OF TEXAS §
§
COUNTY OF UPTON §

THIS AMENDMENT TO THE AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, 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 **MORADA DEL SOL, LLC,** Texas Taxpayer Identification Number 32056188546 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 December 15, 2016, the Parties entered an Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and such Agreement remains in full force and effect; and,

WHEREAS, on, April 25, 2017, the Superintendent of Schools of the McCamey Independent School District, acting as agent of the Board of Trustees of District, received an Amended Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code (the "Amended Application"), and by such Amended Application, the Agreement holder, Morada del Sol, LLC sought to modify the description of the qualified property; and

WHEREAS, on June 23, 2017, the Texas Comptroller's Office determined that the Amended Application was complete; and,

WHEREAS, after examining Comptroller's State Franchise Tax records, the Board has determined that, at the time of the adoption of this Amendment, Morada del Sol, LLC remains an active franchise tax paying entity; and,

WHEREAS, pursuant to Section 10 of the Agreement, the Applicant has submitted to the District and Comptroller, a written request to amend the Application and the Agreement which specifies the changes Applicant requests; that is, modification of the description of the qualified property; any changes to the information that was provided in the Application that was approved by District and considered by Comptroller; and any additional information requested by District or Comptroller necessary to evaluate the amendment or modification; and,

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, and on June 30, 2017, issued an amended certificate for

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

WHEREAS, on August 22, 2017, the Texas Comptroller's Office approved the form of this Amended Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and,

WHEREAS, on, August 30, 2017, the Board of Trustees conducted a public hearing on the Amended Application, at which it solicited input into its deliberations on the Application from all interested persons within the District; and,

WHEREAS, on August 30, 2017, the Board of Trustees made amended 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; and,

WHEREAS, on August 30, 2017, the Board of Trustees approved the form of this Amendment to the 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:

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS AND AGREEMENTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. The Board and the Texas Comptroller's Office acknowledge the Application for Amendment to the Application for Value Limitation Agreement with Morada del Sol, LLC, attached at **Exhibit 1,** and approve the legal description of the Reinvestment Zone, real property and qualified property as set forth in the Exhibits to the Agreement. The Reinvestment Zone, real property, and qualified property descriptions are hereby amended and restated as more fully described in **Exhibit 2** to this Amendment.

SECTION 2. The original Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes was executed on December 15, 2016, is attached as **Exhibit 3**, and is incorporated herein for all purposes.

SECTION 3. NOTICES.

A. 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 Ronnie Golson, or his successor	Attn: Sara Hardner Leon
Address:	111 East 11th Street	115 Wild Basin Road, Suite 106
City/Zip:	McCamey, Texas 79752	Austin, Texas 78746
Phone :	(432)652-3666	(512) 494-1177
Fax :	(432) 652-4219	(512) 494-1188
Email:	rgolson@mcisd.esc18.net	sleon@powell-leon.com

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

Name:	Morada del Sol, LLC
Attn:	Karl Pierce
Address:	11757 Katy Freeway, Suite 400
City/Zip:	Houston, Texas 77079
Phone:	(281) 509-6253
Fax:	(281) 920-0956
Email:	Karl.Pierce@firstsolar.com

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 30th day of August, 2017.

[*Signature Page to Follow*]

DocuSign Envelope ID: EA07F821-7E53-40F5-87B0-2A9A33E6DABB

MORADA DEL SOL, LLC

By: _____
Authorized Representative

Name: KARL W. PIERCE

Title: AUTHORIZED REPRESENTATIVE

DS
BD

MCCAMEY INDEPENDENT SCHOOL DISTRICT

By: _____
OSCAR SANCHEZ
President, Board of Trustees

Attest:

By: _____
CHARLOTTE JONES
~~Secretary~~, Board of Trustees
Vice President

EXHIBIT 1
Application for Amendment to the Application for Value Limitation Agreement with Morada del Sol, LLC

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

May 30, 2017

Mr. Ronnie Golson
Superintendent
McCamey ISD
100 E. 11th Street
McCamey, TX

Re: **Amendments to Morada del Sol, LLC Chapter 313 Application – McCamey ISD**

Dear Mr. Golson:

Attached are new amended pages of Morada del Sol, LLC's Chapter 313 application to McCamey ISD. The new amendments made since the amended application was submitted to the board in April are as follows:

- Tab 4 of the application
  - References to spare parts and storage containers have been removed at the request of the Comptroller.
- Tab 7 of the application
  - References to spare parts and storage containers have been removed at the request of the Comptroller.
- Tab 8 of the application
  - References to spare parts and storage containers have been removed at the request of the Comptroller.
- Schedule A1 of the application has been revised to show the estimated investment of $348.5 million from the $350 million estimated investment in the original amended application to reflect the removal of storage containers and spare parts mentioned above.
- Schedule A2 of the application has been updated to show the estimated investment over a 25-year period based on the new investment shown in Schedule A1.
- Schedule B of the application has been updated to show the estimated value of buildings and personal property based upon the new investment shown in Schedules A1 and A2.

Would you please contact me if you have questions or comments?

Sincerely,

D. Dale Cummings

D. Dale Cummings

cc: Karl Pierce, First Solar, Inc.
Randall Rayford, First Solar, Inc.
Sara Leon, Powell and Leon LLP

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 ▶ Ronnie Golson
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here ▶
Signature *(Authorized School District Representative)*

5/31/17
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 ▶ Karl Pierce
Print Name *(Authorized Company Representative (Applicant))*

Authorized Representative
Title

sign here ▶
Signature *(Authorized Company Representative (Applicant))*

May 30, 2017
Date

CYNTHIA M HINOJOSA
My Commission Expires
July 8, 2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

30th day of May, 2017

Cynthia M Hinojosa
Notary Public in and for the State of Texas

My Commission expires: July 18, 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 4
Detailed Description of the Project

Provide 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.

