

**FINDINGS OF THE SANTA MARIA
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
RAYOS DEL SOL SOLAR PROJECT, LLC (#1252)**



October 23, 2018

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OF THE
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SCHOOL DISTRICT BOARD OF TRUSTEES
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OCTOBER 23, 2018

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STATE OF TEXAS §

COUNTY OF CAMERON §

On the 23rd day of October 2018, a public meeting of the Board of Trustees of the Santa Maria Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Rayos del Sol Solar Project, LLC (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On February 16, 2018, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32063120250), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Cameron County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On May 25, 2018, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on August 2, 2018 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**.

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

Rayos Del Sol Solar Project, LLC (“Rayos Del Sol”), is the project entity formed to facilitate the development of a utility-scale photovoltaic (“PV”) solar energy project (The “Project”).

Property used for renewable energy electric generation is eligible for a limitation under §313.024(b)(5).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller’s Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller’s Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District’s costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District’s consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating two (2) new qualifying jobs. The average salary level of qualifying jobs will be at least \$40,154 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

"Jobs" means the number of Qualifying Jobs required to be created and maintained under Tex. Tax. Code § 313.021(2)(A)(iv)(b) by Applicant through the Final Termination Date of this Agreement, as that requirement has been modified to be two (2) Qualifying Jobs by virtue of a job waiver granted by the Board of Trustees to Applicant pursuant to Tex. Tax Code § 313.025(f-1) on September 24, 2018, the date of approval of this Agreement.

Board Finding Number 7.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 8.

The Applicant does not intend to create any non-qualifying jobs.

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For all non-qualifying jobs, the Applicant should create the Applicant will be required to pay at least the county average wage of \$32,228 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 9.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$162 million to the tax base that would be available for debt service purposes at the peak investment level for the 2019-20 school year.

Board Finding Number 10.

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

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 11.

The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 12.

The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 13.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is \$0. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its placement in a strategic investment area. Given that the value of industrial property is less than \$100,000, it is classified as a Category V district which can offer a minimum value limitation of \$10 million.

Board Finding Number 14.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (Attachment I)

Board Finding Number 15.

The Applicant (Taxpayer No. 32063120250) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32063120250), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 16.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 17.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection

measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 18.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 19.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/Home/Index/261>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 20.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 21.

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

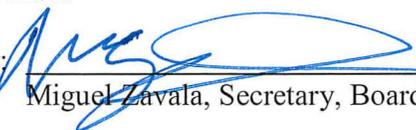
It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this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

Dated the 23rd day of October 2018.

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

By: 
Adolfo Hinojosa, President, Board of Trustees

ATTEST:

By: 
Miguel Zavala, Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

April 23, 2018

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Santa Maria Independent School District from Rayos Del Sol Solar Project, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Santa Maria Independent School District is notifying Rayos Del Sol Solar Project, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on February 16, 2018. The Board voted to accept the application on February 16, 2018. The application has been determined complete as of April 23, 2018. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

The Applicant has requested that a portion of Tab 11, specifically the detailed layout of the planned solar farm, be kept confidential until such time the Board votes to approve the application. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The maps depicting the planned location of the project display proprietary commercial information regarding the specific location of the possible project and the nature of the business that will be conducted at the site. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110.

A copy of the application will be submitted to the Cameron County Appraisal District.

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Cameron County Appraisal District
Rayos Del Sol Solar Project, LLC

Application for Appraised Value Limitation
On Qualified Property

Submitted to:

Santa Maria Independent School District



By:

Rayos Del Sol Solar Project,
LLC February 19, 2018

**Application for Chapter 313
Appraised Value Limitation by
Rayos Del Sol Solar Project, LLC
to
Santa Maria ISD**

February 19, 2018

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

Tab 1

See executed application attached.

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

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

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

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

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

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

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

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

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

February 16, 2018

Date Application Received by District

Maria

First Name

Chavez

Last Name

Superintendent

Title

Santa Maria Independent School District

School District Name

11119 Military Road

Street Address

P.O. Box 448

Mailing Address

Santa Maria

City

Texas

State

78592

ZIP

(956) 565-6309

Phone Number

(956) 565-0598

Fax Number

Mobile Number (optional)

mchavez@smisd.net

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Kevin	O'Hanlon
First Name	Last Name
Attorney	
Title	
O'Hanlon, Demerath, & Castillo	
Firm Name	
(519) 494-9949	(512) 494-9919
Phone Number	Fax Number
	kohanlon@808west.com
Mobile Number (optional)	Email Address

4. On what date did the district determine this application complete? April 23, 2018
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Matt	Gilhousen	
First Name	Last Name	
Vice President	Rayos Del Sol Solar Project, LLC	
Title	Organization	
16105 W. 113th Street, Suite 105		
Street Address		
Mailing Address		
Lenexa	Kansas	66219
City	State	ZIP
(913) 953-5227		
Phone Number	Fax Number	
	mgilhousen@tradewindenergy.com	
Mobile Number (optional)	Business Email Address	

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No
- 2a. If yes, please fill out contact information for that person.

Brianna	Baca	
First Name	Last Name	
Associate Developer	Rayos Del Sol Solar Project, LLC	
Title	Organization	
16105 W. 113th Street, Suite 105		
Street Address		
Mailing Address		
Lenexa	Kansas	66219
City	State	ZIP
(913) 953-5227		
Phone Number	Fax Number	
	bbaca@tradewindenergy.com	
Mobile Number (optional)	Business Email Address	

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Robert	Pena, Jr.
First Name	Last Name
President	
Title	
Texas Energy Consultants, LLC	
Firm Name	
(956) 386-9387	(877) 341-4474
Phone Number	Fax Number
robjrpena@texas-kwh.com	
Business Email Address	

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Rayos Del Sol Solar Project, LLC

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32063120250

3. List the NAICS code NAICS code is consistent with 2017 code 221114

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

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

*

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation

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

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

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

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

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

- 1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
- 2. Check the project characteristics that apply to the proposed project:
 - Land has no existing improvements Land has existing improvements (complete Section 13)
 - Expansion of existing operation on the land (complete Section 13) Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board February 19, 2018
- 2. Commencement of construction QTR 2 2019
- 3. Beginning of qualifying time period April 2019
- 4. First year of limitation 2020
- 5. Begin hiring new employees Dec. 2019
- 6. Commencement of commercial operations QTR 4 2019
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
 Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? Dec. 31, 2019

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Cameron County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Cameron CAD
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Cameron, 0.4077, 100% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: _____ Water District: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): South Texas ISD, 0.0492, 100% Other (describe): Emergency Svcs Dist. #1, 0.096746, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 1,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 10,000,000.00
 Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
- 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

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

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

- 1. In Tab 10, attach a specific and detailed description of all existing property. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all proposed new property that will not become new improvements as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
a. maps and/or detailed site plan;
b. surveys;
c. appraisal district values and parcel numbers;
d. inventory lists;
e. existing and proposed property lists;
f. model and serial numbers of existing property; or
g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2017
(year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 2

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 551.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,002.38
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 772.20

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,154.40

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,154.40

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Tab 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of payment for the \$75,000 application fee to Santa Maria ISD.

Rayos Del Sol Solar Project, LLC

Account	Name	Check	Date	Discount	Total
SMISD	Santa Maria Independent School District	1025	3/5/2018	0.00	\$75,000.00
Invoice	Date	Currency	Gross Amount	Cash Discount	Payment Amount
CHAPTER 313 APPLICAT	02/12/2018	usd	75,000.00	0.00	75,000.00

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

RAYOS DEL SOL SOLAR PROJECT, LLC
16105 W 113TH ST. STE 105
LENEXA, KS 66219-2307



CrossFirst
LEAWOOD, KANSAS

1025

83-1528/1010

DATE 3/5/2018

AMOUNT

\$ 75,000.00

*** Seventy Five Thousand and 00/100

US Dollar

TWO SIGNATURES REQUIRED FOR AMOUNTS OVER \$10K
VOID AFTER 180 DAYS

PAY TO THE ORDER OF **Santa Maria Independent School District**
PO Box 448
Santa Maria, TX 78592

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT



Rayos Del Sol Solar Project, LLC

Account	Name	Check	Date	Discount	Total
SMISD	Santa Maria Independent School District	1025	3/5/2018	0.00	\$75,000.00
Invoice	Date	Currency	Gross Amount	Cash Discount	Payment Amount
CHAPTER 313 APPLICAT	02/12/2018	usd	75,000.00	0.00	75,000.00

Tab 3

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

Not Applicable.

Tab 4

Detailed description of the project.

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

Rayos Del Sol Solar Project, LLC (“Rayos Del Sol”), is the project entity formed to facilitate the development of a utility-scale photovoltaic (“PV”) solar energy project (The “Project”). Rayos Del Sol is a wholly owned subsidiary of Tradewind Energy, Inc. (“Tradewind Energy”). Tradewind Energy is one of the most successful independent renewable energy development companies in the U.S., with over 140 full-time employees. Tradewind’s team of subject matter experts in solar resource analysis, mapping systems, environmental studies, permitting, land acquisition, and power marketing places a unique emphasis on the development craft, which is unparalleled in the U.S. renewable energy market. Tradewind Energy has developed over 3 gigawatts (“GW”) of wind and solar energy facilities across 27 projects, which are either operating, in-construction, or are contracted to be in constructed, and has an 11 GW pipeline of additional projects under development.

Tradewind Energy is actively evaluating renewable energy project opportunities in locations across the United States at various stages of development.

Rayos Del Sol seeks to develop and interconnect 150 megawatts (“MW”) of power into the ERCOT market. There are no existing 312 or 313 agreements in place for the Project. Rayos Del Sol is requesting an appraised value limitation from Santa Maria ISD for a proposed solar energy project using PV solar energy panels and transmission facilities. The solar energy facility and its associated infrastructure will be constructed within Cameron County, Texas. A map showing the location of the solar energy facility is included as Attachment 11a.

The Project will have an estimated capacity of 150 MW. The Project is located on approximately 2,000 acres of contiguous land located entirely within Santa Maria ISD. Rayos Del Sol has signed leases and option agreements with property owners of the property needed to construct the Project. The Project will consist of over 1.65 MW solar PV modules, connected to form strings, which are subsequently connected in parallel and mounted on rows of horizontal, single axis trackers. The Project will also feature central power inverters and transformers to convert DC power to AC electricity. In addition to the major equipment, there will be the supporting electrical collection system and supporting facilities to be constructed and improved as necessary, as well as overhead transmission lines, a collection substation to permit the interconnection and transmission of electricity generated by the Project, and an operations and maintenance building constructed within the Project’s boundary.

Construction of the solar energy facility is proposed to begin in April 2019 and is expected to take approximately 9 to 10 months to complete, with an estimated commercial operations date by December 2019, contingent upon favorable economics for the Project.

While the solar energy resource for Cameron County, Texas is excellent, there are many favorable locations for solar energy projects that could be developed across the United States. Rayos Del Sol considers a Limitation of Appraised Value Agreement with Santa Maria ISD as a key and invaluable portion of the Project.

In today's competitive energy market, project investors and power purchasers require solar energy projects to have secured tax incentives, so that they can compete with solar energy projects across the U.S.

Solar energy facilities are operating and under development in many states throughout the country. The United States now has over 44 gigawatts ("GW") of installed solar capacity, enough to power millions of homes, according to the Solar Energy Industries Association ("SEIA"). In 2017, the U.S. solar market installed over 14 GW, primarily driven by the utility-scale PV segment. According to SEIA, over 22 states installed over 100 MW in 2016, up from just 13 in 2015. While California has historically been the largest state market, other states are growing, such as Utah, Georgia, Nevada, and North Carolina. Together with Texas, these states make up the top six markets for highest total installations in 2016.

Locations for the development of solar energy projects are abundant and the Applicant can locate a project in a wide variety of locations across the United States, should it be unable to develop a competitive project in Texas that is able to generate returns sufficient enough to attract investment capital.

As construction is one of the most significant costs in creating a solar energy facility, the physical improvements of the Project, once completed, cannot be feasibly moved to another location. The solar modules and supporting infrastructure are long-lived assets engineered and designed specifically for this Project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

Rayos Del Sol was formed for the express purpose of developing a photovoltaic solar energy facility that could help bring significant economic development to the area. Tradewind Energy identified Texas, and in particular Cameron County and Santa Maria ISD, for its strong solar energy resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation. For these reasons, Rayos Del Sol seeks to develop and build the proposed Project as described throughout this Application.

As of January 2018, Rayos Del Sol has one temporary meteorological tower installed on the Project site. Rayos Del Sol has invested additional capital in interconnecton studies with ERCOT,

environmental and wildlife studies, and in leasing land for the Project, among other development activities.

Should the Appraised Value Limitation be granted, Rayos Del Sol has created a development and investment plan that is capitalized to implement the Project. Without such a limitation, the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other states competing for similar solar energy projects.

Tab 5

Documentation to assist in determining if limitation is a determining factor.

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

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Rayos Del Sol Solar Project, LLC has entered into the following representative agreements and contracts for the development of a project within Santa Maria ISD:

- Grants of leases and easements covering approximately 2,000 acres;
- Interconnect Studies and Agreement; and
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. Tradewind Energy’s management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 17+ years of experience in the renewable energy industries, the Tradewind Energy team has a proven track record of developing, financing, and constructing large-scale renewable energy projects. Our collective experience includes over 3.56 gigawatts of wind and solar projects in the U.S., representing over \$5 billion of investment. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

- | | |
|-----------|----------------|
| Alabama | Mississippi |
| Arkansas | New Mexico |
| Colorado | North Carolina |
| Florida | South Carolina |
| Georgia | Ohio |
| Illinois | Oklahoma |
| Indiana | Tennessee |
| Kansas | Virginia |
| Louisiana | Wisconsin |
| Minnesota | |

For these reasons, Tradewind Energy studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive.

Without a Value Limitation program, Tradewind Energy would seek to move to alternative sites OUTSIDE of the State of Texas.

Rayos Del Sol Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Santa Maria ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 150 MW Rayos Del Sol could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$176M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Rayos Del Sol Solar Project, LLC.

Tab 6

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

5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.

All of the planned Qualified Property for the Project is solely located in Santa Maria ISD and in no other school district.

Tab 7

Description of Qualified Investment

a. A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021(7) (Tab 7).

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described and shown in Map Exhibit within Santa Maria ISD, which is located in Cameron County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following:

- PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- 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;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

Additionally, the map provided does not present the location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit.

None of the above mentioned property is covered under an existing County Appraisal District account number.

b. A description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7).

The Applicant intends to construct a building to house Maintenance and Operations, supplies, replacement parts and other miscellaneous related equipment. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Tab 8

Description of Qualified Property

Rayos Del Sol Solar Project, LLC plans to construct an estimated 150 MW photovoltaic solar energy facility in Cameron County, located entirely within Santa Maria ISD. The additional improvements of Qualified Property includes:

- Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- 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;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

The exact placement of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. All equipment outlined above is expected to be located within Santa Maria ISD. The final number and location of units and supporting structures will be determined before construction begins. Current plans are to install all equipment in one phase. Rayos Del Sol intends to connect to 138 kV AEP TX Line from WesMar to Rangerville. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Tab 9

Description of Land

N/A

Tab 10

Description of all property not eligible to become qualified property (if applicable).

N/A

Tab 11

Maps that clearly show:

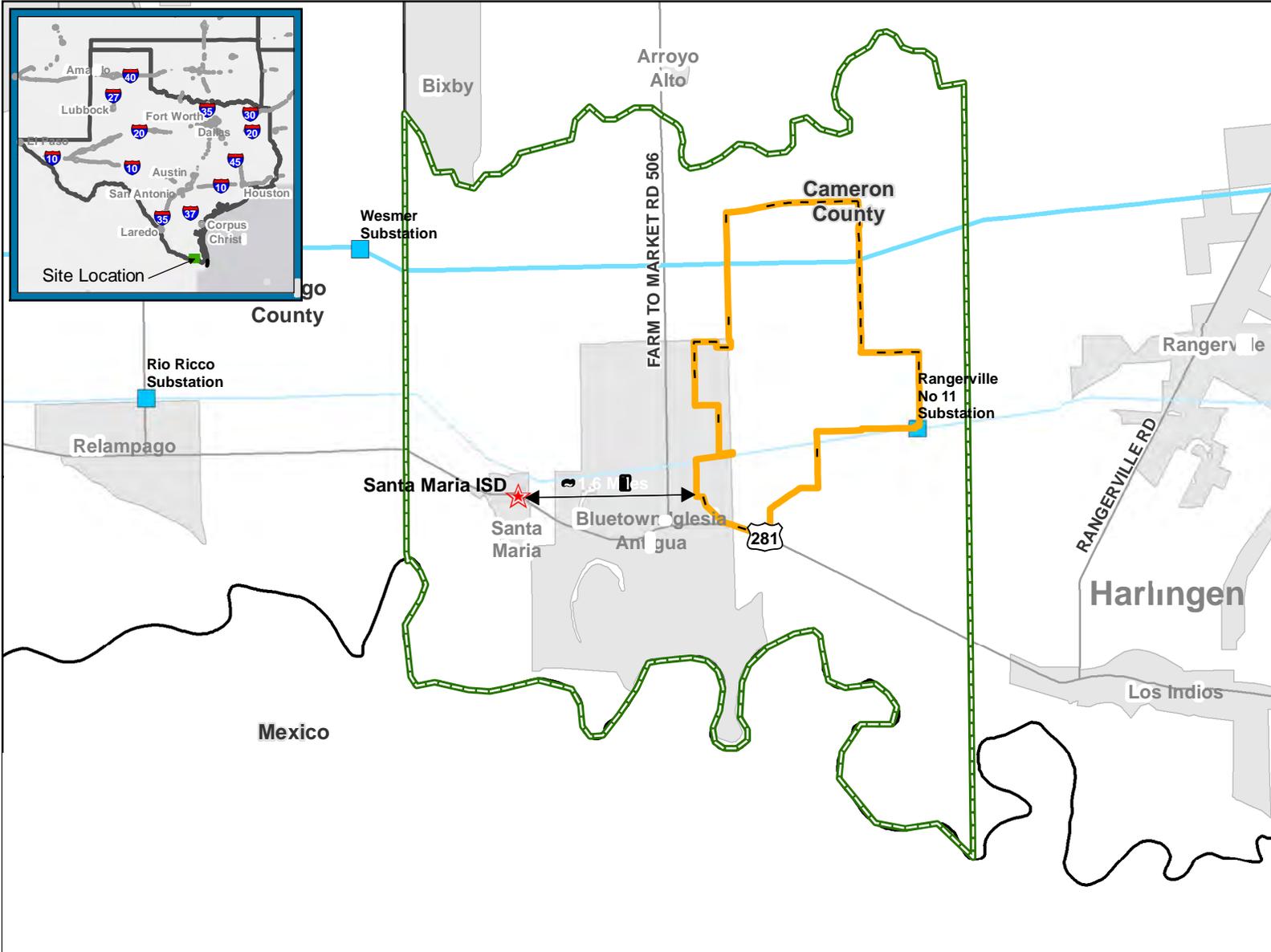
- a. Project vicinity***
- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
- c. Qualified property including location of new buildings or new improvements***
- d. Existing property***
- e. Land location within vicinity map***
- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Tab 11a

a. Project vicinity

Please see attached map (Tab 11a).