Morada del Sol, LLC ("Morada") is requesting an appraised value limitation from McCamey Independent School District (ISD) for the Morada del Sol Solar Project (the "Project"). Morada del Sol LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant in McCamey Independent School District. The proposed Project will be constructed within a Reinvestment Zone that was created by Upton County on August 8, 2016. Maps showing the location of the Project are attached in Tab 11.

The Project will be constructed on approximately 1,300 acres, which is part of a larger, long-term lease agreement with a local landowner. The Project will be located entirely within McCamey Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 240 MW-AC in size;
- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

Morada del Sol requests a value limitation for all real property and tangible personal property installed for the Project, including but not limited to: solar modules/panels, racking and mounting structures, inverters, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in January 2018 with project completion by December 2018.

TAB 7

Description of Qualified Investment

The Project will be constructed on approximately 1,300 acres, which is part of a larger, long-term lease agreement with a local landowner. The Project will be located entirely within McCamey Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 240 MW-AC in size;
- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

Morada del Sol requests a value limitation for all real property and tangible personal property installed for the Project, including but not limited to: solar modules/panels, racking and mounting structures, inverters, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in January 2018 with project completion by December 2018.

NOTE - The maps in TAB 11 shows the proposed project area with the original preliminary panel and inverter locations shown with black rectangles with dark green shading. The additional 100 MW of additional solar panels are shown on the aerial map with yellow rectangles. On the map without the aerial background the additional 100 MW of solar panels are shown with magenta rectangles. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be finally determined before construction begins.

TAB 8

Description of Qualified Property

The Project will be constructed on approximately 1,300 acres, which is part of a larger, long-term lease agreement with a local landowner. The Project will be located entirely within McCamey Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 240 MW-AC in size;
- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

Morada del Sol requests a value limitation for all real property and tangible personal property installed for the Project, including but not limited to: solar modules/panels, racking and mounting structures, inverters, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in January 2018 with project completion by December 2018.

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

Amended 5-30-17

Date 5/30/2017
Applicant Name Morada del Sol, LLC
ISD Name McCamey ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				$ -	$ -	$ -	$ -	$ -
Complete tax years of qualifying time period	QTP1	2017-2018	2017	$ -	$ -	$ -	$ -	$ -
	QTP2	2018-2019	2018	$ 348,300,000	$ 200,000	$ -	$ -	$ 348,500,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 348,300,000	$ 200,000	$ -	$ -	$ 348,500,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$ 348,500,000				

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.

Amended 5-30-17

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments

Date 5/30/2017
Applicant Name Morada del Sol, 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 investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	**Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	**TOTALS FROM SCHEDULE A1**		$ 348,300,000	$ 200,000	$ -	$ -	$ 348,500,000
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2016-2017	2016	$ -	$ -	$ -	$ -	$ -
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2017-2018	2017	$ -	$ -	$ -	$ -	$ -
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2018-2019	2018	$ -	$ -	$ -	$ -	$ -
Value limitation period***	1	2019-2020	2019	$ -	$ -	$ 52,250	$ -	$ 52,250
	2	2020-2021	2020	$ -	$ -	$ 119,630	$ -	$ 119,630
	3	2021-2022	2021	$ -	$ -	$ 102,484	$ -	$ 102,484
	4	2022-2023	2022	$ -	$ -	$ 118,055	$ -	$ 118,055
	5	2023-2024	2023	$ -	$ -	$ 129,086	$ -	$ 129,086
	6	2024-2025	2024	$ -	$ -	$ 455,480	$ -	$ 455,480
	7	2025-2026	2025	$ -	$ -	$ 464,021	$ -	$ 464,021
	8	2026-2027	2026	$ -	$ -	$ 475,958	$ -	$ 475,958
	9	2027-2028	2027	$ -	$ -	$ 494,804	$ -	$ 494,804
	10	2028-2029	2028	$ -	$ -	$ 481,869	$ -	$ 481,869
Total Investment made through limitation				$ 348,300,000	$ 200,000	$ 2,893,638	$ -	$ 351,393,638
Continue to maintain viable presence	11	2029-2030	2029			$ 508,816		$ 508,816
	12	2030-2031	2030			$ 531,580		$ 531,580
	13	2031-2032	2031			$ 512,722		$ 512,722
	14	2032-2033	2032			$ 556,979		$ 556,979
	15	2033-2034	2033			$ 563,726		$ 563,726
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034			$ 563,048		$ 563,048
	17	2035-2036	2035			$ 569,882		$ 569,882
	18	2036-2037	2036			$ 575,116		$ 575,116
	19	2037-2038	2037			$ 598,569		$ 598,569
	20	2038-2039	2038			$ 619,914		$ 619,914
	21	2039-2040	2039			$ 649,255		$ 649,255
	22	2040-2041	2040			$ 650,845		$ 650,845
	23	2041-2042	2041			$ 667,955		$ 667,955
	24	2042-2043	2042			$ 699,232		$ 699,232
	25	2043-2044	2043			$ 718,183		$ 718,183

* 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)

Amended 5-30-17

Date 5/30/2017

Applicant Name Morada del Sol, LLC

ISD Name McCamey ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property: Estimated Market Value of Land	Qualified Property: Estimated Total Market Value of new buildings or other new improvements	Qualified Property: Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Estimated Taxable Value: Market Value less any exemptions (such as pollution control) and before limitation	Estimated Taxable Value: Final taxable value for I&S after all reductions	Estimated Taxable Value: Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*		2016-2017	2016	$ -	$ -	$ -	$ -	$ -	$ -
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*		2017-2018	2017	$ -	$ -	$ -	$ -	$ -	$ -
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*		2018-2019	2018	$ -	$ -	$ -	$ -	$ -	$ -
Value Limitation Period	1	2019-2020	2019	$ -	$ 200,000	$ 338,051,000	$ 338,251,000	$ 338,251,000	$ 25,000,000
	2	2020-2021	2020	$ -	$ 197,000	$ 311,019,920	$ 311,216,920	$ 311,216,920	$ 25,000,000
	3	2021-2022	2021	$ -	$ 194,045	$ 283,988,885	$ 284,182,930	$ 284,182,930	$ 25,000,000
	4	2022-2023	2022	$ -	$ 191,134	$ 253,579,384	$ 253,770,519	$ 253,770,519	$ 25,000,000
	5	2023-2024	2023	$ -	$ 188,267	$ 223,169,927	$ 223,358,195	$ 223,358,195	$ 25,000,000
	6	2024-2025	2024	$ -	$ 185,443	$ 192,760,513	$ 192,945,957	$ 192,945,957	$ 25,000,000
	7	2025-2026	2025	$ -	$ 182,662	$ 158,972,632	$ 159,155,293	$ 159,155,293	$ 25,000,000
	8	2026-2027	2026	$ -	$ 179,922	$ 128,563,302	$ 128,743,223	$ 128,743,223	$ 25,000,000
	9	2027-2028	2027	$ -	$ 177,223	$ 108,289,543	$ 108,466,766	$ 108,466,766	$ 25,000,000
	10	2028-2029	2028	$ -	$ 174,565	$ 98,151,355	$ 98,325,919	$ 98,325,919	$ 25,000,000
Continue to maintain viable presence	11	2029-2030	2029	$ -	$ 171,946	$ 71,120,656	$ 71,292,602	$ 71,292,602	$ 71,292,602
	12	2030-2031	2030	$ -	$ 169,367	$ 67,739,567	$ 67,908,934	$ 67,908,934	$ 67,908,934
	13	2031-2032	2031	$ -	$ 166,826	$ 67,737,026	$ 67,903,853	$ 67,903,853	$ 67,903,853
	14	2032-2033	2032	$ -	$ 164,324	$ 67,734,524	$ 67,898,848	$ 67,898,848	$ 67,898,848
	15	2033-2034	2033	$ -	$ 161,859	$ 67,732,059	$ 67,893,918	$ 67,893,918	$ 67,893,918
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	$ -	$ 159,431	$ 67,729,631	$ 67,889,063	$ 67,889,063	$ 67,889,063
	17	2035-2036	2035	$ -	$ 157,040	$ 67,727,240	$ 67,884,280	$ 67,884,280	$ 67,884,280
	18	2036-2037	2036	$ -	$ 154,684	$ 67,724,884	$ 67,879,568	$ 67,879,568	$ 67,879,568
	19	2037-2038	2037	$ -	$ 152,364	$ 67,722,564	$ 67,874,928	$ 67,874,928	$ 67,874,928
	20	2038-2039	2038	$ -	$ 150,078	$ 67,720,278	$ 67,870,357	$ 67,870,357	$ 67,870,357
	21	2039-2040	2039	$ -	$ 147,827	$ 67,718,027	$ 67,865,855	$ 67,865,855	$ 67,865,855
	22	2040-2041	2040	$ -	$ 145,610	$ 67,715,810	$ 67,861,420	$ 67,861,420	$ 67,861,420
	23	2041-2042	2041	$ -	$ 143,426	$ 67,713,626	$ 67,857,051	$ 67,857,051	$ 67,857,051
	24	2042-2043	2042	$ -	$ 141,274	$ 67,711,474	$ 67,852,749	$ 67,852,749	$ 67,852,749
	25	2043-2044	2043	$ -	$ 139,155	$ 67,709,355	$ 67,848,510	$ 67,848,510	$ 67,848,510

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.

EXHIBIT 2

DESCRIPTION OF REAL PROPERTY, LOCATION OF REINVESTMENT ZONE, AND DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

A map of the reinvestment zone is attached following the legal description of the zone. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached herein **Exhibit 2**.

This Agreement covers all qualified property within McCamey ISD necessary for the commercial operations of the solar energy generation facility described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached in this **Exhibit 2**.

MORADA DEL SOL, LLC REINVESTMENT ZONE					
Section	Block	County	Survey	Abstract Label	Abstract Number
All of Sec. 39	35	Upton	H&TC RR Co.	A-0261	461261
All of Sec. 47	35	Upton	H&TC RR Co.	A-0264	461264
All of Sec. 49	35	Upton	H&TC RR Co.	A-0265	461265
All of Sec. 53	35	Upton	H&TC RR Co.	A-0267	461267
All of Sec. 38	35	Upton	H&TC RR Co.	A-1303	4611303
NE/4 of Sec. 24	35	Upton	H&TC RR Co.	A-1004	4611004
SE/2SW/2 of Sec. 24	35	Upton	H&TC RR Co.	A-1569	4611569
N2NW4, N2NE4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
S2NW4, S2NE4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
SE4NE4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
SW4NE4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
NW4SE4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
NE4SE4 of Sec 35	35	Upton	H&TC RR Co.	A-0259	461259
N2SE4, N2SW4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
NE4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
N2, SE4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
S2SE4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
SW4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
NW4SW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
Sec. 34	35	Upton	H&TC RR Co.	A-1098	4611098
SW4SW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
S2SE4 S2SW4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
All of Sec. 38	35	Upton	H&TC RR Co.	A-1303	4611303
W/2W/2 of Sec. 37 (South of HW 385)	35	Upton	H&TC RR Co.	A-0260	461260
CNR of NW4 of HWY 385, TR A1 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
PTNW4 W HWY 385, TR A-2, of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A3 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A4 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
SW of HWY 385, #875-B of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
SW of HWY 385, #875-B of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A7, PTSW4 E HWY 385 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A8 PTSW4 E HWY 385 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A9, PW SW4 W HWY 385 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A10, PT SW CNR of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A11, SW CNR of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
W of HWY 385 of Sec. 51	35	Upton	H&TC RR Co.	A-0266	461266
All of Sec. 52	35	Upton	H&TC RR Co.	A-1097	4611097
PT SE4SW4NE4, E of HWY 385 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT N2NW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT SW4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
S PT of SW4SW4SE4NE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT SE4SE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT NW4 & SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT NE4NE4NW4NW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT NE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
E PT NE4NE4NE4SE4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT E2NW4SE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT N2SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019