Rayos del Sol Solar Project - Project Vicinity



Legend

- | | | | |
|--|---------------------------|--|--|
|  | Project Boundary |  | Santa Maria Independent School District Boundary |
|  | Substation | | |
| | Transmission Lines | | |
| | Voltage kV | | |
| | | 138 | |
| | | 69 | |



The following companies and organizations provided data that contributed to the production of this map.

U.S. Geological Survey (USGS)
 Environmental Systems Research Institute (ESRI)
 U.S. Department of Agriculture (USDA)
 WhiteStar Corporation



Scale: 1:90,000

Date: 2/7/2018

Coordinate System:
 GCS North American 1983

Tab 11b

b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period

Confidential

Tab 11c

- c. *Qualified property including location of new buildings or new improvements***

Confidential

Tab 11d

d. Existing property

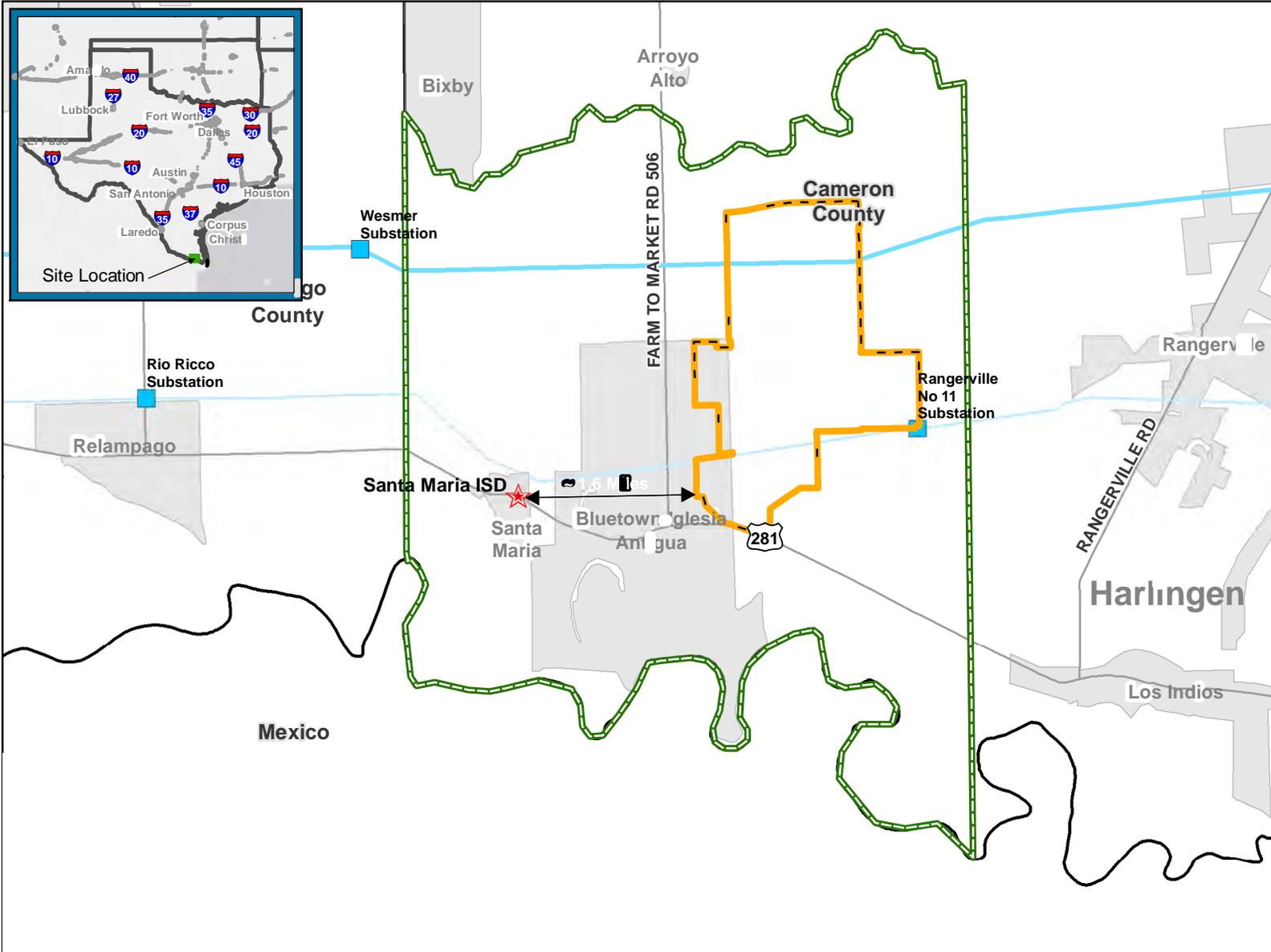
N/A

Tab 11e

e. Land location within vicinity map

Please see the attached map (Tab 11a).

Rayos del Sol Solar Project - Project Vicinity



Legend

- | | | | |
|--|---------------------------|--|--|
|  | Project Boundary |  | Santa Maria Independent School District Boundary |
|  | Substation | | |
| | Transmission Lines | | |
| | Voltage kV | | |
| | | 138 | |
| | | 69 | |



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 WhiteStar Corporation



Scale: 1:90,000

Date: 2/7/2018

Coordinate System:
 GCS North American 1983

Tab 11f

- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see the attached maps (Tabs 11a and 11b).

Tab 12

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

See attached waiver request.



Rayos Del Sol Solar Project, LLC

16105 W. 113th Street, Suite 105

Lenexa, KS 66219

P: 913.888.9463

January 3, 2018

Ms. Maria Chavez
Superintendent
Santa Maria Independent School District
11119 Military Road
P.O. Box 448
Santa Maria, TX 78592

Re: Chapter 313 Application for Appraised Value Limitation – Job Waiver Request

Dear Ms. Chavez,

This letter is to advise you that Rayos Del Sol Solar Project, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement.

House Bill 1470 altered the jobs requirement by adding Section 313-025 (f-1) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. Rayos Del Sol Solar Project, LLC, requests that Santa Maria ISD's Board of Trustees make such a finding, and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately one to two (1-2) permanent jobs.

As background information on the creation of the full-time jobs by solar energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a solar energy project once construction operations cease and commercial operations begin. The permanent employees of a solar energy project maintain and service solar energy units, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. Typically, solar PV projects of 100 to 200 MW in size require one to two full-time onsite employees, although this number varies depending on the units selected as well as the support and technical assistance offered by the PV manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the solar energy project operations from offsite locations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brianna Baca", is written over a light blue circular stamp.

Brianna Baca
Associate Developer
Rayos Del Sol Solar Project, LLC

Tab 13

Calculation of Wage Requirements – Cameron County

Supporting data for Section 14(7)(a)

Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Cameron County	Private	0	0	10	Total, All Industries	\$547.00
2017	2 nd Qtr	Cameron County	Private	0	0	10	Total, All Industries	\$544.00
2017	3 rd Qtr	Cameron County	Private	0	0	10	Total, All Industries	\$539.00
2016	4 th Qtr	Cameron County	Private	0	0	10	Total, All Industries	\$574.00
Average weekly wage for previous four quarters								\$551.00

*Source: Quarterly Employment and Wages (QCEW) data for Cameron County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>*

Supporting Data for Section 14(7)(b)

110% of the average weekly wage for manufacturing jobs in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$915.00
2017	2 nd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$911.00
2017	3 rd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$916.00
2016	4 th Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$1,003.00
Average weekly wage for previous four quarters								\$911.25
110% of Average Weekly Wages								\$1,002.38

*Source: Quarterly Employment and Wages (QCEW) data for Cameron County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>*

Supporting Data for Section 14(7)(c)

110% of the average weekly wage for manufacturing jobs in the region

Average Hourly Wages	\$17.55
Average Annual Wages	\$36,503.00
Average Weekly Wages @40hrs/week	\$702.00
110% of Average Weekly Wages	\$772.20

*Source: 2016 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council.
<http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>*

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Cameron County	Private	00	0	10	Total, all industries	\$547
2017	2nd Qtr	Cameron County	Private	00	0	10	Total, all industries	\$544
2017	3rd Qtr	Cameron County	Private	00	0	10	Total, all industries	\$539
2016	1st Qtr	Cameron County	Private	00	0	10	Total, all industries	\$519
2016	2nd Qtr	Cameron County	Private	00	0	10	Total, all industries	\$543
2016	3rd Qtr	Cameron County	Private	00	0	10	Total, all industries	\$566
2016	4th Qtr	Cameron County	Private	00	0	10	Total, all industries	\$574

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$915
2017	2nd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$911
2017	3rd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$916
2016	1st Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$843
2016	2nd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$834
2016	3rd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$906
2016	4th Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$1,003

**2016 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$25.41	\$52,850
1. Panhandle Regional Planning Commission	\$22.52	\$46,834
2. South Plains Association of Governments	\$18.27	\$38,009
3. NORTEX Regional Planning Commission	\$24.14	\$50,203
4. North Central Texas Council of Governments	\$26.06	\$54,215
5. Ark-Tex Council of Governments	\$19.07	\$39,663
6. East Texas Council of Governments	\$20.52	\$42,677
7. West Central Texas Council of Governments	\$20.31	\$42,242
8. Rio Grande Council of Governments	\$19.32	\$40,188
9. Permian Basin Regional Planning Commission	\$26.00	\$54,079
10. Concho Valley Council of Governments	\$18.78	\$39,066
11. Heart of Texas Council of Governments	\$21.14	\$43,962
12. Capital Area Council of Governments	\$30.06	\$62,522
13. Brazos Valley Council of Governments	\$17.66	\$36,729
14. Deep East Texas Council of Governments	\$18.06	\$37,566
15. South East Texas Regional Planning Commission	\$33.42	\$69,508
16. Houston-Galveston Area Council	\$27.52	\$57,246
17. Golden Crescent Regional Planning Commission	\$26.38	\$54,879
18. Alamo Area Council of Governments	\$21.67	\$45,072
19. South Texas Development Council	\$15.02	\$31,235
20. Coastal Bend Council of Governments	\$27.85	\$57,921
21. Lower Rio Grande Valley Development Council	\$17.55	\$36,503
22. Texoma Council of Governments	\$20.98	\$43,648
23. Central Texas Council of Governments	\$18.65	\$38,783
24. Middle Rio Grande Development Council	\$23.05	\$47,950

Source: Texas Occupational Employment and Wages

Data published: July 2017

Data published annually, next update will be July 31, 2018

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

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

Data intended for TAC 313 purposes only.

Tab 14

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

Please see attached Schedules.

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

Date 1/3/2018
 Applicant Name Ravos Del Sol Solar, LLC
 ISD Name Santa Maria 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 <u>not</u> 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				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	0	2018-2019	2018					
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0.00	0.00	0.00	0.00	0.00
Complete tax years of qualifying time period	QTP1	2019-2020	2019	\$ 162,000,000.00	0.00	0.00	0.00	\$ 162,000,000.00
	QTP2	2020-2021	2020	0.00	0.00	0.00	0.00	0.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 162,000,000.00	0.00	0.00	0.00	\$ 162,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 162,000,000.00				

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.

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

Date 1/3/2018
 Applicant Name Rayos Del Sol Solar Project, LLC
 ISD Name Santa Maria 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)	
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1			\$ 162,000,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 162,000,000.00
Enter amounts from TOTAL row in Schedule A1 in the row below									
Each year prior to start of value limitation period**	1	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	
	2	2019-2020	2019	\$ 162,000,000.00	\$ -	\$ -	\$ -	\$ 162,000,000.00	
Value limitation period***	1	2020-2021	2020						
	2	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -	
	3	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -	
	4	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -	
	5	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -	
	6	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -	
	7	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -	
	8	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -	
	9	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	\$ -	
	10	2029-2030	2029	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Investment made through limitation				\$ 162,000,000.00	\$ -	\$ -	\$ -	\$ 162,000,000.00	
Continue to maintain viable presence	11	2030-2031	2030			\$ -		\$ -	
	12	2031-2032	2031			\$ -		\$ -	
	13	2032-2033	2032			\$ -		\$ -	
	14	2033-2034	2033			\$ -		\$ -	
	15	2034-2035	2034			\$ -		\$ -	
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035			\$ -		\$ -	
	17	2036-2037	2036			\$ -		\$ -	
	18	2037-2038	2037			\$ -		\$ -	
	19	2038-2039	2038			\$ -		\$ -	
	20	2039-2040	2039			\$ -		\$ -	
	21	2040-2041	2040			\$ -		\$ -	
	22	2041-2042	2041			\$ -		\$ -	
	23	2042-2043	2042			\$ -		\$ -	
	24	2043-2044	2043			\$ -		\$ -	
	25	2044-2045	2044			\$ -		\$ -	

* All investments made through the qualifying time

*** 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
 Only tangible personal property that is specifically

Column B: The total dollar amount of planned investment

Column C: Dollar value of other investment that may affect

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

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

Date 1/3/2018
 Applicant Name Rayos Del Sol Solar Project, LLC
 ISD Name Santa Maria ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Qualified Investment Period	1	2018-2019	2018						
	2	2019-2020	2019	N/A		\$ 162,000,000.00	\$ 162,000,000.00	\$ 162,000,000.00	\$ -
Value Limitation Period	1	2020-2021	2020	N/A	\$ -	\$ 135,270,000.00	\$ 135,270,000.00	\$ 135,270,000.00	\$ 10,000,000.00
	2	2021-2022	2021	N/A	\$ -	\$ 112,950,450.00	\$ 112,950,450.00	\$ 112,950,450.00	\$ 10,000,000.00
	3	2022-2023	2022	N/A	\$ -	\$ 94,313,625.75	\$ 94,313,625.75	\$ 94,313,625.75	\$ 10,000,000.00
	4	2023-2024	2023	N/A	\$ -	\$ 78,751,877.50	\$ 78,751,877.50	\$ 78,751,877.50	\$ 10,000,000.00
	5	2024-2025	2024	N/A	\$ -	\$ 65,757,817.71	\$ 65,757,817.71	\$ 65,757,817.71	\$ 10,000,000.00
	6	2025-2026	2025	N/A	\$ -	\$ 54,907,777.79	\$ 54,907,777.79	\$ 54,907,777.79	\$ 10,000,000.00
	7	2026-2027	2026	N/A	\$ -	\$ 45,847,994.46	\$ 45,847,994.46	\$ 45,847,994.46	\$ 10,000,000.00
	8	2027-2028	2027	N/A	\$ -	\$ 38,283,075.37	\$ 38,283,075.37	\$ 38,283,075.37	\$ 10,000,000.00
	9	2028-2029	2028	N/A	\$ -	\$ 31,966,367.93	\$ 31,966,367.93	\$ 31,966,367.93	\$ 10,000,000.00
	10	2029-2030	2029	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 10,000,000.00
Continue to maintain viable presence	11	2030-2031	2030	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	12	2031-2032	2031	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	13	2032-2033	2032	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	14	2033-2034	2033	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	15	2034-2035	2034	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	17	2036-2037	2036	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	18	2037-2038	2037	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	19	2038-2039	2038	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	20	2039-2040	2039	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	21	2040-2041	2040	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	22	2041-2042	2041	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	23	2042-2043	2042	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	24	2043-2044	2043	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22
	25	2044-2045	2044	N/A	\$ -	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22	\$ 26,691,917.22

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 1/3/2018
 Applicant Name Rayos Del Sol Solar Project, LLC
 ISD Name Santa Maria ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Qualified Investment Period	1	2018-2019	2018					
	2	2019-2020	2019	200FTE's	\$41,717	N/A	2	\$ 40,154.40
Value Limitation Period <small>The qualifying time period could overlap the value limitation period.</small>	1	2020-2021	2020	N/A	N/A	0	2	\$ 40,154.40
	2	2021-2022	2021	N/A	N/A	0	2	\$ 40,154.40
	3	2022-2023	2022	N/A	N/A	0	2	\$ 40,154.40
	4	2023-2024	2023	N/A	N/A	0	2	\$ 40,154.40
	5	2024-2025	2024	N/A	N/A	0	2	\$ 40,154.40
	6	2025-2026	2025	N/A	N/A	0	2	\$ 40,154.40
	7	2026-2027	2026	N/A	N/A	0	2	\$ 40,154.40
	8	2027-2028	2027	N/A	N/A	0	2	\$ 40,154.40
	9	2028-2029	2028	N/A	N/A	0	2	\$ 40,154.40
	10	2029-2030	2029	N/A	N/A	0	2	\$ 40,154.40
Years Following Value Limitation Period	11 through 25	2030-2045	2030-2044	N/A	N/A	0	2	\$ 40,154.40

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

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

Schedule D: Other Incentives (Estimated)

Date 1/3/2018
 Applicant Name Rayos Del Sol Solar Project, LLC
 ISD Name Santa Maria ISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Cameron County	2020	10 Years		85%	
	City: N/A					
	Other:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL						

Additional information on incentives for this project:

Tab 15

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

Not applicable.

Tab 16

Description of Reinvestment or Enterprise Zone, including:

- a. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office***
- b. Legal description of reinvestment zone***
- c. Order, resolution or ordinance establishing the reinvestment zone***
- d. Guidelines and criteria for creating the zone***

Tab 16a

a. Evidence that the area qualifies as an enterprise zone as defined by the Governor’s Office

Enterprise Zone:

An enterprise zone is a census tract block group that has 20% or more poverty rate based upon the most recent decennial census federal poverty level information, a distressed county, a federally designated zone or renewal community.

Source: <https://businessintexas.com/services/taxincentives?view=texas%20enterprise%20zone%20program>

Cameron County meets the guidelines as “Distressed County” under Texas Government Code Chapter 2303.003 (1-c). Where a “Distressed County” means a County:

- (A) That has a poverty rate above 15.4%;
- (B) In which at least 25.4% of the adult population does not hold a high school diploma or high school equivalency certificate; and
- (C) That has an unemployment rate that has remained above 4.9% during the preceding five years.

Cameron County meets or exceeds this criterion by the following facts of the three aforementioned criteria obtained from the federal census information as required under the Government Code 2303:

- (A) The Poverty rate in Cameron County is currently 29.1%

All Topics	Cameron County, Texas	UNITED STATES
Population estimates, July 1, 2017, (V2017)	NA	325,719,178
Total retail sales per capita, 2012 (c)	\$9,926	\$13,443
Transportation		
Mean travel time to work (minutes), workers age 16 years+, 2012-2016	20.1	26.1
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$34,578	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,467	\$29,829
Persons in poverty, percent	△ 29.1%	△ 12.7%

Source: <https://www.census.gov/quickfacts/fact/table/cameroncountytexas/INC110216>

(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Cameron County; persons of age 25 years+ were: 34.4% during 2012-2016.

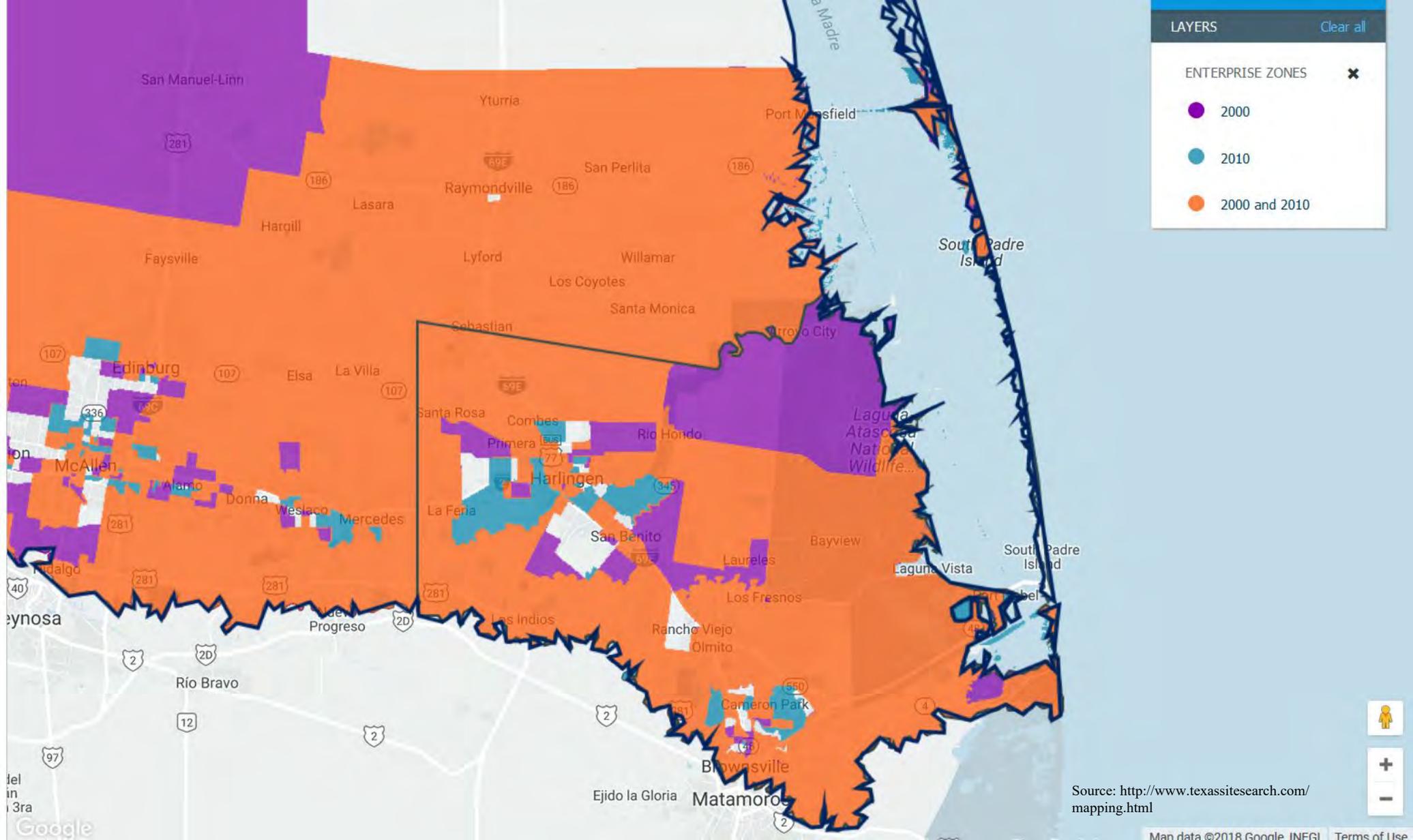
All Topics	Cameron County, Texas	UNITED STATES
Population estimates, July 1, 2017, (V2017)	NA	325,719,178
Households, 2012-2016	121,290	117,716,237
Persons per household, 2012-2016	3.42	2.64
Living in same house 1 year ago, percent of persons age 1 year+, 2012-2016	90.3%	85.2%
Language other than English spoken at home, percent of persons age 5 years+, 2012-2016	74.2%	21.1%
Education		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	65.6%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	16.8%	30.3%

Source: <https://www.census.gov/quickfacts/fact/table/cameroncountytexas/INC110216>

(C) The unemployment rate in Cameron County during the preceding 5 years has been from 2013 at 9.3% to 2017 at 6.0%.



Source: https://ycharts.com/indicators/cameron_county_tx_unemployment_rate



LAYERS Clear all

ENTERPRISE ZONES ✕

- 2000
- 2010
- 2000 and 2010

Source: <http://www.texasitesearch.com/mapping.html>

Tab 16b

b. Legal description of enterprise zone

Please see attached.

- 1) Blocks 15 and 16 out of Randall's Irrigated Farm Subdivision out of the Adams Garden Subdivision, Cameron County, Texas.
- 2) BLOCK 22 OF THE DANA SUBDIVISION IN THE LA FERIA GRANT IN CAMERON COUNTY, TEXAS, CONTAINING 16.62 ACRES MORE OR LESS.

AND

THE NORTH 24.01 ACRES OF BLOCK 23 OF THE DANA SUBDIVISION IN THE LA FERIA GRANT IN CAMERON COUNTY, TEXAS, CONTAINING 24.01 ACRES OF LAND, MORE OR LESS.

AND

BEING THE SOUTH 9.79 ACRES OF BLOCK 23 OF THE DANA SUBDIVISION IN LA FERIA GRANT IN CAMERON COUNTY, TEXAS, CONTAINING 9.79 ACRES OF LAND, MORE OR LESS.

- 3) BEING all of Block Fourteen (14) of the Dana Subdivision in the La FERIA Grant in Cameron County, Texas, containing 13.71 acres of land, more or less.

AND

Being all of BLOCK FIVE (5) of the B.H. DUNLAP RIVER RANCH SUBDIVISION in the LA FERIA GRANT in Cameron County, Texas.

- 4) Block Thirteen (13), DANA SUBDIVISION, in La FERIA, Cameron County, Texas, according to the Map or Plat thereof recorded in Volume 7, Page 17, of the Map Records, Cameron County, Texas, containing 20.34 acres of land more or less.

AND

Block Fifteen (15), DANA SUBDIVISION, in La FERIA, Cameron County, Texas, according to the Map or Plat thereof recorded in Volume 7, Page 17, of the Map Records, Cameron County, Texas, containing 20.35 acres of land more or less.

- 5) A 945.134 acre tract of land, more or less, out of the La Gloria Tract in the La FERIA Grant, Cameron County, Texas, SAVE AND EXCEPT a 0.413 acre tract, leaving a total of 944.721 acres, said 945.134 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a 5/8 inch steel rod found on the Northeast corner of Block Eight (8), B.H. Dunlap River Ranch Subdivision, as recorded in Volume 11, Page 45, Map Records, Cameron County, Texas, said corner being on the centerline of Carol J. Lane (Rangerville Road-plat) a forty foot wide county road right of way easement, said corner being the Northwest corner and POINT OF BEGINNING of the tract of land herein described;

THENCE, North 89 degrees 45 minutes 25 seconds East, with the centerline of said Carol J. Road, a distance of 2,629.23 feet to a 5/8 inch steel rod found for a corner of this tract;

THENCE, South 80 degrees 45 minutes 04 seconds East, continuing with the centerline of said Carol J. Road, a distance of 1,327.01 feet to a 5/8 inch steel rod found for a corner of this tract;

THENCE, South 80 degrees 42 minutes 11 seconds East, continuing with the centerline of said Carol J. Road, a distance of 2,480.54 feet to a 1/2 inch steel rod found for the Northeast corner of this tract, said corner being on the West line of Adams Gardens Subdivision "A" as recorded in Volume 10, Page 1, Map Records, Cameron County, Texas;

THENCE, South 01 degrees 00 minutes 05 seconds East, with the West line of said Adams Garden Subdivision "A", a distance of 3,812.31 feet to a point for a corner of this tract, said corner being the Northeast corner of La Florida Ranch Subdivision as recorded in Volume 12, Page 39, Map Records, Cameron County, Texas;

THENCE, South 88 degrees 48 minutes 06 seconds West (South 88 degrees 58 minutes West-plat), with the North line of said La Florida Ranch Subdivision, at a distance of 25.7 feet passing a surveyor's concrete monument, at a distance of 2,131.15 feet passing a 5/8 inch steel rod found on the East right of way line of Benson Road, a total distance of 2,146.15 feet (2,146.0 feet-plat) to a 5/8 inch steel rod found on the centerline of said Benson Road for a corner of this tract, said corner being the Northwest corner of said La Florida Ranch Subdivision;

THENCE, South 01 degree 18 minutes 13 seconds East (South 01 degrees 08 minutes East-plat), with the contiguous West line of said La Florida Ranch Subdivision, and centerline of said Benson Road, a distance of 517.83 feet to a 5/8 inch steel rod found for a corner of this tract, said corner being on the South right of way line of an abandoned one hundred foot wide railroad;

THENCE, South 82 degrees 05 minutes 05 seconds West (South 82 degrees 15 minutes West-plat), with the South right of way line of said abandon railroad, a distance of 793.61 feet to a surveyor's concrete monument found for a corner of this tract;

THENCE, South 01 degree 08 minutes 07 seconds East, at a distance of 1,586.34 feet passing a 1/2 inch steel rod set, a total distance of 2,115.35 feet to a point for a corner of this tract;

THENCE, North 89 degrees 36 minutes 06 seconds West, a distance of 623.34 feet to a point for a corner of this tract;

THENCE, South 57 degrees 29 minutes 36 seconds West, a distance of 373.11 feet to a point for a corner of this tract;

THENCE, South 49 degrees 20 minutes 28 seconds West, a distance of 256.07 feet to a point for a corner of this tract;

THENCE, South 46 degrees 56 minutes 36 seconds West, a distance of 408.79 feet to a point for a corner of this tract;

THENCE, South 58 degrees 29 minutes 00 seconds West, a distance of 190.31 feet to a point for a corner of this tract;

THENCE, South 80 degrees 14 minutes 27 seconds West, a distance of 164.58 feet to a point for a corner of this tract;

THENCE, South 01 degree 11 minutes 09 seconds East, at a distance of 1,630.35 feet passing a ½ inch steel rod set on the North right of way line of State Highway 281 (100.00 foot right of way), a total distance of 1,683.82 feet to a point on the centerline of said State Highway 281 for the Southeast corner of this tract;

THENCE, North 70 degrees 22 minutes 46 seconds West, with the centerline of said State Highway 281, a distance of 1,776.41 feet to a point for the Southwest corner of this tract, said corner being the Southeast corner of Block Five (5), of said B.H. Dunlap River Ranch Subdivision;

THENCE, North 01 degree 06 minutes 50 seconds West, with the East line of said Block Five (5), at a distance of 53.47 feet passing a ½ inch steel rod found on the North right of way line of said State Highway 281, a total distance of 3,547.70 feet to a point for a corner of this tract, said corner being the Northeast of said Block Five (5), and Southeast corner of Block Six (6), of said B.H. Dunlap River Ranch Subdivision;

THENCE, North 01 degree 10 minutes 20 seconds West, with the East line of said Block Six (6), at a distance of 5,491.96 feet passing a 5/8 inch steel rod found on the South right of way line of said Carol J. Lane, a total distance of 5,511.96 feet (5,510.0 feet-plat) to the POINT OF BEGINNING and containing 945.134 acres of land, more or less, SAVE AND EXCEPT 0.413 acre tract, leaving a total of 944.721 acres of land.

SAVE AND EXCEPT: A 0.413 acre tract of land, more or less, out of the La Gloria Tract in the La Feria Grant, Cameron County, Texas, said 0.413 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a ½ inch steel rod found on the intersection of the North right of way line of said State Highway 281, and the East line of said Block Six (6), B.H. Dunlap River Ranch Subdivision;

THENCE, South 70 degrees 22 minutes 46 seconds East, with the North right of way line of said State Highway 281, a distance of 1,062.64 feet to ½ inch steel rod found for the Southwest corner and POINT OF BEGINNING of the tract of land herein described;

THENCE, North 01 degree 08 minutes 58 seconds West, a distance of 91.00 feet to a ½ inch steel rod found for the Northwest corner of this tract;

THENCE, South 70 degrees 22 minutes 46 seconds East, a distance of 211.20 feet to a ½ inch steel rod found for the Northeast corner of this tract;

THENCE, South 01 degree 08 minutes 58 seconds East, a distance of 91.00 feet to a ½ inch steel rod found on the North right of way line of said State Highway 281, for the Southwest corner of this tract;

THENCE, North 70 degrees 22 minutes 46 seconds West, with the North right of way line of said State Highway 281, a distance of 211.20 feet to the POINT OF BEGINNING and containing 0.413 acre of land, more or less.

- 6) Block 16, containing 13.78 acres of land, more or less all of Block 17, containing 13.79 acres of land, more or less, and the North Four (4) acres of Block 18, of the Dana Subdivision in the La Feria Grant in Cameron County, Texas, according to map of said subdivision recorded in Volume 7, Page 16, Map Records of Cameron County, Texas.

AND

Blocks 6 and 7, of the B. H. Dunlap River Ranch Subdivision in the La Feria Grant, in Cameron County, Texas.

1,558.64 acres in Cameron County, Texas, comprised of two Tracts:

TRACT 1:

Metes and bounds description of **811.26 acres** of land out of the **LA GLORIA TRACT** in the **LA FERIA GRANT** more particularly located and described as follows:

COMMENCING AT a 5/8" iron pin found on the southwest corner of Block 9, B.H. Dunlap River Ranch Subdivision [Volume 11, Page 45, Map Records of Cameron County, Texas], said 5/8" iron pin being on the intersection of Dana Road (60 foot wide easement) and Carol J. Lane (formerly known as Rangerville Road and also formerly known as Rangerville Cut-off Road) (40 foot wide road) and being the southwest corner of the tract herein described;

THENCE, along the west boundary line of said Block 9, North 00° 09' 29" West (North 00° 41' 40" West plat), a distance of 553.5 feet to a 5/8" iron pin found on the northwest corner of said Block 9, same being the southwest corner of Block 10;

THENCE, along the common line between Blocks 9 and 10, South 89° 29' 49" East (North 89° 58' East, plat), a distance of 559.44 feet to the northeast corner of Block 9, being the southeast corner of said Block 10, and **POINT OF BEGINNING** of this tract;

THENCE, along the east line of Block 10, North 00° 49' 29" West (North 01° 21' 40" West, plat), a distance of 1,976.09 feet to the northeast corner of Block 10, being the southeast corner of Block 11;

THENCE, along the east line of Block 11, North 00° 42' 49" West (North 01° 15' West, plat), a distance of 1,182.60 feet to a point for the northwest corner of this tract;

THENCE, South 86° 00' 22" East, 1,342.83 feet to a 5/8" iron pin found on the west right-of-way line of the 120 foot La Gloria Canal and Drainage Easement for a corner of this tract;

THENCE, along the west right-of-way of said Canal North 00° 38' 32" West, a distance of 1,209.06 feet to a 5/8" iron pin found on the south boundary line of a certain 747.38 acre tract, for a corner of this tract;

THENCE, North 89° 32' 58" East, a distance of 2,597.71 feet to a 60 penny nail

found on the centerline of a 30 foot wide road, for a corner of this tract;

THENCE, North 00° 43' 21" West, 1,926.60 feet to a point on the centerline of F.M. 3067, for a corner of this tract;

THENCE, along the centerline of said F.M. 3067 North 89° 21' 38" East, a distance of 2,475.00 feet to a point on the west boundary line of Adams Gardens Subdivision "A" [Volume 10, Page 1, Map Records of Cameron County, Texas] for the northeast corner of this tract;

THENCE, along the west boundary line of said Adams Gardens Subdivision "A", South 00° 27' 02" East, a distance of 7,443.90 feet to a point on the centerline of said Carol J. Lane (formerly Rangerville Road), for the southeast corner of this tract;

THENCE, along the centerline of said Carol J. Lane (formerly Rangerville Road), North 80° 11' 16" West, a distance of 2,480.64 feet calculated to a 5/8" iron pin found for a corner of this tract;

THENCE, North 80° 11' 28" West, a distance of 1,327.11 feet to a point for a corner of this tract;

THENCE, continuing along the centerline of said Carol J. Lane (formerly Rangerville Road), South 89° 59' 18" West, a distance of 2,629.62 feet calculated to a point on the southeast corner of Block 9, B.H. Dunlap River Ranch Subdivision, for a corner of this tract;

THENCE, continuing along the centerline of said Rangerville Road and the south boundary line of said Block 9, South 89° 50' 29" West, a distance of 565.77 feet to the PLACE OF BEGINNING

SAVE AND EXCEPT, all of Block 9 (7.10 acres), B.H. Dunlap River Ranch Subdivision, as recorded in Cameron County Map Records Volume 11, Page 45, Cameron County, Texas.

Being the same property conveyed by deed dated October 1, 2004, recorded at Volume 10665, Pages 1-8, Official Records of Cameron County, Texas.