MORADA DEL SOL, LLC REINVESTMENT ZONE					
Section	Block	County	Survey	Abstract Label	Abstract Number
PT SE4SW4SE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
UCAD TR D of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
UCAD TR A, B, W/2 E, H, I of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
NW4NE4 of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
PT SE4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
30 AC, E2 UCAD, TR K, 50 % Und. Int of Sec. 63 and TRE, NW4 UCAD TR K 8.33% Und. Int of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
E2 & SW4 UCAD TR K of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
UCAD TR F, 50% Und Int. of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
W2 & NE4 UCAD TR J of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
S2S2NE4 UCAD TR N & SE4NW4SE4 UCAD TR J of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
S of HWY 385 of Sec. 62	35	Upton	H&TC RR Co.	A-1145	4611145
Sec. 61 (PICKETT) (EX)	35	Upton	H&TC RR Co.	A-0271	461271
Sec. 61	35	Upton	H&TC RR Co.	A-0271	461271
Sec. 61	35	Upton	H&TC RR Co.	A-0271	461271
Sec. 54	35	Upton	H&TC RR Co.	A-1144	4611144
Sec. 54	35	Upton	H&TC RR Co.	A-1144	4611144
Sec. 40	35	Upton	H&TC RR Co.	A-1142	4611142
All of Sec. 48	35	Upton	H&TC RR Co.	A-1143	4611143
Sec. 23	35	Upton	H&TC RR Co.	A-0547	461547

MORADA DEL SOL LLC - REINVESTMENT ZONE AND PROJECT BOUNDARY MAP

REINVESTMENT ZONE AND PROJECT BOUNDARY SHOWN WITH BOLD BLUE LINE

SECTIONS SHADED IN LIGHT GREEN ARE SECTIONS THAT ARE UNDER APPLICANT'S SITE CONTROL

LOCATION OF ADDITIONAL 100 MW OF SOLAR PANELS (QUALIFIED INVESTMENT AND QUALIFIED PROPERTY) SHOWN IN YELLOW SHADED AREAS THAT ARE WHOLLY WITHIN THE REINVESTMENT ZONE (AMENDED APPLICATION)

LOCATION OF SOLAR PANEL INSTALLATION (QUALIFIED INVESTMENT AND QUALIFIED PROPERTY) SHOWN IN DARK GREEN SHADED AREAS THAT ARE WHOLLY WITHIN REINVESTMENT ZONE (ORIGINAL APPLICATION)

CITY OF McCAMEY

PROPOSED LOCATION OF O&M BUILDING AND SUBSTATION SHOWN WITH BLACK OVAL (SUBJECT TO CHANGE)

LOCATION MAP
NOT TO SCALE

KEY PLAN
NOT TO SCALE

NORTH

3000' 1500' 0 3000'

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PHONE: (415) 935-2500
WWW.FIRSTSOLAR.COM

MORADA DEL SOL
MCCAMEY
UPTON COUNTY
TEXAS

REV	DATE	REVISION DESCRIPTION	BY	CHK	APP

FS JOB #:
PROJ. DEVT. ENGR:
PROJ. MGR:
SCALE: 1"=3000' @ 11"x17" SHEET
COPYRIGHT BY: FIRST SOLAR, INC.

SHEET TITLE
SITE MAP
(07/12/16)

SHEET 1 OF 1

Amended April 18, 2017

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MORADA DEL SOL LLC - REINVESTMENT ZONE AND PROJECT BOUNDARY MAP

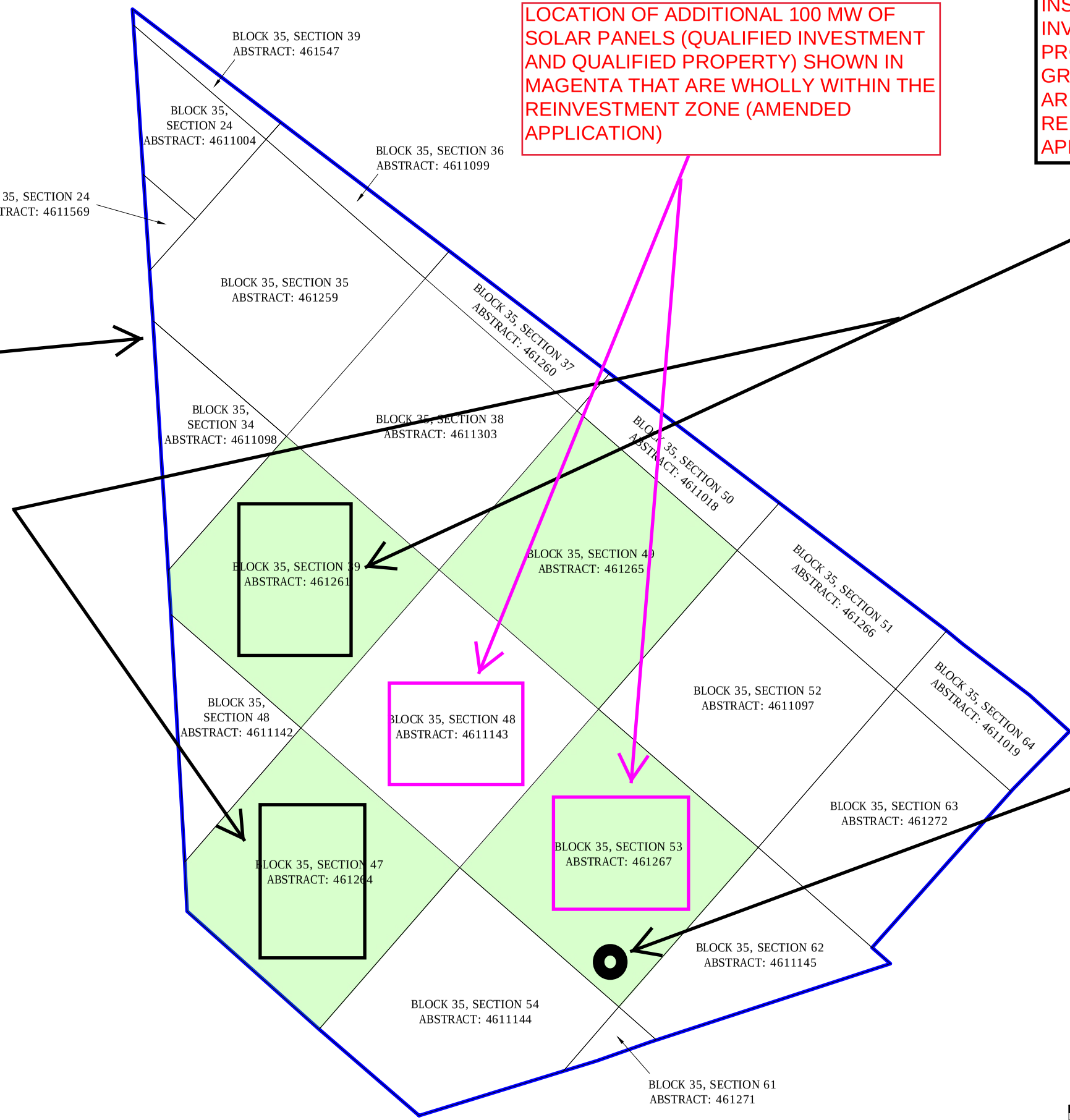
SECTIONS SHADED IN LIGHT GREEN AND ABSTRACT 461143ARE SECTIONS THAT ARE UNDER APPLICANT'S SITE CONTROL