TRACT 2:

747.38 acres, being a tract of unsubdivided land out of the **LA GLORIA TRACT**, in the **LA FERIA GRANT**, Rosa Maria Hinojosa De Balli, Original Grantee, **and** a parcel, being all of **Blocks 16 and 15** and a portion of **Block 14** of **B. H. DUNLAP RIVER RANCH SUBDIVISION** in Cameron County, Texas, recorded in Volume 11, Page 45, Map Records of Cameron County, Texas, said tract being more particularly described as follows:

BEGINNING AT the northwest corner of Block 16 of B. H. DUNLAP RIVER RANCH SUBDIVISION as shown on the map thereof, recorded in Volume 11, Page 45, Map Records of Cameron County, Texas, said point being in the approximate centerline of the Arroyo Colorado channel;

THENCE, along the north line of said Block 16, with the approximate centerline of said Arroyo Colorado channel, North 63° 41' 11" East, a distance of 526.58 feet to the northeast corner of said Block 16;

THENCE, continuing along the approximate centerline of the Arroyo Colorado channel, the following courses and distances:

North 45° 25' 58" East, a distance of 195.52 feet;
North 61° 24' 55" East, a distance of 282.85 feet;
North 73° 33' 14" East, a distance of 214.04 feet;
North 29° 17' 55" East, a distance of 195.96 feet;
South 89° 34' 44" East, a distance of 130.94 feet;
North 77° 38' 54" East, a distance of 217.50 feet;
South 81° 44' 34" East, a distance of 90.14 feet;
South 72° 11' 39" East, a distance of 229.44 feet;
South 84° 04' 50" East, a distance of 50.75 feet;
South 54° 18' 00" East, a distance of 126.00 feet;
South 73° 43' 00" East, a distance of 201.00 feet;
South 44° 39' 00" East, a distance of 174.00 feet;
South 59° 22' 00" East, a distance of 335.00 feet;
South 89° 38' 00" East, a distance of 274.00 feet;
South 79° 23' 30" East, a distance of 233.00 feet;
North 82° 35' 00" East, a distance of 294.00 feet;
North 62° 22' 30" East, a distance of 317.00 feet;
North 38° 51' 00" East, a distance of 394.00 feet;
North 05° 59' 00" East, a distance of 198.00 feet;
North 01° 14' 00" East, a distance of 216.00 feet;
North 23° 32' 00" West, a distance of 248.00 feet;
North 19° 57' 00" East, a distance of 175.00 feet;
North 06° 15' 30" West, a distance of 282.00 feet;
North 35° 51' 00" East, a distance of 217.00 feet;
North 58° 17' 30" East, a distance of 219.00 feet;
North 86° 02' 00" East, a distance of 181.00 feet;
South 70° 27' 30" East, a distance of 147.00 feet;
South 22° 13' 00" East, a distance of 177.00 feet;
South 70° 17' 00" East, a distance of 259.00 feet;
South 52° 47' 00" East, a distance of 546.00 feet;
South 34° 37' 00" East, a distance of 615.00 feet;
North 45° 53' 30" East, a distance of 211.00 feet;

North 45° 34' 00" East, a distance of 193.00 feet;
South 78° 35' 00" East, a distance of 228.00 feet;
North 66° 09' 00" East, a distance of 247.00 feet;
North 76° 47' 00" East, a distance of 217.00 feet;
North 38° 01' 00" East, a distance of 170.00 feet;
North 16° 51' 00" East, a distance of 167.00 feet;
North 01° 45' 00" East, a distance of 164.00 feet;
North 23° 59' 00" West, a distance of 157.00 feet;
North 58° 49' 30" West, a distance of 167.00 feet;
North 41° 37' 00" West, a distance of 181.00 feet;
North 48° 10' 00" West, a distance of 505.00 feet;
North 20° 44' 00" West, a distance of 235.00 feet;
North 13° 31' 00" West, a distance of 309.00 feet;
North 08° 41' 00" East, a distance of 312.00 feet;
North 15° 00' 45" East, a distance of 1157.00 feet;
North 25° 36' 00" East, a distance of 126.00 feet;
North 39° 49' 00" East, a distance of 397.00 feet;
North 54° 04' 00" East, a distance of 467.00 feet to the point of intersection of said centerline of the Arroyo Colorado channel, with the northerly projection of the west line of ADAMS GARDENS SUBDIVISION "A" as shown on map thereof recorded in Volume 10, Page 1, Map Records of Cameron County, Texas;

THENCE, along said projection and with the west line of said ADAMS GARDENS SUBDIVISION "A" and the east line of this Parcel, South 00° 27' 02" East, a distance of 7,227.00 feet to a bolt, found in the centerline of an 80 foot wide road right-of-way easement for State Highway F.M. 3067;

THENCE, along the centerline of said State Highway F.M. 3067, South 89° 21' 38" West, a distance of 2,475.00 feet to a bolt, found;

THENCE, leaving said State Highway, South 00° 43' 21" East, a distance of 1,926.60 feet to a point;

THENCE, South 89° 32' 58" West, a distance of 15.0 feet to a concrete monument found, and continuing South 89° 32' 58" West, a distance of 2,462.71 feet to a 5/8" iron pin set, and continuing South 89° 32' 58" West, a distance of 120.00 feet for a total distance of 2,597.71 feet to a 5/8" iron pin set on the west line of an apparent 120 foot canal right-of-way;

THENCE, along the west line of said apparent canal right-of-way, South 00° 38' 32" East, a distance of 1,209.06 feet to a point;

THENCE, leaving said canal right-of-way, North 86° 00' 22" West, a distance of 1,342.83 feet to a 5/8" iron pin set in the east line of Block 11 of said Dunlap Subdivision;

THENCE, along the east line of Blocks 11, 12, and 13, North 00° 42' 49" West, (North 01° 15' West, plat), a distance of 1,100.00 feet to a 5/8" iron pin set and continuing along the east lines of Blocks 13 and 14, North 00° 42' 49" West, a distance of 1,471.93 feet to a point in the south right-of-way line of State Highway F.M. 3067, conveyed to the State of Texas, in Volume 900, Pages 607-614, Deed Records of Cameron County, Texas, by Condemnation Cause No. 13464, and continuing along the west line of Block 14, and crossing said right-of-way, North 00° 42' 49" West, a distance of 80.00 feet for a total distance of 2,651.93 feet to a point in the north line of said 80 foot right-of-way for State Highway F.M. 3067;

THENCE, along said north right-of-way line of State Highway F.M. 3067, South 89° 20' 11" West, a distance of 389.49 feet to a ½" iron pin found;

THENCE, continuing along said north right-of-way line, North 45° 33' 58" West, a distance of 70.33 feet (70.94 feet Deed) to a ½" iron pin found;

THENCE, continuing along said north right-of-way line, South 89° 23' 32" West, a distance of 59.24 feet to a point in the centerline of Dana Road, a 60 foot wide road easement, and being in the west line of Block 14 of said Dunlap Subdivision;

THENCE, along the centerline of said Dana Road easement and its northerly projection, and along the west line of Blocks 14, 15, and 16 of said Dunlap Subdivision, North 00° 09' 29" West, a distance of 2,412.05 feet to a ½" iron pin, found on the bank of the Arroyo Colorado and continuing North 00° 09' 29" West, a distance of 50.00 feet for a total distance of 2,462.05 feet to the POINT OF BEGINNING, and containing 747.38 acres gross, more or less; **LESS** 3.147 acres for F.M. 3067 acquired by condemnation by the State of Texas, being 744.23 acres net, more or less, being the same property conveyed by deed dated October 1, 2008, recorded at Volume 15495, Pages 140-147, Official Records of Cameron County, Texas.

800.00 acres, more or less, being a 1,558.64 acre tract. Page 1
SAVE AND EXCEPT:

- (1) that part of a 52.69 acre tract out of said 1,558.64 acre tract lying south of the south right-of-way line of F.M. 3067 Page 6
- (2) that part of said 1,558.64 acre tract lying north of the south right-of-way line of F.M. 3067. Page 9
- (3) the west 200.00 acres, more or less, of said 1,558.64 acre tract lying south of the south right-of-way line of F.M. 3067 and west of said 52.69 acre tract Page 9

said 1,558.64 acres in Cameron County, Texas, comprised of two Tracts:

TRACT 1:

Metes and bounds description of **811.26 acres** of land out of the **LA GLORIA TRACT** in the **LA FERIA GRANT** more particularly located and described as follows:

COMMENCING AT a 5/8" iron pin found on the southwest corner of Block 9, B.H. Dunlap River Ranch Subdivision [Volume 11, Page 45, Map Records of Cameron County, Texas], said 5/8" iron pin being on the intersection of Dana Road (60 foot wide easement) and Carol J. Lane (formerly known as Rangerville Road and also formerly known as Rangerville Cut-off Road) (40 foot wide road) and being the southwest corner of the tract herein described;

THENCE, along the west boundary line of said Block 9, North 00° 09' 29" West (North 00° 41' 40" West plat), a distance of 553.5 feet to a 5/8" iron pin found on the northwest corner of said Block 9, same being the southwest corner of Block 10;

THENCE, along the common line between Blocks 9 and 10, South 89° 29' 49" East (North 89° 58' East, plat), a distance of 559.44 feet to the northeast corner of Block 9, being the southeast corner of said Block 10, and **POINT OF BEGINNING** of this tract;

THENCE, along the east line of Block 10, North 00° 49' 29" West (North 01° 21' 40" West, plat), a distance of 1,976.09 feet to the northeast corner of Block 10, being the southeast corner of Block 11;

THENCE, along the east line of Block 11, North 00° 42' 49" West (North 01° 15' West, plat), a distance of 1,182.60 feet to a point for the northwest corner of this tract;

THENCE, South 86° 00' 22" East, 1,342.83 feet to a 5/8" iron pin found on the west right-of-way line of the 120 foot La Gloria Canal and Drainage Easement for a corner of this tract;

THENCE, along the west right-of-way of said Canal North 00° 38' 32" West, a distance of 1,209.06 feet to a 5/8" iron pin found on the south boundary line of a certain 747.38 acre tract, for a corner of this tract;

THENCE, North 89° 32' 58" East, a distance of 2,597.71 feet to a 60 penny nail found on the centerline of a 30 foot wide road, for a corner of this tract;

THENCE, North 00° 43' 21" West, 1,926.60 feet to a point on the centerline of F.M. 3067, for a corner of this tract;

THENCE, along the centerline of said F.M. 3067 North 89° 21' 38" East, a distance of 2,475.00 feet to a point on the west boundary line of Adams Gardens Subdivision "A" [Volume 10, Page 1, Map Records of Cameron County, Texas] for the northeast corner of this tract;

THENCE, along the west boundary line of said Adams Gardens Subdivision "A", South 00° 27' 02" East, a distance of 7,443.90 feet to a point on the centerline of said Carol J. Lane (formerly Rangerville Road), for the southeast corner of this tract;

THENCE, along the centerline of said Carol J. Lane (formerly Rangerville Road), North 80° 11' 16" West, a distance of 2,480.64 feet calculated to a 5/8" iron pin found for a corner of this tract;

THENCE, North 80° 11' 28" West, a distance of 1,327.11 feet to a point for a corner of this tract;

THENCE, continuing along the centerline of said Carol J. Lane (formerly Rangerville Road), South 89° 59' 18" West, a distance of 2,629.62 feet calculated to a point on the southeast corner of Block 9, B.H. Dunlap River Ranch Subdivision, for a corner of this tract;

THENCE, continuing along the centerline of said Rangerville Road and the south boundary line of said Block 9, South 89° 50' 29" West, a distance of 565.77 feet to the PLACE OF BEGINNING

SAVE AND EXCEPT, all of Block 9 (7.10 acres), B.H. Dunlap River Ranch Subdivision, as recorded in Cameron County Map Records Volume 11, Page 45, Cameron County, Texas.

Being the same property conveyed by deed dated October 1, 2004, recorded at Volume

TRACT 2:

747.38 acres, being a tract of unsubdivided land out of the **LA GLORIA TRACT**, in the **LA FERIA GRANT**, Rosa Maria Hinojosa De Balli, Original Grantee, **and** a parcel, being all of **Blocks 16 and 15** and a portion of **Block 14** of **B. H. DUNLAP RIVER RANCH SUBDIVISION** in Cameron County, Texas, recorded in Volume 11, Page 45, Map Records of Cameron County, Texas, said tract being more particularly described as follows:

BEGINNING AT the northwest corner of Block 16 of B. H. DUNLAP RIVER RANCH SUBDIVISION as shown on the map thereof, recorded in Volume 11, Page 45, Map Records of Cameron County, Texas, said point being in the approximate centerline of the Arroyo Colorado channel;

THENCE, along the north line of said Block 16, with the approximate centerline of said Arroyo Colorado channel, North $63^{\circ} 41' 11''$ East, a distance of 526.58 feet to the northeast corner of said Block 16;

THENCE, continuing along the approximate centerline of the Arroyo Colorado channel, the following courses and distances:

North $45^{\circ} 25' 58''$ East, a distance of 195.52 feet;
South $61^{\circ} 24' 55''$ East, a distance of 282.85 feet;
North $73^{\circ} 33' 14''$ East, a distance of 214.04 feet;
North $29^{\circ} 17' 55''$ East, a distance of 195.96 feet;
South $89^{\circ} 34' 44''$ East, a distance of 130.94 feet;
North $77^{\circ} 38' 54''$ East, a distance of 217.50 feet;
South $81^{\circ} 44' 34''$ East, a distance of 90.14 feet;
South $72^{\circ} 11' 39''$ East, a distance of 229.44 feet;
South $84^{\circ} 04' 50''$ East, a distance of 50.75 feet;
South $54^{\circ} 18' 00''$ East, a distance of 126.00 feet;
South $73^{\circ} 43' 00''$ East, a distance of 201.00 feet;
South $44^{\circ} 39' 00''$ East, a distance of 174.00 feet;
South $59^{\circ} 22' 00''$ East, a distance of 335.00 feet;
South $89^{\circ} 38' 00''$ East, a distance of 274.00 feet;
South $79^{\circ} 23' 30''$ East, a distance of 233.00 feet;
North $82^{\circ} 35' 00''$ East, a distance of 294.00 feet;
North $62^{\circ} 22' 30''$ East, a distance of 317.00 feet;
North $38^{\circ} 51' 00''$ East, a distance of 394.00 feet;
North $05^{\circ} 59' 00''$ East, a distance of 198.00 feet;
North $01^{\circ} 14' 00''$ East, a distance of 216.00 feet;
North $23^{\circ} 32' 00''$ West, a distance of 248.00 feet;
North $19^{\circ} 57' 00''$ East, a distance of 175.00 feet;

North 06° 15' 30" West, a distance of 282.00 feet;
North 35° 51' 00" East, a distance of 217.00 feet;
North 58° 17' 30" East, a distance of 219.00 feet;
North 86° 02' 00" East, a distance of 181.00 feet;
South 70° 27' 30" East, a distance of 147.00 feet;
South 22° 13' 00" East, a distance of 177.00 feet;
South 70° 17' 00" East, a distance of 259.00 feet;
South 52° 47' 00" East, a distance of 546.00 feet;
South 34° 37' 00" East, a distance of 615.00 feet;
North 45° 53' 30" East, a distance of 211.00 feet;
North 45° 34' 00" East, a distance of 193.00 feet;
South 78° 35' 00" East, a distance of 228.00 feet;
North 66° 09' 00" East, a distance of 247.00 feet;
North 76° 47' 00" East, a distance of 217.00 feet;
North 38° 01' 00" East, a distance of 170.00 feet;
North 16° 51' 00" East, a distance of 167.00 feet;
North 01° 45' 00" East, a distance of 164.00 feet;
North 23° 59' 00" West, a distance of 157.00 feet;
North 58° 49' 30" West, a distance of 167.00 feet;
North 41° 37' 00" West, a distance of 181.00 feet;
North 48° 10' 00" West, a distance of 505.00 feet;
North 20° 44' 00" West, a distance of 235.00 feet;
North 13° 31' 00" West, a distance of 309.00 feet;
North 08° 41' 00" East, a distance of 312.00 feet;
North 15° 00' 45" East, a distance of 1157.00 feet;
North 25° 36' 00" East, a distance of 126.00 feet;
North 39° 49' 00" East, a distance of 397.00 feet;
North 54° 04' 00" East, a distance of 467.00 feet to the point of
intersection of said centerline of the Arroyo Colorado channel, with
the northerly projection of the west line of ADAMS GARDENS
SUBDIVISION "A" as shown on map thereof recorded in Volume
10, Page 1, Map Records of Cameron County, Texas;

THENCE, along said projection and with the west line of said ADAMS GARDENS
SUBDIVISION "A" and the east line of this Parcel, South 00° 27' 02" East, a
distance of 7,227.00 feet to a bolt, found in the centerline of an 80 foot wide road
right-of-way easement for State Highway F.M. 3067;

THENCE, along the centerline of said State Highway F.M. 3067, South 89° 21' 38"
West, a distance of 2,475.00 feet to a bolt, found;

THENCE, leaving said State Highway, South 00° 43' 21" East, a distance of 1,926.60
feet to a point;

THENCE, South 89° 32' 58" West, a distance of 15.0 feet to a concrete monument found, and continuing South 89° 32' 58" West, a distance of 2,462.71 feet to a 5/8" iron pin set, and continuing South 89° 32' 58" West, a distance of 120.00 feet for a total distance of 2,597.71 feet to a 5/8" iron pin set on the west line of an apparent 120 foot canal right-of-way;

THENCE, along the west line of said apparent canal right-of-way, South 00° 38' 32" East, a distance of 1,209.06 feet to a point;

THENCE, leaving said canal right-of-way, North 86° 00' 22" West, a distance of 1,342.83 feet to a 5/8" iron pin set in the east line of Block 11 of said Dunlap Subdivision;

THENCE, along the east line of Blocks 11, 12, and 13, North 00° 42' 49" West, (North 01° 15' West, plat), a distance of 1,100.00 feet to a 5/8" iron pin set and continuing along the east lines of Blocks 13 and 14, North 00° 42' 49" West, a distance of 1,471.93 feet to a point in the south right-of-way line of State Highway F.M. 3067, conveyed to the State of Texas, in Volume 900, Pages 607-614, Deed Records of Cameron County, Texas, by Condemnation Cause No. 13464, and continuing along the west line of Block 14, and crossing said right-of-way, North 00° 42' 49" West, a distance of 80.00 feet for a total distance of 2,651.93 feet to a point in the north line of said 80 foot right-of-way for State Highway F.M. 3067;

THENCE, along said north right-of-way line of State Highway F.M. 3067, South 89° 20' 11" West, a distance of 389.49 feet to a 1/2" iron pin found;

THENCE, continuing along said north right-of-way line, North 45° 33' 58" West, a distance of 70.33 feet (70.94 feet Deed) to a 1/2" iron pin found;

THENCE, continuing along said north right-of-way line, South 89° 23' 32" West, a distance of 59.24 feet to a point in the centerline of Dana Road, a 60 foot wide road easement, and being in the west line of Block 14 of said Dunlap Subdivision;

THENCE, along the centerline of said Dana Road easement and its northerly projection, and along the west line of Blocks 14, 15, and 16 of said Dunlap Subdivision, North 00° 09' 29" West, a distance of 2,412.05 feet to a 1/2" iron pin, found on the bank of the Arroyo Colorado and continuing North 00° 09' 29" West, a distance of 50.00 feet for a total distance of 2,462.05 feet to the POINT OF BEGINNING, and containing 747.38 acres gross, more or less; **LESS** 3.147 acres for F.M. 3067 acquired by condemnation by the State of Texas, being 744.23 acres net, more or less, being the same property conveyed by deed dated October 1, 2008, recorded at Volume 15495, Pages 140-147, Official Records of Cameron County, Texas.