REINVESTMENT ZONE AND PROJECT BOUNDARY SHOWN WITH BOLD BLUE LINE

LOCATION OF ADDITIONAL 100 MW OF SOLAR PANELS (QUALIFIED INVESTMENT AND QUALIFIED PROPERTY) SHOWN IN MAGENTA THAT ARE WHOLLY WITHIN THE REINVESTMENT ZONE (AMENDED APPLICATION)

LOCATION OF SOLAR PANEL INSTALLATION (QUALIFIED INVESTMENT AND QUALIFIED PROPERTY SHOWN IN DARK GREEN SHADED AREAS THAT ARE WHOLLY WITHIN REINVESTMENT ZONE (INITIAL APPLICATION)

PROPOSED LOCATION OF O&M BUILDING AND PROJECT SUBSTATION SHOWN WITH BLACK OVAL (SUBJECT TO CHANGE)



LOCATION MAP

NOT TO SCALE

KEY PLAN

NOT TO SCALE

NORTH

3000' 1500' 0 3000'

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MORADA DEL SOL
MCCAMEY
UPTON COUNTY
TEXAS

REV	DATE	REVISION DESCRIPTION	BY	CHK	APP

FS JOB #:

PROJ. DEVT. ENGR:

PROJ. MGR:

SCALE: 1"=3000' @ 11"x17" SHEET

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SHEET TITLE

SITE MAP
(07/20/16)

SHEET 1 OF 1

Amended April 18, 2017

C:\Users\FS104849\Morada del Sol\Morada del Sol Site Map.dwg FS104849 Jul 21, 2016 - 1:02pm

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Description of Qualified Investment

The Project will be constructed on approximately 1,300 acres, which is part of a larger, long-term lease agreement with a local landowner. The Project will be located entirely within McCamey Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 240 MW-AC in size;
- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

Morada del Sol requests a value limitation for all real property and tangible personal property installed for the Project, including but not limited to: solar modules/panels, racking and mounting structures, inverters, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in January 2018 with project completion by December 2018.

NOTE - The maps in TAB 11 shows the proposed project area with the original preliminary panel and inverter locations shown with black rectangles with dark green shading. The additional 100 MW of additional solar panels are shown on the aerial map with yellow rectangles. On the map without the aerial background the additional 100 MW of solar panels are shown with magenta rectangles. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be finally determined before construction begins.

Description of Qualified Property

The Project will be constructed on approximately 1,300 acres, which is part of a larger, long-term lease agreement with a local landowner. The Project will be located entirely within McCamey Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 240 MW-AC in size;
- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
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Morada del Sol requests a value limitation for all real property and tangible personal property installed for the Project, including but not limited to: solar modules/panels, racking and mounting structures, inverters, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in January 2018 with project completion by December 2018.

EXHIBIT 3

AGREEMENT FOR LIMITATION ON APPRAISED VALUE
DATED DECEMBER 15, 2016

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

---

by and between

McCAMEY INDEPENDENT SCHOOL DISTRICT

and

MORADA DEL SOL, LLC

(*Texas Taxpayer ID #32056188546)*

Comptroller Application #1151

Dated

December 15, 2016

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 the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **MORADA DEL SOL, LLC,** Texas Taxpayer Identification Number *32056188546* hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on August 30, 2016, the Superintendent of Schools of the McCamey Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on August 30, 2016, 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;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and October 31, 2016 is the Application Review Start Date as that term is defined by 34 TEXAS ADMINISTRATIVE CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered 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 November 29, 2016, 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 313.025 of the TEXAS TAX CODE;

WHEREAS, on December 15, 2016, 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, 2016, 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) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the 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 the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on December 15, 2016, 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 14, 2016, 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;

WHEREAS, on December 15, 2016, 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 in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

"*Act*" means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, including any statutory amendments that are applicable to Applicant.

"*Agreement*" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

"*Applicant*" means Morada del Sol, LLC, *(Texas Taxpayer ID #32056188546*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 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 **EXHIBIT 3** of this Agreement.

"*Applicant's Qualified Property*" means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** 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 the District by the Applicant on August 30, 2016. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"*Application Approval Date*" means the date that the Application is approved by the Board of Trustees of the 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 the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the 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.

"*Commercial Operations*" shall mean the date on which the Project described in the Application for Value Limitation Agreement becomes commercially operational and capable of being placed into service, such that it has been constructed and is capable of producing solar generated electricity as described as part of the Qualified Property and achieving a Qualifying Investment of no less than $20 million dollars.

"*Comptroller*" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"*Comptroller's Rules*" means the applicable rules and regulations of the 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 the Applicant's Qualified Property or the Applicant's Qualified Investment.

"*Final Termination Date*" means the last date of the final year in which the 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 30 (thirty) 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 operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages

as required by the Act and as set forth in its Application.

"*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 by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller's Rules.

"*New Non-Qualifying Jobs*" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMINISTRATIVE CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"*Qualified Investment*" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"*Qualified Property*" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"*Qualifying Time Period*" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"*State*" means the State of Texas.

"*Supplemental Payment*" means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"*Tax Limitation Amount*" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in 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.

Section 1.2. NEGOTIATED DEFINITIONS.

Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C:

"*Applicable School Finance Law*" means the state laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools generally and the District specifically at the time the computation, calculation or obligation of either party under this Agreement is performed.

"Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under Articles IV, V and 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 to compensate District for loss of revenue under this Agreement.

"*Lost M&O Revenue*" shall have the meaning set forth in Section 4.2.

"New M&O Revenue" means the total State and local Maintenance and Operations revenue that the District received or accrued, after all adjustments have been made to such Maintenance and Operations revenue because of any portion of this Agreement in accordance with the provisions of the Applicable School Finance Law for such school year.

"Net Tax Benefit" means an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) 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 during the term of this Agreement, plus (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement.

"*Original M&O Revenue*" means the total State and local Maintenance and 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 Applicant's Qualified Property and/or the Applicant's Qualified Investment been subject to the ad valorem maintenance and operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for each applicable year as certified by the

County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property and/or the Applicant's Qualified Investment subject to this Agreement, *plus* the total appraised value of the Qualified Property and/or the Applicant's Qualified Investment subject to this Agreement which is or would be used for the calculation of the District's tax levy for debt tax purposes. For the calculation of Original M&O Revenue, Applicant's Taxable value for its Qualified Property and/or the Applicant's Qualified Investment for M&O purposes will not be used.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

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

Section 2.2. PURPOSE.

In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation 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 October 31, 2016, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is December 15, 2016

C. The Qualifying Time Period for this Agreement:
   i. Starts on the Application Approval Date; and
   ii. Ends on December 31, 2018, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:
   i. Starts on January 1, 2019, the first complete Tax Year that begins after the end of the Qualifying Time Period and
   ii. Ends on December 31, 2028.

E. The Final Termination Date for this Agreement is December 31, 2033.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION.

So long as the Applicant makes the Qualified Investment as required by Section 2.5, 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 Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY.

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

A. Have completed the Applicant's Qualified Investment in the amount of Twenty Million Dollars ($20,000,000.00) during the Qualifying Time Period;

B. Have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. Pay an average weekly wage of at least $1,307.00 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS.

In order to receive and maintain the limitation authorized by Section 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 the 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;

D. Create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III
QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of the Application Approval Date, the Land is 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, and information concerning the designation, 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 in **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 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** 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.

In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/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.

The Applicant's Qualified Property described in Section 3.3 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 PARTIES.

In accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, it is the intent of the Parties that the District shall be compensated by the Applicant as provided in this Article IV for any loss that District incurs in its Maintenance and Operations revenue as a direct result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement and the limitation set out in Section 2.4. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), **it is the intent of the Parties that the risk of any and all 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.**

The calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time for in the first year of the Tax Limitation Period, and every year thereafter during the term of this Agreement.

The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are:

i. or illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement;

ii. Are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,

iii. May change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2 CALCULATING LOST M&O REVENUE.

The amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the last day of the Final Year of the Tax Limitation Period (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

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 of this Agreement, results in a negative number, the negative number will be considered to be zero.

iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year. The Applicant shall not be responsible for payment of more Lost M&O Revenue during the Tax Limitation Period than the Tax Limitation Amount.

v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full Maintenance and Operation 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 Applicant's cumulative Net Tax Benefit under this Agreement from the Application Approval Date through Tax Year 2033. 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, subject to approval by Applicant, which approval shall not unreasonably be withheld.

Section 4.5. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the 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 for each Tax Year 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 4.6. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Investment at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment by the Appraisal District.

If as a result of an 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 the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

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 a certification containing the calculations required under Sections 4.2 and/or 4.4, Article VI, and/or Section 7.1 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, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.9, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, 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 until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the 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.

Section 4.8. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, 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, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual 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, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 9.5.

Section 4.9. PAYMENT BY APPLICANT.

The Applicant shall pay any amount determined by the Third Party 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 4.5, 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, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement provided, however, that the District and the Applicant may mutually agree in writing to extend the date of the payment. In no year shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under Section 4.7 that exceed Fifteen Thousand Dollars ($15,000).

Section 4.10. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to Article 4 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.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED 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 the District's external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely related to the project that are not directly funded in state aid formulas, including expenses for the acquisition of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment caused directly by the project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.10 herein; and

B. Any other loss of District revenues related to the project which is directly attributable to the payment by Applicant to or on behalf any other third party beneficiary.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS.