SAVE AND EXCEPT:

1. That part of the following described 52.69 acre tract lying south of the south right-of-way line of F.M. 3067:

A **52.69 acre tract** of land, more or less, being 16.44 acres out of "Tract 1" and 36.25 acres out of "Tract 2", both lying within the La Gloria Tract of the **La Feria Grant** and as described by instrument of record in Volume 19652, Pages 282-292, Official Records of Cameron County, Texas, said "Tract 1" also described by instrument of record in Volume 10665, Pages 1-8, Official Records of Cameron County, Texas, and said "Tract 2" also being described by instrument of record in Volume 15495, Pages 140-147, Official Records of Cameron County, Texas, said 52.69 acre tract being more particularly described by metes and bounds as follows:

BEGINNING AT the southeast corner of said "Tract 2", said point further being the northeast corner of said "Tract 1", said point lying on the west line of Adams Gardens Subdivision "A" as shown by map of record in Volume 10, Page 1, Map Records of Cameron County, Texas, said point further lying on the centerline of F.M. 3067 (80 foot right of way) and being the **POINT OF BEGINNING** of the tract of land herein described;

THENCE, with the easterly line of said "Tract 1", the westerly line of said Adams Gardens Subdivision "A", South $00^{\circ} 27' 02''$ East, a distance of 7,443.90 feet to a point being the southeast corner of said "Tract 1", and the southeast corner of this herein-described tract;

THENCE, with the southerly line of said "Tract 1", North $80^{\circ} 11' 16''$ West, a distance of 24.41 feet to a point for an interior corner of this herein-described tract;

THENCE, in a northerly direction along the westerly limits of an existing drainage ditch, along the following courses and distances:

North $00^{\circ} 59' 06''$ West, a distance of 2,785.77 feet;

North $00^{\circ} 27' 02''$ West, a distance of 3,820.00 feet;

North $07^{\circ} 34' 32''$ West, a distance of 80.62 feet;

North $00^{\circ} 27' 02''$ West, at a distance of 753.70 feet passing the northerly line of said "Tract 1", the southerly line of said "Tract 2", in all a distance of 1,553.90 feet;

North $00^{\circ} 38' 33''$ West, a distance of 343.59 feet;

North $01^{\circ} 23' 33''$ West, a distance of 1,146.57 feet;

North $00^{\circ} 27' 02''$ West, a distance of 867.31 feet, to a point for an interior corner of this herein-described tract;

THENCE, southerly of and approximately parallel to an existing IBWC levee, with the southerly limits of an existing drainage ditch, along the following courses and distances:

South $44^{\circ} 07' 14''$ West, a distance of 663.50 feet to the point of curvature of a circular curve to the right having a central angle of $55^{\circ} 18' 26''$ and a radius of 670.00 feet;

With the arc of said circular curve to the right, an arc distance of 646.75 feet to its point of tangency;

North $80^{\circ} 34' 20''$ West, a distance of 1,002.93 feet to the point of curvature of a circular curve to the left having a central angle of $57^{\circ} 51' 09''$ and a radius of 580.00 feet;

With the arc of said circular curve to the left an arc distance of 585.64 feet to its point of tangency;

South $40^{\circ} 41' 47''$ West, a distance of 652.13 feet to the point of curvature of a circular curve to the right having a central angle of $39^{\circ} 37' 51''$ and a radius of 610.00 feet;

With the arc of said circular curve to the right an arc distance of 421.93 feet, South $81^{\circ} 12' 21''$ West, a distance of 1,609.32 feet to a point for an interior corner of this herein-described tract;

THENCE, in a southerly direction with the eastern limits of an existing drain ditch, along the following courses and distances:

South $00^{\circ} 33' 45''$ East, a distance of 1,857.96 feet;

North $89^{\circ} 26' 15''$ East, a distance of 101.64 feet;

South $00^{\circ} 44' 15''$ East, at a distance of 1,640.96 feet passing the southerly line of said "Tract 2, the northerly line of said "Tract 1", in all a distance of 1,747.00 feet;

South $89^{\circ} 17' 50''$ West, a distance of 109.37 feet;

South $00^{\circ} 56' 33''$ East, a distance of 759.57 feet;

South $03^{\circ} 10' 55''$ East, a distance of 506.87 feet;

South $01^{\circ} 52' 15''$ East, a distance of 302.91 feet;

South $00^{\circ} 27' 25''$ East, a distance of 502.62 feet;

South $00^{\circ} 41' 34''$ East, a distance of 2,644.12 feet to a point on the southerly line of said "Tract 1", said point lying on the approximate centerline of Rangerville Road and being an exterior corner of this herein-described tract;

THENCE, with the southerly line of said "Tract 1", the centerline of said Rangerville Road, North $89^{\circ} 38' 52''$ West, a distance of 88.10 feet for a point being the southwest corner of this herein-described tract;

THENCE, in a northerly direction along the western limits of an existing drain ditch, along the following courses and distances:

North $00^{\circ} 58' 53''$ West, a distance of 418.78 feet;
North $00^{\circ} 12' 10''$ West, a distance of 1,211.53 feet;
North $01^{\circ} 28' 33''$ West, a distance of 1,921.96 feet;
North $01^{\circ} 08' 25''$ West, at a distance of 63.62 feet passing the northerly line of said "Tract 1", the southerly line of said "Tract 2", in all a distance of 549.69 feet;
North $00^{\circ} 25' 53''$ West, a distance of 502.79 feet;
North $04^{\circ} 57' 21''$ West, a distance of 101.07 feet;
North $00^{\circ} 38' 52''$ West, a distance of 1,737.27 feet;
North $04^{\circ} 37' 53''$ West, a distance of 125.59 feet;
North $00^{\circ} 02' 04''$ West, a distance of 1,739.45 feet to a point for an interior corner of this herein-described tract;

THENCE, along the southerly limits of an existing drain ditch, approximately parallel to said IBWC levee, South $81^{\circ} 03' 17''$ West, a distance of 387.87 feet to a point and South $83^{\circ} 23' 18''$ West, a distance of 1,206.94 feet and South $74^{\circ} 38' 38''$ West, a distance of 197.42 feet to a point on the west line of said "Tract 2", said point being the most westerly southwest corner of this herein-described tract;

THENCE, with the westerly line of said "Tract 2", North $00^{\circ} 09' 28''$ West, a distance of 93.48 feet to a point for the northwest corner of this herein-described tract;

THENCE, with the northerly limit of said existing drain ditch, approximately parallel to the said IBWC levee, along the following courses and distances:

North $68^{\circ} 09' 09''$ East, a distance of 111.11 feet;
North $82^{\circ} 35' 24''$ East, a distance of 1,280.00 feet;
North $81^{\circ} 03' 17''$ East, a distance of 387.87 feet;
North $81^{\circ} 12' 21''$ East, a distance of 1,694.45 feet to the point of curvature of a circular curve to the left, having a central angle of $39^{\circ} 37' 51''$ and a radius of 500.00 feet;
With the arc of said circular curve to the left, an arc distance of 345.84 feet to its point of tangency;
North $41^{\circ} 34' 30''$ East, a distance of 652.05 feet to the point of curvature of a circular curve to the right, having a central angle of $57^{\circ} 51' 09''$ and a radius of 680.00 feet;
With the arc of said circular curve to the right, an arc distance of 686.61 feet to its point of tangency;
South $81^{\circ} 08' 37''$ East, a distance of 1,002.98 feet to the point of curvature of a circular curve to the left, having a central angle of 55°

18' 26" and a radius of 560.00 feet;
With the arc of said circular curve to the left, an arc distance of
540.56 feet;

North 44° 46' 20" East, a distance of 879.06 feet to a point on the east line of said "Tract 2", the west line of said Adams Gardens Subdivision, said point being the northeast corner of this herein-described tract;

THENCE, with the east line of said "Tract 2", the west line of said Adams Gardens Subdivision, South 00° 27' 02" East, a distance of 3,381.01 feet to the POINT OF BEGINNING and containing **52.69 acres** of land, more or less, said 52.69 acres having been conveyed to Cameron County Drainage District No. 3 by Supplement to Donation Deed dated December 23, 2016, recorded at Volume 22849, Pages 113-120, Official Records of Cameron County, Texas.

2. That part of said 1,558.64 acre tract lying north of the south line of F.M. 3067 (formerly F.M. 800), the right-of-way for F.M. 3067 being described, all or in part in:
 - 2.1 Judgment of condemnation recorded at Volume 900, Pages 607-614, Deed Records of Cameron County, Texas (**3.147 acres** of "Tract 2").
 - 2.2 Right-of-way executed by L.J. Strieber, *et al.*, to State of Texas, dated February 27, 1970, recorded at Volume 887, Pages 513-518, Deed Records of Cameron County, Texas (Tract OL, said right-of-way being generally centered on the line common to Tracts OL and NL).
 - 2.3 Right-of-way executed by Odell Morrow and wife, Madlyn Morrow, dated January 28, 1970, recorded at Volume 883, Pages 525-528, Deed Records of Cameron County, Texas (Tract NL, said right-of-way being generally centered on the line common to Tracts OL and NL).
3. The west 200.00 acres, more or less, of said 1,558.64 acre tract lying south of the south right-of-way line of F.M. 3067, and west of the 52.69 acre tract conveyed to Cameron County Drainage District No. 3 by Supplement to Donation Deed dated December 23, 2016, recorded at Volume 22849, Pages 113-120, Official Records of Cameron County, Texas., said 200.00 acres to be determined by a survey.

Tab 16c

Order, resolution or ordinance establishing the reinvestment zone

Not Applicable.

Tab 16d

Guidelines and criteria for creating the zone

Please see attached.

STATE OF TEXAS §
COUNTY OF CAMERON §

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSIONERS COURT OF THE COUNTY OF CAMERON, TEXAS AMENDING THE GUIDELINES AND CRITERIA GOVERNING THE TEXAS LOCAL GOVERNMENT CODE, CHAPTER 381 ECONOMIC DEVELOPMENT GRANT PROGRAM AND THE TEXAS TAX CODE CHAPTER 312, TAX ABATEMENT AGREEMENTS IN CAMERON COUNTY.

WHEREAS, Cameron County, Texas (County) is considered a distressed county due to a high incidence of poverty and unemployment and comparatively lower levels of educational attainment among its population; and

WHEREAS, as distressed county, Cameron County qualifies as an Enterprise Zone under Chapter 2303 of the Texas Local Government Code, which permits the County to enter into tax abatement agreements for economic development purposes subject to applicable state codes, including Chapter 312 of the Texas Tax Code; and

WHEREAS, Chapter 381 of the Texas Local Government Code authorizes counties to establish and administer one or more economic development program to make loans and grants of public monies and provide property tax abatement to businesses that promote economic growth and create jobs; and

WHEREAS, a taxing unit must establish guidelines and criteria governing tax abatement agreements entered into by such unit pursuant to Section 312 in order to participate in tax abatement; and

WHEREAS, the guidelines and criteria adopted under Section 312 are effective for two (2) years from the date adopted unless during that period they are amended or repealed by a vote of at least three fourths of the members of the governing body of the taxing unit; and

WHEREAS, the Cameron County Commissioners Court finds that it is in the best interest of the County to provide, as an incentive to encourage the development of a productive business environment, tax abatement to businesses that meet certain criteria and create jobs within the County;

NOW, THEREFORE IT RESOLVED that pursuant to Section 312 of the Texas Tax Code and to the extent permitted by law, the County hereby establishes guidelines and criteria governing any and all Chapter 381 tax abatement agreements entered into by the County, in connection with its designation as an Enterprise Zone, which shall be effective for two (2) years from the date of the adoption of this Resolution:

I. PURPOSE & POLICY

- A. Cameron County encourages business, commercial, manufacturing and industrial concerns to locate, remain, and expand in the County. As a form of economic development incentive, the County offers property tax abatement to qualified companies seeking to locate or expand in the area.
- B. Tax abatement is primarily offered to manufacturing or industrial operations, but other types of businesses may be considered on a case by case basis. Final decisions on whether a project will

be considered for or will receive tax abatement will be made by the County's governing body, the Cameron County Commissioners Court.

- C. An applicant granted tax abatement under these Policies and Procedures must enter into a formal agreement with the County. The agreement shall contain all terms required by these Policies and Procedures and by state law to protect the public interest and ensure that an applicant that receives a public benefit in the form of tax abatement provides a corresponding capital investment that will stimulate economic development and generate job growth.

II. PROGRAM REQUIREMENTS

To qualify for a Texas Local Government Code, grant program or a Texas Tax Code, Chapter 312 tax abatement program, a business, whether a sole proprietorship, a partnership, or corporation, must meet the following criteria:

1. The business must be engaged in the active conduct of a trade or business in the County.
 2. Employees of the business must be residents of the County, at least twenty-five percent (25%) of which must be "economically disadvantaged individuals," as may be defined in the tax abatement or Chapter 381 agreement. For businesses that require a specialized and/or highly skilled labor force, there must be a requirement in the agreement for the business to work with the local workforce employment agency to develop educational and skills training programs in conjunction with local technical colleges. Additionally, the business must commit to using best efforts to fill employment positions with trainable county residents.
 3. Be located wholly within the County.
 4. Be and remain current on the payment of any and all taxes, of any nature, owed to the cities, school districts, and Cameron County and all remaining taxing entities within the County.
 5. Conform to the requirements of applicable city ordinances and all other applicable laws and regulations of the County, state, and federal government.
 6. Complete improvements including renovation, repairs, remodeling, or construction within a period of time to be approved by the County.
- B. The following general guidelines and criteria shall be applicable to all Chapter 381 economic development grant program agreement or Chapter 312 tax abatement agreements executed by the County:
1. The base value of real property and personal property is never eligible for an abatement of property tax. The base value is the market value as specified by the Cameron Appraisal District (CAD) of property January 1 of the base year.
 2. Only the increase in property value above the base value is eligible for tax abatement. The percentage duration of the abatement will be determined by the County based on the expected economic impact of the performances planned and proposed by the business. In no case, however, will the duration of the abatement program exceed ten (10) years.
- C. An eligible business will be considered for a tax abatement program based on its expected economic impact. The following factors and the corresponding points assigned to each factor will

be used to establish economic impact and determine the amount or percentage of tax abatement a business will receive.

1. Number of permanent jobs created and maintained: assign 1 point per 5 jobs.
2. Number of construction jobs created: assign 1 point per 5 jobs.
3. Annual wages paid: assign 1 point per \$50,000 in annual payroll.
4. Value of real property improvements: assign 1 point per \$100,000 of new improvement value.
5. Value of personal property added: assign 1 point per \$100,000 of value added.
6. Amount of annual sales taxes paid: assign 1 point per \$1,000 in value.
7. Building permit fee revenue: assign 1 point per \$1,000 in value.

D. The following point table shall be used to determine the amount or percentage of abatement a business will receive on an annual basis during the abatement program.

Points for tax abatement

Year	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Pts/%
1st	2	22	42	61	81	101	121	141	160	180	200	1.98
2nd	24	45	66	87	108	129	149	170	191	212	233	2.09
3rd	46	68	90	112	134	157	179	201	223	245	267	2.21
4th	68	91	114	138	161	184	207	230	254	277	300	2.32
5th	90	114	139	163	187	212	236	260	284	309	333	2.43
6th	112	138	163	189	214	240	265	291	316	342	367	2.55
7th	134	161	187	214	240	267	294	320	347	373	400	2.66
8th	156	184	211	239	267	294	320	350	378	405	433	2.77
9th	178	207	236	265	294	323	351	380	409	438	467	2.89
10th	200	230	260	290	320	350	380	410	440	470	500	3.00

- E. Each agreement shall contain all provisions required by state law, including, but not limited to, provisions for monitoring performance and for recapturing property tax revenue lost as a result of the agreement if the business enterprise fails to perform as promised.
- F. Even if a business is deemed eligible for tax abatement, the County is under no obligation to execute an agreement. All tax abatement requests will be considered on a case by case basis.
- G. A business requesting tax abatement that is relocating from one part of the County to another will not be considered.
- H. The abatement of taxes will be based upon the impact of the creation of jobs and revenues to the County and the importance of the same to the community. Individual agreements with a business shall be structured to specifically define the methods of securing abatements in the event jobs are

created throughout the operational years included in the program. Such abatement shall be in the form of an exemption from taxes or a refund of taxes paid equal to the percentages determined by the County, as applied to the valuation set by CAD for the subject real and personal property.

- I. The County will be responsible for monitoring employment and all other applicable performance records assuring that the business complies with the terms of the agreement. Monitoring will start when the construction begins and will continue for each operational year during the term of the tax abatement agreement. The business shall be responsible for providing all information necessary for the County to adequately monitor.
- J. In the event that the business facility is completed and begins production or services, but subsequently discontinues production or service for any reason except fire, explosion or other casualty or accident or natural disaster for a period of one year during the abatement period, then the agreement shall terminate and the abatement of the taxes for the calendar year shall be paid to the County within sixty (60) days from the date of termination.
- K. Should the County determine that the business is in default according to the terms and conditions of its tax abatement agreement, the County shall notify the business in writing at the address stated in the agreement, and if such default is not cured within thirty (30) days from the date of such notice, then the agreement may be terminated.
- L. In the event that the business violates any of the terms and conditions of the abatement agreement and the agreement is terminated then all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- M. All tax abatements, exemptions, and refunds set forth herein are subject to the provisions of outstanding bond issues of the County. To the extent that a tax abatement or exemption conflicts with any of the provisions of such bond issues, such bond issues and the attendant documents thereto shall control.