A. The Applicant shall pay the District Supplemental Payments of Fifty-Six Thousand Dollars ($56,000.00) for each tax year beginning with the tax year ending on December 31, 2016 and ending with the third tax year after the last year of the Limitation Period identified in Section 2.3 (D)(ii), or December 31, 2031. The payment for each tax year shall be due and owing no later than January 31 of the following year.

B. 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 Applicant agrees that the Supplemental Payment amount owed to the District shall be the maximum amount of Supplemental Payments as allowed by applicable law.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for 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 times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may 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:

C. The limitation in Section 6.2.A 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.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of $50,000 or $100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon:

   i. The District's 2015-2016 Average Daily Attendance of 560, rounded to the whole number, unless a larger amount is authorized by law.

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 beginning with the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the 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 the Applicant would have paid to the District for such Tax Year (determined by using the 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 Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the 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 the Applicant to the District under Article IV, Article V, 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, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year 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 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; and
B. The provisions of this Agreement regarding payments (including liquidated damages and tax

payments), records and dispute resolution shall survive the termination or expiration 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 Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the 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, the 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 the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS.

In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMINISTRATIVE CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

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

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

Section 8.4. DATA REQUESTS.

Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW.

The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records 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 the 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 the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the 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; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the 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. The Applicant and the 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 latest occurring date of:

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's

Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New 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 the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the 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 the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly 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, the Applicant or the 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. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

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 the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. Represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. Agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. Acknowledges that if the 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 the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;
B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;
C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;
D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;
E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;
F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;
G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;
H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;
I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;
K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller 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;
L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property 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 the Applicant's Qualified Property under Sections 8.5 and 8.6;
M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;
N. The 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 IV, V and VI of this Agreement; or,
O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the 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, the 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:
    i. Whether or not a breach of this Agreement has occurred;
    ii. Whether or not such breach is a Material Breach;
    iii. The date such breach occurred, if any;
    iv. Whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:
   i. The amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
   ii. The amount of any penalty or interest under Section 9.4.E that are owed to the District; and
   iii. In the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) 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 the 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 sixty (60) days after the Applicant initiates mediation, 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) the District shall bear one-half of such mediator's fees and expenses and the 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 within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Upton County, Texas, 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 contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings,

the District shall have the remedies for the collection of the amounts determined under Section 9.4 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 the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the 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 the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The 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 9.4.C 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 9.5. 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, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the 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. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make Twenty Million Dollars ($20,000,000.00) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS.

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material

Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

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 or email transmission, with notice 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 or email 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 the District shall be addressed to the District's Authorized Representative as follows:

To the District		**With Copy to**
Name:	McCamey ISD	Powell & Leon. LLP
Attn:	Superintendent Ronnie Golson, or his successor	Sara Hardner Leon
Address:	111 East 11th 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:	rgolson@mcisd.esc18.net	sleon@powell-leon.com

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

To the Applicant

Name:	Morada del Sol LLC
Attn:	Oscar Dalton, Regional Director – Project Development, First Solar, Inc.
Address:	11757 Katy Freeway, Suite 400
City/Zip:	Houston, TX 77079
Email:	Oscar.Dalton@firstsolar.com
Name:	Morada del Sol LLC
Attn:	General Counsel
Address:	135 Main Street, 6th Floor
City/Zip:	San Francisco, CA 94105
Email:	GeneralCousel@firstsolar.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND 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 Section 10.2.B. 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, the Application and this Agreement may only be amended according to the following:
   i. The Applicant shall submit to the District and the Comptroller:
      a. A written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
      b. Any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller; and,
      c. Any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
   ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules 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 the Comptroller by the end of the 90-day period, the request is denied; and,
   iii. If the Comptroller has not denied the request, the 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 Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 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

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided

that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

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

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. 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 10.5. 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 a state district court in Upton County, Texas.

Section 10.6. 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 10.7. 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 so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, 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 10.8. 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 10.9. INTERPRETATION.

A. 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.

B. 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.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:
   i. The Act;

ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. 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 10.11. PUBLICATION OF DOCUMENTS.

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

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
B. The District shall provide on its website a link to the location of those documents posted on the 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 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

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

Section 10.13. DUTY TO DISCLOSE.

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

Section 10.14. CONFLICT OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this

Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.

Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

A. All payments, including liquidated damage and tax payments, have been made;
B. All reports have been submitted;
C. All records have been maintained in accordance with Section 8.6.A; and,
D. All disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e- mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

i. When delivered if delivered personally or sent by express courier service;
ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 15th day of December, 2016.

MORADA DEL SOL, LLC

DS
BD

By: Oscar Dalton

Oscar Dalton
Regional Director – Project Development

MCCAMEY INDEPENDENT SCHOOL DISTRICT

By: Oscar C Sanchez

Oscar Sanchez
Vice President, Board of Trustees

ATTEST:

By: Ramon Venegas

Ramon Venegas
Member, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

A map of the reinvestment zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone (attached).