III. ADDITIONAL CONSIDERATIONS

- A. Additional factors may be considered by the County in determining whether to authorize a tax abatement agreement for incentives as a Chapter 381 economic development program, including the following.
 - 1. The financial capacity of the business to undertake and complete the proposed project.
 - 2. Other incentive programs for which the business applicant has applied or is qualified for.
 - 3. Current market conditions and growth potential for the business activity.
 - 4. Any other factors the County finds helpful and relevant to accomplishing the County's economic development objectives.
- B. Nothing contained in these Policies and Procedures shall prevent the County from clarifying, defining, or negotiating provisions of an agreement with a business.

IV. APPLICATION PROCESS

- A. An application for consideration as a tax abatement program shall be made on forms supplied by the County. An applicant may be required to provide additional information to show compliance with minimum program requirements. If the County determines minimum program requirements have been met, the applicant may present a formal request to the County for consideration by the Cameron County Commissioners Court.
- B. After a formal request is made, the Cameron County Commissioners Court may take action on the proposal as it deems appropriate. Nothing in these Policies and Procedures and nothing in the application form and process shall create any vested property interest, contract, or other legal right for a business to receive approval of program incentives.

V. AGREEMENT TERMS AND CONDITIONS

- A. A tax abatement agreement established under Chapter 312 of the Tax Code or for a Chapter 381 Program must include:
 - 1. A timetable and list of improvements or development that the program will include.
 - 2. A complete legal description of the location of the proposed project or projects included in the program.
 - 3. A schedule of the expected business performances by year of operation.
 - 4. A provision establishing the duration the agreement and amount of tax abatement for each operational year included in the program.
 - 5. A provision for benchmarks or other tangible means for measuring whether the business meets its obligations under the agreement.
 - 6. A provision providing for access to and authorizing inspection of property and the applicant's pertinent business records by County employees in order to determine compliance with the agreement.
 - 7. A provision for termination or cancellation of the agreement and/or suspension of incentives if the business is determined not to be in compliance with the agreed terms.
 - 8. A provision for recapturing County funds abated or refunded, if the business does not meet its duties and obligations under the terms of the agreement.
 - 9. A provision that allows assignment of the agreement with prior written approval of the County, provided that:
 - (a) all rights, duties, obligations and liabilities under the agreement are assigned from the assignor to the assignee; and
 - (b) the assignment is made subject and subordinate to the agreement and the Chapter 381 Policies and Procedures; and

(c) the assignment document is in a form and contains content acceptable to the Cameron County Civil Division Office.

10. Provisions relating to administration, delinquent taxes and reporting requirements.
11. A provision that the agreement may be amended by the parties to the agreement by using the same procedure for approval as is required for entering into the agreement.
12. A provision for the auditing of the program, incentives, performances, and pertinent business records and information.
13. Such other provisions that the County may deem appropriate.

**VI. SPECIAL TERMS AND CONDITIONS REGARDING INDUSTRIES WITH
SIGNIFICANT INVESTMENT**

- A. For large investment industries, in the event that the Commissioners Court finds that a project (i) is significantly impactful to the County, and (ii) has the potential to exceed an aggregate investment of \$100 million, the Commissioners Court may deviate from the requirements of these tax abatement guidelines and criteria contained in Sections II.A., II.I., II.J., II.K., II.L. and V., so long as the deviations uphold the spirit and intent of the guidelines and the goal of promoting economic development in the County.

**PASSED AND APPROVED BY A THREE-FOURTHS VOTE OR MORE THIS _____
DAY OF SEPTEMBER, 2017, BY THE COMMISSIONERS COURT OF CAMERON
COUNTY, TEXAS**

Eddie Treviño, Jr. County Judge

Sofia C. Benadvides
Pct. 1 Commissioner

Alex Dominguez
Pct. 2 Commissioners

David A. Garza
Pct. 3 Commissioner

Gus Ruiz
Pct. 4 Commissioner

Attest:

Sylvia Perez, County Clerk

Tab 17

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

Please see attached.

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

Maria Chavez

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

Maria Chavez
Signature (Authorized School District Representative)

Date

2/16/18

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

Geoff A. Coventry

Print Name (Authorized Company Representative (Applicant))

Vice President

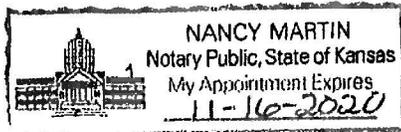
Title

sign here

Geoff A. Coventry
Signature (Authorized Company Representative (Applicant))

Date

2-16-18



(Notary Seal)

GIVEN under my hand and seal of office this, the

16th day of February, 2018

Nancy Martin
Notary Public in and for the State of Texas Kansas nm

My Commission expires: 11-16-2020

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.

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW
808 WEST AVE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILIE: (512) 494-9919

May 9, 2018

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Amended Application to Santa Maria Independent School District from Rayos Del Sol Solar Project, LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the Amended Application to the Santa Maria Independent School District from Rayos Del Solar Project, LLC.

The following changes have been made:

1. The date the application was received was February 16, 2018. The School Board approved the application on February 19, 2018.
2. Page 2 Section 2 has been updated
3. Page 7/Section 14/Tab 13 have been updated with the correct wage information.
4. Tab 7 has been updated to show number of PV modules, removed spare parts, and explained the equipment being used.
5. Tab 8 has been updated to show the life of the project, removed spare parts and explained the equipment being used.
6. Tab 16 Enterprise Zone map has been updated with the project area.
7. New Signature Page Attached

A copy of the amended application will be submitted to the Cameron County Appraisal District.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Cameron County Appraisal District

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

April 23, 2018

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Santa Maria Independent School District from Rayos Del Sol Solar Project, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Santa Maria Independent School District is notifying Rayos Del Sol Solar Project, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on February 16, 2018. The Board voted to accept the application on February 19, 2018. The application has been determined complete as of April 23, 2018. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

The Applicant has requested that a portion of Tab 11, specifically the detailed layout of the planned solar farm, be kept confidential until such time the Board votes to approve the application. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The maps depicting the planned location of the project display proprietary commercial information regarding the specific location of the possible project and the nature of the business that will be conducted at the site. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110.

A copy of the application will be submitted to the Cameron County Appraisal District.

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Cameron County Appraisal District
Rayos Del Sol Solar Project, LLC

Tab 1

See executed application attached.

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Kevin	O'Hanlon
First Name	Last Name
Attorney	
Title	
O'Hanlon, Demerath, & Castillo	
Firm Name	
(512) 494-9949	(512) 494-9919
Phone Number	Fax Number
	kohanlon@808west.com
	Email Address
Mobile Number (optional)	

4. On what date did the district determine this application complete?
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Matt	Gilhausen	
First Name	Last Name	
Chief Development Officer	Rayos Del Sol Solar Project, LLC	
Title	Organization	
16105 W. 113th Street, Suite 105		
Street Address		
Mailing Address		
Lenexa	Kansas	66219
City	State	ZIP
(913) 953-5227		
Phone Number	Fax Number	
	szeimetz@tradewindenergy.com	
	Business Email Address	
Mobile Number (optional)		

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No
- 2a. If yes, please fill out contact information for that person.

Brianna	Baca	
First Name	Last Name	
Associate Developer	Rayos Del Sol Solar Project, LLC	
Title	Organization	
16105 W. 113th Street, Suite 105		
Street Address		
Mailing Address		
Lenexa	Kansas	66219
City	State	ZIP
(913) 953-5227		
Phone Number	Fax Number	
	bbaca@tradewindenergy.com	
	Business Email Address	
Mobile Number (optional)		

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2017
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 619.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,029.88
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 772.20
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,154.40
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,154.40
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Tab 7

Description of Qualified Investment

a. A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021(7) (Tab 7).

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described and shown in Map Exhibit within Santa Maria ISD, which is located in Cameron County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following:

- Approximately 450,000 PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- 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. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

Additionally, the map provided does not present the location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit. The exact placement and type of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. Any changes in the number or type of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years.

None of the above mentioned property is covered under an existing County Appraisal District account number.

b. A description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7).

The Applicant intends to construct a building to house Maintenance and Operations, supplies, replacement parts and other miscellaneous related equipment. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems. Associated equipment and supplies depends on the final design of the Project. The exact placement and type of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. Any changes in the number or type of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Tab 8

Description of Qualified Property

Rayos Del Sol Solar Project, LLC plans to construct an estimated 150 MW photovoltaic solar energy facility in Cameron County, located entirely within Santa Maria ISD. The additional improvements of Qualified Property includes:

- Approximately 450,000 Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- 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. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

The exact placement and type of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. The life expectancy of the project is projected at a minimum of 30 years. All equipment outlined above is expected to be located within Santa Maria ISD. The final number and location of units and supporting structures will be determined before construction begins. However, any changes in the number or type of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years. Current plans are to install all equipment in one phase. Rayos Del Sol intends to connect to 138 kV AEP TX Line from WesMar to Rangerville. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Tab 11

Maps that clearly show:

- a. Project vicinity***
- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
- c. Qualified property including location of new buildings or new improvements***
- d. Existing property***
- e. Land location within vicinity map***
- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Tab 11f

- a. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

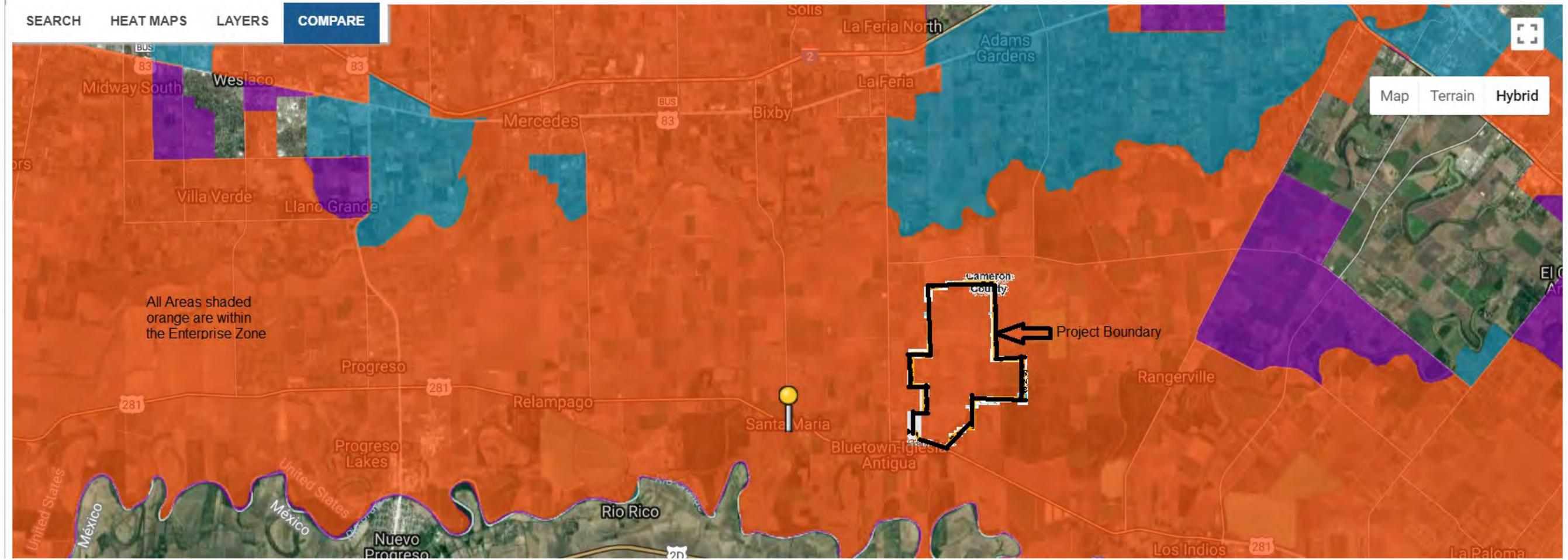
Please see the attached map.

SEARCH HEAT MAPS LAYERS COMPARE

Map Terrain Hybrid

All Areas shaded orange are within the Enterprise Zone

Project Boundary



Tab 13

Calculation of Wage Requirements – Cameron County

Supporting data for Section 14(7)(a)

Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Cameron County	Total All	0	0	10	Total, All Industries	\$614.00
2017	2 nd Qtr	Cameron County	Total All	0	0	10	Total, All Industries	\$614.00
2017	3 rd Qtr	Cameron County	Total All	0	0	10	Total, All Industries	\$612.00
2016	4 th Qtr	Cameron County	Total All	0	0	10	Total, All Industries	\$639.00
Average weekly wage for previous four quarters								\$619.75

Source: Quarterly Employment and Wages (QCEW) data for Cameron County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(b)

110% of the average weekly wage for manufacturing jobs in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2017	1 st Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$915.00
2017	2 nd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$911.00
2017	3 rd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$916.00
2016	4 th Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$1,003.00
Average weekly wage for previous four quarters								\$936.25
110% of Average Weekly Wages								\$1,029.88

Source: Quarterly Employment and Wages (QCEW) data for Cameron County,
<http://www.tracer2.com/cqi/dataanalysis/AreaSelection.asp?tableName=Industry>

Supporting Data for Section 14(7)(c)

110% of the average weekly wage for manufacturing jobs in the region

Average Hourly Wages	\$17.55
Average Annual Wages	\$36,503.00
Average Weekly Wages @40hrs/week	\$702.00
110% of Average Weekly Wages	\$772.20

Source: 2016 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council.
<http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$614
2017	2nd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$614
2017	3rd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$612
2016	1st Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$588
2016	2nd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$602
2016	3rd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$636
2016	4th Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$639

Tab 17

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

Please see attached.

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 ▶ Maria Chavez
Print Name (Authorized School District Representative)
sign here ▶ *[Handwritten Signature]*
Signature (Authorized School District Representative)

Superintendent
Title
May 8, 2018
Date

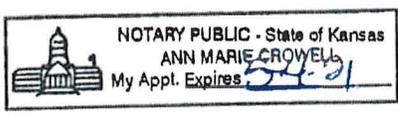
2. Authorized Company Representative (Applicant) Signature and Notarization

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 ▶ Matt Gilhousen
Print Name (Authorized Company Representative (Applicant))
sign here ▶ *[Handwritten Signature]*
Signature (Authorized Company Representative (Applicant))

Chief Development Officer
Title
5-3-18
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
3rd day of May
[Handwritten Signature]
Notary Public in and for the State of Texas KANSAS
My Commission expires: 5-4-21

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.

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 09/19/2018 11:10:22

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

RAYOS DEL SOL SOLAR PROJECT, LLC	
Texas Taxpayer Number	32063120250
Mailing Address	16105 W 113TH ST STE 105 LENEXA, KS 66219-2307
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	03/09/2017
Texas SOS File Number	0802669748
Registered Agent Name	COGENCY GLOBAL INC.
Registered Office Street Address	1601 ELM ST. SUITE 4360 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 2, 2018

Maria Chavez
Superintendent
Santa Maria Independent School District
P.O. Box 448
Santa Maria, Texas 78592

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Santa Maria Independent School District and Rayos Del Sol Solar Project, LLC, Application 1252

Dear Superintendent Chavez:

On May 25, 2018, the Comptroller issued written notice that Rayos Del Sol Solar Project, LLC (applicant) submitted a completed application (Application 1252) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 16, 2018, to the Santa Maria Independent School District (school district) by the applicant.

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

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

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

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

- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1252.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district'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, see Attachment B.

Determination required by 313.026(c)(2)

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

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

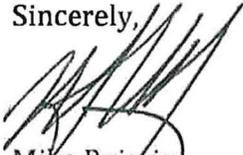
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

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

Note that any building or improvement existing as of the application review start date of May 25, 2018, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Rayos Del Sol Solar Project, LLC (project) applying to Santa Maria Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Rayos Del Sol Solar Project, LLC.

Applicant	Rayos Del Sol Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Santa Maria ISD
Estimated 2016-2017 Average Daily Attendance	635
County	Cameron County
Proposed Total Investment in District	\$162,000,000
Proposed Qualified Investment	\$162,000,000
Limitation Amount	\$10,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$772
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$772
Minimum annual wage committed to by applicant for qualified jobs	\$40,154
Minimum weekly wage required for non-qualifying jobs	\$620
Minimum annual wage required for non-qualifying jobs	\$32,228
Investment per Qualifying Job	\$81,000,000
Estimated M&O levy without any limit (15 years)	\$9,572,946
Estimated M&O levy with Limitation (15 years)	\$2,731,477
Estimated gross M&O tax benefit (15 years)	\$6,841,469

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Rayos Del Sol Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	202	229	431	\$8,423,709	\$20,362,492	\$28,786,201
2020	2	41	43.2524	\$80,309	\$4,906,727	\$4,987,036
2021	2	23	25	\$80,309	\$3,453,074	\$3,533,383
2022	2	8	10	\$80,309	\$2,176,032	\$2,256,340
2023	2	(0)	2	\$80,309	\$1,270,278	\$1,350,587
2024	2	(5)	-3	\$80,309	\$681,340	\$761,649
2025	2	(6)	-4	\$80,309	\$370,156	\$450,465
2026	2	(5)	-3	\$80,309	\$249,588	\$329,897
2027	2	(3)	-1	\$80,309	\$259,104	\$339,413
2028	2	(1)	1	\$80,309	\$346,087	\$426,396
2029	2	1	3	\$80,309	\$471,740	\$552,049
2030	2	2	4	\$80,309	\$574,535	\$654,844
2031	2	3	5	\$80,309	\$697,123	\$777,432
2032	2	4	6	\$80,309	\$810,433	\$890,742
2033	2	5	7	\$80,309	\$907,938	\$988,246
2034	2	5	7	\$80,309	\$985,678	\$1,065,986

Source: CPA REMI, Rayos Del Sol Solar Project, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Santa Maria ISD I&S Tax Levy	Santa Maria ISD M&O Tax Levy	Santa Maria ISD M&O and I&S Tax Levies	Cameron County Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
				0.4100	1.1700		0.4108	0.0492	0.0936	
2020	\$135,270,000	\$135,270,000		\$554,607	\$1,582,659	\$2,137,266	\$555,693	\$66,553	\$126,652	\$2,759,512
2021	\$112,950,450	\$112,950,450		\$463,097	\$1,321,520	\$1,784,617	\$464,004	\$55,572	\$105,754	\$2,304,193
2022	\$94,313,626	\$94,313,626		\$386,686	\$1,103,469	\$1,490,155	\$387,443	\$46,402	\$88,305	\$1,924,001
2023	\$78,751,878	\$78,751,878		\$322,883	\$921,397	\$1,244,280	\$323,515	\$38,746	\$73,735	\$1,606,541
2024	\$65,757,818	\$65,757,818		\$269,607	\$769,366	\$1,038,974	\$270,135	\$32,353	\$61,568	\$1,341,461
2025	\$54,907,778	\$54,907,778		\$225,122	\$642,421	\$867,543	\$225,563	\$27,015	\$51,410	\$1,120,120
2026	\$45,847,994	\$45,847,994		\$187,977	\$536,422	\$724,398	\$188,345	\$22,557	\$42,927	\$935,300
2027	\$38,283,075	\$38,283,075		\$156,961	\$447,912	\$604,873	\$157,268	\$18,835	\$35,844	\$780,976
2028	\$31,966,368	\$31,966,368		\$131,062	\$374,007	\$505,069	\$131,319	\$15,727	\$29,930	\$652,115
2029	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$544,516
2030	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$544,516
2031	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$544,516
2032	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$544,516
2033	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$544,516
2034	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$544,516
			Total	\$3,354,622	\$9,572,946	\$12,927,568	\$3,361,192	\$402,555	\$766,073	\$16,691,315

Source: CPA, Rayos Del Sol Solar Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Cameron County, South Texas ISD and Emergency Services District #1, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

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

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Santa Maria ISD I&S Tax Levy	Santa Maria ISD M&O Tax Levy	Santa Maria ISD M&O and I&S Tax Levies	Cameron County Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
				0.4100	1.1700		0.4108	0.0492	0.0936	
2020	\$135,270,000	\$10,000,000		\$554,607	\$117,000	\$671,607	\$83,354	\$66,553	\$126,652	\$754,961
2021	\$112,950,450	\$10,000,000		\$463,097	\$117,000	\$580,097	\$69,601	\$55,572	\$105,754	\$649,697
2022	\$94,313,626	\$10,000,000		\$386,686	\$117,000	\$503,686	\$58,116	\$46,402	\$88,305	\$561,802
2023	\$78,751,878	\$10,000,000		\$322,883	\$117,000	\$439,883	\$48,527	\$38,746	\$73,735	\$488,410
2024	\$65,757,818	\$10,000,000		\$269,607	\$117,000	\$386,607	\$40,520	\$32,353	\$61,568	\$427,127
2025	\$54,907,778	\$10,000,000		\$225,122	\$117,000	\$342,122	\$33,834	\$27,015	\$51,410	\$375,956
2026	\$45,847,994	\$10,000,000		\$187,977	\$117,000	\$304,977	\$28,252	\$22,557	\$42,927	\$333,229
2027	\$38,283,075	\$10,000,000		\$156,961	\$117,000	\$273,961	\$23,590	\$18,835	\$35,844	\$297,551
2028	\$31,966,368	\$10,000,000		\$131,062	\$117,000	\$248,062	\$19,698	\$15,727	\$29,930	\$267,760
2029	\$26,691,917	\$10,000,000		\$109,437	\$117,000	\$226,437	\$16,448	\$13,132	\$24,991	\$242,885
2030	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$531,383
2031	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$531,383
2032	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$531,383
2033	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$531,383
2034	\$26,691,917	\$26,691,917		\$109,437	\$312,295	\$421,732	\$109,651	\$13,132	\$24,991	\$531,383
			Total	\$3,354,622	\$2,731,477	\$6,086,099	\$970,196	\$402,555	\$766,073	\$7,056,296
			Diff	\$0	\$6,841,469	\$6,841,469	\$2,390,996	\$0	\$0	\$9,635,019

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Rayos Del Sol Solar Project, LLC

*Tax Rate per \$100 Valuation

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

Attachment B - Tax Revenue before 25th Anniversary of Limitation Start

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$1,895,400	\$1,895,400	\$0	\$0
Limitation Period (10 Years)	2020	\$117,000	\$2,012,400	\$1,465,659	\$1,465,659
	2021	\$117,000	\$2,129,400	\$1,204,520	\$2,670,179
	2022	\$117,000	\$2,246,400	\$986,469	\$3,656,649
	2023	\$117,000	\$2,363,400	\$804,397	\$4,461,046
	2024	\$117,000	\$2,480,400	\$652,366	\$5,113,412
	2025	\$117,000	\$2,597,400	\$525,421	\$5,638,833
	2026	\$117,000	\$2,714,400	\$419,422	\$6,058,255
	2027	\$117,000	\$2,831,400	\$330,912	\$6,389,167
	2028	\$117,000	\$2,948,400	\$257,007	\$6,646,173
	2029	\$117,000	\$3,065,400	\$195,295	\$6,841,469
Maintain Viable Presence (5 Years)	2030	\$312,295	\$3,377,695	\$0	\$6,841,469
	2031	\$312,295	\$3,689,991	\$0	\$6,841,469
	2032	\$312,295	\$4,002,286	\$0	\$6,841,469
	2033	\$312,295	\$4,314,582	\$0	\$6,841,469
	2034	\$312,295	\$4,626,877	\$0	\$6,841,469
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$312,295	\$4,939,173	\$0	\$6,841,469
	2036	\$312,295	\$5,251,468	\$0	\$6,841,469
	2037	\$312,295	\$5,563,763	\$0	\$6,841,469
	2038	\$312,295	\$5,876,059	\$0	\$6,841,469
	2039	\$312,295	\$6,188,354	\$0	\$6,841,469
	2040	\$312,295	\$6,500,650	\$0	\$6,841,469
	2041	\$312,295	\$6,812,945	\$0	\$6,841,469
	2042	\$312,295	\$7,125,241	\$0	\$6,841,469
	2043	\$312,295	\$7,437,536	\$0	\$6,841,469
	2044	\$312,295	\$7,749,831	\$0	\$6,841,469

\$7,749,831

is greater than

\$6,841,469

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

Source: CPA, Rayos Del Sol Solar Project, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Per Rayos Del Sol Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Rayos Del Sol Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Santa Maria ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 150 MW Rayos Del Sol could be redeployed to other renewable energy development projects in other power markets in the United States.”
 - B. “Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$176M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.”
- Per Rayos Del Sol Solar Project, LLC in Tab 8 of their Application for a Limitation on Appraised Value:
 - A. “All of the infrastructure will remain within the project boundary and within the Enterprise Zone.” The project is an economically distressed area of the state known as an Enterprise Zone. Cameron County is designated as Enterprise Zone
- An April 2018 Generator Interconnection Status Report issued by ERCOT reported the project, in the Full Interconnect Study (FIS) phase, without a Signed Interconnection Agreement as of April 30, 2018:

- A. 19INR0045 (GINR Reference Number) Rayos Del Sol (Project Name); Tradewind Energy (Interconnecting Entity); FIS considered tap Wesmer and Rangerville 138 (Point of Interconnection); Solar (Fuel) 150 MW (Capacity to Grid); 10/2019 (Projected Commercial Operations Date); Incomplete (Full Interconnect Study Status)
- Supplemental information provided by the applicant indicated the following:
 - A. Is the Rayos Del Sol Solar Project, LLC, project currently known by any other project names? No, the only name for the project is Rayos del Sol.
 - B. Has this project applied to ERCOT at this time? If so, please provide the project's GINR number. Yes, our GINR is 19INR0045.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

Tab 5

Documentation to assist in determining if limitation is a determining factor.

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

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Rayos Del Sol Solar Project, LLC has entered into the following representative agreements and contracts for the development of a project within Santa Maria ISD:

- Grants of leases and easements covering approximately 2,000 acres;
- Interconnect Studies and Agreement; and
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. Tradewind Energy’s management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 17+ years of experience in the renewable energy industries, the Tradewind Energy team has a proven track record of developing, financing, and constructing large-scale renewable energy projects. Our collective experience includes over 3.56 gigawatts of wind and solar projects in the U.S., representing over \$5 billion of investment. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Alabama	Mississippi
Arkansas	New Mexico
Colorado	North Carolina
Florida	South Carolina
Georgia	Ohio
Illinois	Oklahoma
Indiana	Tennessee
Kansas	Virginia
Louisiana	Wisconsin
Minnesota	

For these reasons, Tradewind Energy studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive.

Without a Value Limitation program, Tradewind Energy would seek to move to alternative sites OUTSIDE of the State of Texas.

Rayos Del Sol Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Santa Maria ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 150 MW Rayos Del Sol could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$176M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Rayos Del Sol Solar Project, LLC.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Tab 8

Description of Qualified Property

Rayos Del Sol Solar Project, LLC plans to construct an estimated 150 MW photovoltaic solar energy facility in Cameron County, located entirely within Santa Maria ISD. The additional improvements of Qualified Property includes:

- Approximately 450,000 Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- 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. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

The exact placement and type of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. The life expectancy of the project is projected at a minimum of 30 years. All equipment outlined above is expected to be located within Santa Maria ISD. The final number and location of units and supporting structures will be determined before construction begins. However, any changes in the number or type of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years. Current plans are to install all equipment in one phase. Rayos Del Sol intends to connect to 138 kV AEP TX Line from WesMar to Rangerville. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Generator Interconnection Status Report

April 2018

Date: 5/1/2018 2:16:41 PM

All Projects, in the Full Interconnect Study (FIS) phase, without a Signed Interconnection Agreement as of April 30, 2018

GINR Reference Number	Project Name*	Interconnecting Entity	Point of Interconnection (POI)	County	Fuel	Capacity to Grid (MW)	Projected COD Month/Year (as specified by the resource developer)	FIS Report Status
18INR0077	Colorado Bend 2 retune	Exelon		Wharton	GAS	45	6/2018	Incomplete
18INR0076	Wolf Hollow 2 retune	Exelon		Hood	GAS	44	6/2018	Incomplete
17INR0070	Desert Sky repower	Invenergy		Pecos	WIND	7	6/2018	Complete
17INR0069	Trent repower	Invenergy		Nolan	WIND	6	6/2018	Complete
17INR0067	Sweetwater 1 repower	Leeward Energy	180151 Sweetwater1 34.5kV	Nolan	WIND	0	6/2018	Complete
17INR0065	Capricorn III repower	Nextera		Sterling	WIND	0	6/2018	Complete
17INR0064	Capricorn II repower	Nextera		Sterling	WIND	0	6/2018	Complete
17INR0060	Horse Hollow IV repower	Nextera		Taylor	WIND	0	6/2018	Complete
17INR0058	Horse Hollow II repower	Nextera		Taylor	WIND	0	6/2018	Complete
17INR0057	Red Canyon repower	Nextera		Borden	WIND	0	6/2018	Complete
17INR0104	Capricorn 4 repower	Nextera		Coke	WIND	0	7/2018	Complete
17INR0103	Horse 3 repower	Nextera		Taylor	WIND	0	7/2018	Complete
17INR0101	Horse 1 repower	Nextera		Taylor	WIND	0	7/2018	Complete
17INR0063	Capricorn I repower	Nextera		Sterling	WIND	0	7/2018	Complete
17INR0061	Capricorn IV repower	Nextera		Sterling	WIND	9	7/2018	Complete
17INR0056	Callahan repower	Nextera		Taylor	WIND	0	7/2018	Complete
17INR0054	Capricorn I & III repower	Nextera	180757 Capricorn Ridge 3 138kV	Sterling	WIND	32	7/2018	Complete
17INR0053	HH3 (HHGT increase)	Nextera	7046 Kendal 345kV	Taylor	WIND	44	7/2018	Complete
17INR0052	HH1 (HHGT increase)	Nextera	6216 Bluff Creek 138kV	Taylor	WIND	44	7/2018	Complete
18INR0075	Gulf Wind 1 Repower	Pattern Energy		Kenedy	WIND	0	8/2018	Incomplete
18INR0072	Blue Summit Repower	Nextera	140382 Blue Summit 1.6 34.5kV	Wilbarger	WIND	10	12/2018	Incomplete
18INR0070	Blue Summit II	Nextera	61001 Jim Treece 345kV	Wilbarger	WIND	102	12/2018	Incomplete
19INR0173	Magnet Wind	Seventus	Lane City 138kV	Wharton	WIND	125	3/2019	Incomplete
18INR0055	Long Draw Solar	BNB Renewables	59900 Long Draw 345kV	Borden	SOLAR	225	3/2019	Incomplete
18INR0023	Lost Mines Wind	RES Americas	60706 Orsted 345kV - Big Hill	Schleicher	WIND	201	3/2019	Incomplete
19INR0094	GSE Three Solar	Alpin Sun	6044 Turkey 69kV	Hall	SOLAR	50	4/2019	Incomplete
19INR0057	Old Bloomington Road	Castleman Power	8143 Dupont 138kV	Victoria	GAS	100	4/2019	Incomplete
19INR0056	Chamon Phase 2	Castleman Power	40260 Chamon 138kV	Harris	GAS	100	4/2019	Incomplete
16INR0036	Pecan Creek 1 Gas	NTE Energy	tap 345kV 11420 Sweetwater - 11406 Central Bluff	Nolan	GAS	280	4/2019	Incomplete
18INR0053	Fort Bend Solar	Lendlease Energy	tap 138kV 44541 Orchard - 44190 E Bernard	Fort Bend	SOLAR	240	5/2019	Incomplete
16INR0111	Las Lomas Wind	Enerverse	8957 Lopeno 138kV	Starr	WIND	200	5/2019	Incomplete
20INR0011	Ranchero Wind	Scout Clean Energy	tap 345kV 76002 Bakersfield - 76005 Schneeman	Crockett	WIND	250	6/2019	Incomplete
19INR0036	Oxbow Solar	BNB Renewables	59905 Faraday 345kV	Borden	SOLAR	250	6/2019	Incomplete
19INR0028	Normande Solar Farm	8minutenergy	59900 Long Draw 345kV	Borden	SOLAR	300	6/2019	Incomplete
19INR0017	Tri-County Solar	First Solar	tap 138kV 1027 Odessa - 1107 Monahans2T	Crane	SOLAR	207	6/2019	Incomplete
19INR0001	Texas Solar Nova	SunPower	tap 345kV 11305 Dermott - 59904 Cottonwood	Kent	SOLAR	750	6/2019	Incomplete
18INR0045	Misae Solar	Childress Solar LLC	60501 Tesla 345kV	Childress	SOLAR	241	6/2019	Incomplete
18INR0033	Oveja Wind	Invenergy	76005 Schneeman Draw 345kV	Irion	WIND	300	6/2019	Incomplete
18INR0040	Soda Lake Solar 1 and 2	Arrington Solar	Tap 138kV 6601 Rio Pecos - 60014 Spudder	Crane	SOLAR	400	6/2019	Complete
18INR0039	Fowler Ranch	Solar Prime	tap 138kV 60014 Spudder - 76615 Crane	Crane	SOLAR	150	6/2019	Complete
19INR0044	Lily Solar	SunChase Power	tap 138kV 6904 CombinRC - 6908 ScurryRC	Kaufman	SOLAR	150	7/2019	Incomplete
19INR0041	Myrtle Solar	Sunchase Power	42110 Angleton 138kv or line tap to Rosharon 44600	Brazoria	SOLAR	240	7/2019	Incomplete