MORADA DEL SOL, LLC REINVESTMENT ZONE					
Section	Block	County	Survey	Abstract Label	Abstract Number
All of Sec. 39	35	Upton	H&TC RR Co.	A-0261	461261
All of Sec. 47	35	Upton	H&TC RR Co.	A-0264	461264
All of Sec. 49	35	Upton	H&TC RR Co.	A-0265	461265
All of Sec. 53	35	Upton	H&TC RR Co.	A-0267	461267
All of Sec. 38	35	Upton	H&TC RR Co.	A-1303	4611303
NE/4 of Sec. 24	35	Upton	H&TC RR Co.	A-1004	4611004
SE/2SW/2 of Sec. 24	35	Upton	H&TC RR Co.	A-1569	4611569
N2NW4, N2NE4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
S2NW4, S2NE4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
SE4NE4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
SW4NE4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
NW4SE4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
NE4SE4 of Sec 35	35	Upton	H&TC RR Co.	A-0259	461259
N2SE4, N2SW4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
NE4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
N2, SE4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
S2SE4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
SW4NW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
NW4SW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
Sec. 34	35	Upton	H&TC RR Co.	A-1098	4611098
SW4SW4 of Sec. 35	35	Upton	H&TC RR Co.	A-0259	461259
S2SE4 S2SW4 of Sec. 36	35	Upton	H&TC RR Co.	A-1099	4611099
All of Sec. 38	35	Upton	H&TC RR Co.	A-1303	4611303
W/2W/2 of Sec. 37 (South of HW 385)	35	Upton	H&TC RR Co.	A-0260	461260
CNR of NW4 of HWY 385, TR A1 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
PTNW4 W HWY 385, TR A-2, of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A3 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A4 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
SW of HWY 385, #875-B of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
SW of HWY 385, #875-B of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A7, PTSW4 E HWY 385 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A8 PTSW4 E HWY 385 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A9, PW SW4 W HWY 385 of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A10, PT SW CNR of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
TR A11, SW CNR of Sec. 50	35	Upton	H&TC RR Co.	A-1018	4611018
W of HWY 385 of Sec. 51	35	Upton	H&TC RR Co.	A-0266	461266
All of Sec. 52	35	Upton	H&TC RR Co.	A-1097	4611097
PT SE4SW4NE4, E of HWY 385 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT N2NW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT SW4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
S PT of SW4SW4SE4NE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT SE4SE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT NW4 & SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT NE4NE4NW4NW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT NE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
E PT NE4NE4NE4SE4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT E2NW4SE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
PT N2SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019

MORADA DEL SOL, LLC REINVESTMENT ZONE					
Section	Block	County	Survey	Abstract Label	Abstract Number
PT SE4SW4SE4SW4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
UCAD TR D of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
UCAD TR A, B, W/2 E, H, I of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
NW4NE4 of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
PT SE4 of Sec. 64	35	Upton	H&TC RR Co.	A-1019	4611019
30 AC, E2 UCAD, TR K, 50 % Und. Int of Sec. 63 and TRE, NW4 UCAD TR K 8.33% Und. Int of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
E2 & SW4 UCAD TR K of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
UCAD TR F, 50% Und Int. of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
W2 & NE4 UCAD TR J of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
S2S2NE4 UCAD TR N & SE4NW4SE4 UCAD TR J of Sec. 63	35	Upton	H&TC RR Co.	A-0272	461272
S of HWY 385 of Sec. 62	35	Upton	H&TC RR Co.	A-1145	4611145
Sec. 61 (PICKETT) (EX)	35	Upton	H&TC RR Co.	A-0271	461271
Sec. 61	35	Upton	H&TC RR Co.	A-0271	461271
Sec. 61	35	Upton	H&TC RR Co.	A-0271	461271
Sec. 54	35	Upton	H&TC RR Co.	A-1144	4611144
Sec. 54	35	Upton	H&TC RR Co.	A-1144	4611144
Sec. 40	35	Upton	H&TC RR Co.	A-1142	4611142
All of Sec. 48	35	Upton	H&TC RR Co.	A-1143	4611143
Sec. 23	35	Upton	H&TC RR Co.	A-0547	461547

MORADA DEL SOL LLC - REINVESTMENT ZONE AND PROJECT BOUNDARY MAP

REINVESTMENT ZONE AND PROJECT BOUNDARY SHOWN WITH BOLD BLUE LINE

SECTIONS SHADED IN LIGHT GREEN ARE SECTIONS THAT ARE UNDER APPLICANT'S SITE CONTROL

LOCATION OF SOLAR PANEL INSTALLATION (QUALIFIED INVESTMENT AND QUALIFIED PROPERTY) SHOWN IN DARK GREEN SHADED AREAS THAT ARE WHOLLY WITHIN REINVESTMENT ZONE

CITY OF McCAMEY

PROPOSED LOCATION OF O&M BUILDING SHOWN WITH BLACK OVAL (SUBJECT TO CHANGE)

LOCATION MAP

NOT TO SCALE

KEY PLAN

NOT TO SCALE

NORTH

3000' 1500' 0 3000'

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MORADA DEL SOL
MCCAMEY
UPTON COUNTY
TEXAS

REV	DATE	REVISION DESCRIPTION	BY	CHK	APP

FS JOB #:

PROJ. DEVT. ENGR:

PROJ. MGR:

SCALE: 1"=3000' @ 11"x17" SHEET

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SHEET TITLE

SITE MAP
(07/12/16)

SHEET 1 OF 1

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MORADA DEL SOL LLC - REINVESTMENT ZONE AND PROJECT BOUNDARY MAP

REINVESTMENT ZONE AND PROJECT BOUNDARY SHOWN WITH BOLD BLUE LINE

SECTIONS SHADED IN LIGHT GREEN ARE SECTIONS THAT ARE UNDER APPLICANT'S SITE CONTROL

LOCATION OF SOLAR PANEL INSTALLATION (QUALIFIED INVESTMENT AND QUALIFIED PROPERTY SHOWN IN BOLD BLACK RECTANGLES THAT ARE WHOLLY WITHIN REINVESTMENT ZONE

PROPOSED LOCATION OF O&M BUILDING SHOWN WITH BLACK OVAL (SUBJECT TO CHANGE)

LOCATION MAP
NOT TO SCALE

KEY PLAN
NOT TO SCALE

NORTH

3000' 1500' 0 3000'

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MCCAMEY
UPTON COUNTY
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REV	DATE	REVISION DESCRIPTION	BY	CHK	APP

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EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to **Exhibit 1.**

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

This Agreement covers all qualified property within McCamey ISD necessary for the commercial operations of the solar energy generation facility described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 1**.

The Project will be constructed on approximately 800 acres, which is part of a larger, long-term lease agreement with a local landowner. The Project will be located entirely within McCamey Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 140 MW-AC in size;
- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, and spare parts, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within McCamey ISD necessary for the commercial operations of the solar energy generation facility described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 1**.

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