GINR Reference Number	Project Name*	Interconnecting Entity	Point of Interconnection (POI)	County	Fuel	Capacity to Grid (MW)	Projected COD Month/Year (as specified by the resource developer)	FIS Report Status
18INR0065	Goodranch Solar	EDF Renewable Energy	79600 Vealmoor 138kV OR 79640 Vealmoor 345kV	Borden	SOLAR	200	7/2019	Incomplete
18INR0064	Silver Star repower	Bp	150511 Flat Creek 34.5kV	Eastland	WIND	-7	7/2019	Complete
13INR0025	Buffalo Wind 1	National Renewable Solutions	79504 AJ Swope 345kV	Randall	WIND	150	7/2019	Complete
19INR0083	Oberon Solar	174 Power Global	tap 138kV 1292 Ectorharp - 1013 Wolf	Ector	SOLAR	180	8/2019	Incomplete
18INR0058	Texana Solar	Sunchase Power	tap 138kV 8102 El Campo - 8117 Ganado	Wharton	SOLAR	150	8/2019	Incomplete
18INR0050	Mustang Creek Solar	Sunchase Power	5523 ETP 138kV	Jackson	SOLAR	150	8/2019	Incomplete
18INR0062	Wagyu Solar	Cypress Creek Renewables	tap 138kV 43380 West Columbia - 44010 WA Parish	Brazoria	SOLAR	120	8/2019	Complete
19INR0138	Buffalo Gap 4	Aes	66216 Bluff Creek 138kV	Nolan	WIND	175	9/2019	Incomplete
19INR0102	Queen Solar	Cielo	tap 345kV 11028 Odessa - 76000 NMcCamey	Upton	SOLAR	400	9/2019	Incomplete
19INR0099a	Kontiki Wind	TriGlobal	59903 Bearkat 345kV	Glasscock	WIND	255	9/2019	Incomplete
16INR0097	Morada Del Sol Solar	First Solar	tap 345kV 76002 Bakersfield - 76000 NMcCamey	Upton	SOLAR	200	9/2019	Incomplete
18INR0030	Canyon Wind	TriGlobal	11319 ScurryCounty 138kV	Scurry	WIND	360	9/2019	Complete
18INR0029	Armstrong Wind	Big Sky Energy	tap 345kV 79500 Alibates - 79503 Tule Canyon	Armstrong	WIND	253	9/2019	Complete
19INR0166	Loma Pinta II	Enerverse	5705 Fowlerton 138kV	La Salle	WIND	202	10/2019	Incomplete
19INR0142	Bacon Switch Solar	SunChase Power	tap 345kV 6101 Riley - 1425 Fisher OR 138kV 1450 Pleasva - 1485 Ceramic	Wichita	SOLAR	150	10/2019	Incomplete
19INR0120	Sherbino II Wind repower	Bp	131454 Keo_3 138kV	Pecos	WIND	-13	10/2019	Incomplete
19INR0111	Tom Green Solar	EDP Renewables	tap 138kV 6480 SAPS - 60423 Treadwell	Tom Green	SOLAR	150	10/2019	Incomplete
19INR0109	Crockett Solar	EDP Renewables	tap 138kV 6564 Illinois - 76579 Ft Lancaster	Crockett	SOLAR	150	10/2019	Incomplete
19INR0080	Whitehorse Wind	Hill Country Wind	68001 Clayton 345kV	Fisher	WIND	400	10/2019	Incomplete
19INR0053	Hidalgo II Wind	EDP Renewables	161705 Mirasole 345kV	Hidalgo	WIND	51	10/2019	Incomplete
19INR0045	Rayos Del Sol	Tradewind Energy	FIS considered tap Wesmer and Rangerville 138	Cameron	SOLAR	150	10/2019	Incomplete
19INR0029	Phoebe Solar	Longroad Energy	tap 138kV 1250 Yukon - 1252 Vest	Winkler	SOLAR	253	10/2019	Incomplete
19INR0007	Charbray Solar	8minutenergy	1032 Morgan Creek 138kV	Mitchell	SOLAR	200	10/2019	Incomplete
18INR0056	Hallmark Solar	Cypress Creek Renewables	tap 69kV 1824 Neyland - 1826 Cadmil	Hunt	SOLAR	50	10/2019	Incomplete
18INR0042	Kaiser Creek Wind	Calpine	Tap 138kV 6275 Abilene East - 6670 Putnam	Callahan	WIND	100	10/2019	Incomplete
18INR0027	Ponwar Solar Farm	8minutenergy	tap 138kV 76032 NMcCamey - 60361 Santa Rita	Upton	SOLAR	180	10/2019	Incomplete
17INR0025	Reloj Del Sol Wind	EDP Renewables	80220 Cenizo 345kV	Zapata	WIND	202	10/2019	Incomplete
19INR0004	Sanco Solar	8minutenergy	79502 Windmill 345kV	Deaf Smith	SOLAR	400	10/2019	Complete
15INR0063	Easter Wind A	TriGlobal	79502 Windmill 345kV	Castro	WIND	155	10/2019	Complete
19INR0155	Morrow Lake Solar	Sunchase Power	tap 138kV Pearsall 5895 - Miracle 5700	Frio	SOLAR	150	11/2019	Incomplete
19INR0150	Millhouse Solar	Cypress Creek Renewables	tap 69kV 8500 Alice - 8889 Stadium	Jim Wells	SOLAR	113	11/2019	Incomplete
19INR0006	Bluebonnet Solar	One Energy Renewables	tap 138kV 6680 Alamito - 60385 Solstice	Brewster	SOLAR	61	11/2019	Incomplete
18INR0031	Maryneal Wind	Duke Energy	71050 Bitter Creek 345kV	Nolan	WIND	180	11/2019	Incomplete
16INR0081	Mesteno Wind	Duke Energy	80355 Del Sol 345kV	Starr	WIND	202	11/2019	Complete
20INR0008	Yellow Jacket Wind	RES Americas	tap 345kV 7046 Kendal - 60618 Edison	Menard	WIND	200	12/2019	Incomplete
19INR0172	Dillon Gulch	Aes	tap 345kV 11420 Sweetwater East Switch - 11406 Central Bluff Switch	Nolan	WIND	175	12/2019	Incomplete
19INR0171	Concho Valley Solar	Merit SI	tap 138kV 6480 SAPOWER - 6490 Santiago	Tom Green	SOLAR	150	12/2019	Incomplete
19INR0161	Pierce Wind	Seventus	345kV ROW between Hillje & WAP	Wharton	WIND	300	12/2019	Incomplete
19INR0160	Great Dane Wind	Seventus	5546 Danevang 138kV	Wharton	WIND	302	12/2019	Incomplete
19INR0156	Grape Creek Wind	Apex Clean	tap 345kV 76009 TwinB - 76090 Divide	Coke	WIND	524	12/2019	Incomplete
19INR0149	Lapetus Solar	7x Energy	1284 Shafter Lake 138kV	Andrews	SOLAR	115	12/2019	Incomplete
19INR0147	DeLong Solar	Eon	tap 345kV 76009 TwinB - 1444 Brown	Tom Green	SOLAR	200	12/2019	Incomplete
19INR0133	Los Porciones II	Terra-Gen	8574 Pomelo 345kV	Hidalgo	WIND	200	12/2019	Incomplete
19INR0132	Los Porciones I	Terra-Gen	8574 Pomelo 345kV	Hidalgo	WIND	200	12/2019	Incomplete

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Santa Maria ISD – Rayos Del Sol Solar Project, LLC App. #1252 –

Comptroller Questions (via email on May 29, 2018):

- 1) *Is the Rayos Del Sol Solar Project, LLC, project currently known by any other project names?*
- 2) *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number.*

Applicant Response (via email on May 30, 2018):

- 1) *No, the only name for the project is Rayos del Sol.*
- 2) *Yes, our GINR is 19INR0045.*

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED RAYOS DEL SOL
SOLAR PROJECT, LLC IN THE SANTA MARIA
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1252)**

PREPARED BY



AUGUST 3, 2018

Executive Summary

Rayos Del Sol Solar Project, LLC (Company) has requested that the Santa Maria Independent School District (SMISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to SMISD on February 16, 2018 the Company plans to invest \$162 million to construct a solar renewable electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Rayos Del Sol project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, SMISD may offer a minimum value limitation of \$10 million. This value limitation, under the proposed application, will begin in the 2020-21 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted last year. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to SMISD	\$1.8 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$5.1 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for this project was issued on May 25, 2018.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The Certificate for this project was issued on August 2, 2018.

After the Comptroller's certificate was received, O'Hanlon, Demerath & Castillo contacted the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review prior to final adoption by the school district's board of trustees.

Prior to final board meeting, O'Hanlon, Demerath & Castillo will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In addition, the school board will be asked to consider a job waiver during this meeting.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). (For more detailed information on the school finance funding system, please review the Texas Education Agency's website [\(Manuals and Presentations\)](#) or [\(School Finance-One Page Descriptions\)](#).

Because the general school finance formula system calculates state aid entitlements using the Comptroller's certified property value for the preceding year, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment remains at \$5,140 and the Tier II Austin yield increases to \$106.28 per WADA for 2018-19, which is maintained for future years.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313 projects are also factored into the M&O tax bases used. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA: 655
 Local Tax Base: \$54.0 million
 M&O Tax Rate: \$1.17 per \$100
 I&S Tax Rate: \$0.41 per \$100
 Wealth per WADA: \$55,210

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Rayos Del Sol Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2018-19	654.94	929.86	\$1.1700	\$0.4100	\$54,025,441	\$54,025,441	\$53,358,795	\$53,358,795	\$57,384	\$57,384
QTP1	2019-20	654.94	929.86	\$1.1700	\$0.4100	\$216,025,441	\$216,025,441	\$53,358,795	\$53,358,795	\$57,384	\$57,384
QTP2/VL1	2020-21	654.94	929.86	\$1.1700	\$0.4100	\$189,295,441	\$64,025,441	\$215,358,795	\$215,358,795	\$231,604	\$231,604
VL2	2021-22	654.94	929.86	\$1.1700	\$0.4100	\$166,975,891	\$64,025,441	\$188,628,795	\$63,358,795	\$202,858	\$68,138
VL3	2022-23	654.94	929.86	\$1.1700	\$0.4100	\$148,339,067	\$64,025,441	\$166,309,245	\$63,358,795	\$178,855	\$68,138
VL4	2023-24	654.94	929.86	\$1.1700	\$0.4100	\$132,777,319	\$64,025,441	\$147,672,421	\$63,358,795	\$158,812	\$68,138
VL5	2024-25	654.94	929.86	\$1.1700	\$0.4100	\$119,783,259	\$64,025,441	\$132,110,673	\$63,358,795	\$142,076	\$68,138
VL6	2025-26	654.94	929.86	\$1.1700	\$0.4100	\$108,933,219	\$64,025,441	\$119,116,613	\$63,358,795	\$128,102	\$68,138
VL7	2026-27	654.94	929.86	\$1.1700	\$0.4100	\$99,873,435	\$64,025,441	\$108,266,573	\$63,358,795	\$116,434	\$68,138
VL8	2027-28	654.94	929.86	\$1.1700	\$0.4100	\$92,308,516	\$64,025,441	\$99,206,789	\$63,358,795	\$106,690	\$68,138
VL9	2028-29	654.94	929.86	\$1.1700	\$0.4100	\$85,991,809	\$64,025,441	\$91,641,870	\$63,358,795	\$98,555	\$68,138
VL10	2029-30	654.94	929.86	\$1.1700	\$0.4100	\$80,717,358	\$64,025,441	\$85,325,163	\$63,358,795	\$91,762	\$68,138
VP1	2030-31	654.94	929.86	\$1.1700	\$0.4100	\$80,717,358	\$80,717,358	\$80,050,712	\$63,358,795	\$86,089	\$68,138
VP2	2031-32	654.94	929.86	\$1.1700	\$0.4100	\$80,717,358	\$80,717,358	\$80,050,712	\$80,050,712	\$86,089	\$86,089
VP3	2032-33	654.94	929.86	\$1.1700	\$0.4100	\$80,717,358	\$80,717,358	\$80,050,712	\$80,050,712	\$86,089	\$86,089
VP4	2033-34	654.94	929.86	\$1.1700	\$0.4100	\$80,717,358	\$80,717,358	\$80,050,712	\$80,050,712	\$86,089	\$86,089
VP5	2034-35	654.94	929.86	\$1.1700	\$0.4100	\$80,717,358	\$80,717,358	\$80,050,712	\$80,050,712	\$86,089	\$86,089

*Basic Allotment: \$5,140; AISD Yield: \$106.28; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Rayos Del Sol project on SMISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$10 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$1.8 million over the course of the Agreement, with all the loss reflected in the first limitation year (2020-21). Nearly all the reduction in M&O taxes under the limitation agreement is offset through an increase in state aid under current law.

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

Year of Agreement	School Year	M&O Taxes @		Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
		Compressed Rate	State Aid								
QTP0	2018-19	\$550,251	\$4,563,671	\$0	\$0	\$93,543	\$855,089	\$0	\$0	\$26,334	\$6,088,887
QTP1	2019-20	\$2,137,851	\$4,563,671	\$0	\$0	\$363,435	\$2,661,825	\$0	\$0	\$26,334	\$9,753,115
QTP2/VL1	2020-21	\$1,900,951	\$2,943,671	\$0	\$0	\$323,162	\$488,995	\$0	\$0	\$26,334	\$5,683,112
VL2	2021-22	\$1,677,755	\$3,210,971	\$0	\$0	\$285,218	\$533,073	\$0	\$0	\$26,334	\$5,733,350
VL3	2022-23	\$1,491,387	\$3,434,167	\$0	\$0	\$253,536	\$571,155	\$0	\$0	\$26,334	\$5,776,578
VL4	2023-24	\$1,335,770	\$3,620,535	\$0	\$0	\$227,081	\$605,105	\$0	\$0	\$26,334	\$5,814,824
VL5	2024-25	\$1,205,829	\$3,776,152	\$0	\$0	\$204,991	\$634,804	\$0	\$0	\$26,334	\$5,848,109
VL6	2025-26	\$1,097,329	\$3,906,093	\$0	\$0	\$186,546	\$660,918	\$0	\$0	\$26,334	\$5,877,219
VL7	2026-27	\$1,006,731	\$4,014,593	\$0	\$0	\$171,144	\$684,197	\$0	\$0	\$26,334	\$5,902,998
VL8	2027-28	\$931,082	\$4,105,191	\$0	\$0	\$158,284	\$704,748	\$0	\$0	\$26,334	\$5,925,638
VL9	2028-29	\$867,914	\$4,180,840	\$0	\$0	\$147,546	\$723,350	\$0	\$0	\$26,334	\$5,945,983
VL10	2029-30	\$815,170	\$4,244,007	\$0	\$0	\$138,579	\$739,941	\$0	\$0	\$26,334	\$5,964,030
VP1	2030-31	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329
VP2	2031-32	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329
VP3	2032-33	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329
VP4	2033-34	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329
VP5	2034-35	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

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

Year of Agreement	School Year	M&O Taxes @		Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
		Compressed Rate	State Aid								
QTP0	2018-19	\$550,251	\$4,563,671	\$0	\$0	\$93,543	\$855,089	\$0	\$0	\$26,334	\$6,088,887
QTP1	2019-20	\$2,137,851	\$4,563,671	\$0	\$0	\$363,435	\$2,661,825	\$0	\$0	\$26,334	\$9,753,115
QTP2/VL1	2020-21	\$648,251	\$2,943,671	\$0	\$0	\$110,203	\$166,947	\$0	\$0	\$26,334	\$3,895,405
VL2	2021-22	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL3	2022-23	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL4	2023-24	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL5	2024-25	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL6	2025-26	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL7	2026-27	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL8	2027-28	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL9	2028-29	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VL10	2029-30	\$648,251	\$4,463,671	\$0	\$0	\$110,203	\$830,831	\$0	\$0	\$26,334	\$6,079,289
VP1	2030-31	\$811,832	\$4,463,671	\$0	\$0	\$138,011	\$1,040,569	\$0	\$0	\$26,334	\$6,480,416
VP2	2031-32	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329
VP3	2032-33	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329
VP4	2033-34	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329
VP5	2034-35	\$811,832	\$4,296,752	\$0	\$0	\$138,011	\$794,401	\$0	\$0	\$26,334	\$6,067,329

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2020-21	-\$1,252,700	\$0	\$0	\$0	-\$212,959	-\$322,048	\$0	\$0	\$0	-\$1,787,707
VL2	2021-22	-\$1,029,504	\$1,252,700	\$0	\$0	-\$175,015	\$297,758	\$0	\$0	\$0	\$345,939
VL3	2022-23	-\$843,136	\$1,029,504	\$0	\$0	-\$143,333	\$259,676	\$0	\$0	\$0	\$302,711
VL4	2023-24	-\$687,519	\$843,136	\$0	\$0	-\$116,878	\$225,726	\$0	\$0	\$0	\$264,465
VL5	2024-25	-\$557,578	\$687,519	\$0	\$0	-\$94,788	\$196,027	\$0	\$0	\$0	\$231,180
VL6	2025-26	-\$449,078	\$557,578	\$0	\$0	-\$76,343	\$169,913	\$0	\$0	\$0	\$202,070
VL7	2026-27	-\$358,480	\$449,078	\$0	\$0	-\$60,941	\$146,634	\$0	\$0	\$0	\$176,291
VL8	2027-28	-\$282,831	\$358,480	\$0	\$0	-\$48,081	\$126,083	\$0	\$0	\$0	\$153,651
VL9	2028-29	-\$219,663	\$282,831	\$0	\$0	-\$37,343	\$107,481	\$0	\$0	\$0	\$133,306
VL10	2029-30	-\$166,919	\$219,664	\$0	\$0	-\$28,376	\$90,890	\$0	\$0	\$0	\$115,259
VP1	2030-31	\$0	\$166,919	\$0	\$0	\$0	\$246,168	\$0	\$0	\$0	\$413,087
VP2	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$6.8 million over the life of the agreement. The SMISD revenue losses are expected to total approximately \$1.8 million under current law. (See Table 5.) In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$5.1 million, prior to any negotiations with Rayos Del Sol on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with SMISD currently levying a \$0.41 per \$100 I&S tax rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the Rayos Del Sol project in the first year it is added to the local I&S tax roll. After the initial value increase, state facilities funding will remain an important element in determining how the district’s school facilities will be funded in the future. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 5 - Estimated Financial Impact of the Rayos Del Sol Project Property Value Limitation Request Submitted to SMISD at \$1.1700 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2018-19	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$162,000,000	\$162,000,000	\$0	\$1.170	\$1,895,400	\$1,895,400	\$0	\$0	\$0
QTP2/VL1	2020-21	\$135,270,000	\$10,000,000	\$125,270,000	\$1.170	\$1,582,659	\$117,000	\$1,465,659	-\$1,787,707	-\$322,048
VL2	2021-22	\$112,950,450	\$10,000,000	\$102,950,450	\$1.170	\$1,321,520	\$117,000	\$1,204,520	\$0	\$1,204,520
VL3	2022-23	\$94,313,626	\$10,000,000	\$84,313,626	\$1.170	\$1,103,469	\$117,000	\$986,469	\$0	\$986,469
VL4	2023-24	\$78,751,878	\$10,000,000	\$68,751,878	\$1.170	\$921,397	\$117,000	\$804,397	\$0	\$804,397
VL5	2024-25	\$65,757,818	\$10,000,000	\$55,757,818	\$1.170	\$769,366	\$117,000	\$652,366	\$0	\$652,366
VL6	2025-26	\$54,907,778	\$10,000,000	\$44,907,778	\$1.170	\$642,421	\$117,000	\$525,421	\$0	\$525,421
VL7	2026-27	\$45,847,994	\$10,000,000	\$35,847,994	\$1.170	\$536,422	\$117,000	\$419,422	\$0	\$419,422
VL8	2027-28	\$38,283,075	\$10,000,000	\$28,283,075	\$1.170	\$447,912	\$117,000	\$330,912	\$0	\$330,912
VL9	2028-29	\$31,966,368	\$10,000,000	\$21,966,368	\$1.170	\$374,007	\$117,000	\$257,007	\$0	\$257,007
VL10	2029-30	\$26,691,917	\$10,000,000	\$16,691,917	\$1.170	\$312,295	\$117,000	\$195,295	\$0	\$195,295
VP1	2030-31	\$26,691,917	\$26,691,917	\$0	\$1.170	\$312,295	\$312,295	\$0	\$0	\$0
VP2	2031-32	\$26,691,917	\$26,691,917	\$0	\$1.170	\$312,295	\$312,295	\$0	\$0	\$0
VP3	2032-33	\$26,691,917	\$26,691,917	\$0	\$1.170	\$312,295	\$312,295	\$0	\$0	\$0
VP4	2033-34	\$26,691,917	\$26,691,917	\$0	\$1.170	\$312,295	\$312,295	\$0	\$0	\$0
VP5	2034-35	\$26,691,917	\$26,691,917	\$0	\$1.170	\$312,295	\$312,295	\$0	\$0	\$0
						\$11,468,346	\$4,626,877	\$6,841,469	-\$1,787,707	\$5,053,762

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

Attachment E

Taxable Value of Property


Taxes

Property Tax

School and Appraisal Districts Property Value Study 2015 Report

2015 ISD Summary Worksheet

031/Cameron

031-913/Santa Maria ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	28,799,053	N/A	28,799,053	28,799,053
B. Multi-Family Residences	24,971	N/A	24,971	24,971
C1. Vacant Lots	4,373,662	N/A	4,373,662	4,373,662
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	5,328,786	N/A	5,328,786	5,328,786
D2. Real Prop Farm & Ranch	40,108	N/A	40,108	40,108
E. Real Prop NonQual Acres	4,085,840	N/A	4,085,840	4,085,840
F1. Commercial Real	818,187	N/A	818,187	818,187
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	6,799,558	N/A	6,799,558	6,799,558
L1. Commercial Personal	220,978	N/A	220,978	220,978
L2. Industrial Personal	0	N/A	0	0

M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	15,540	N/A	15,540	15,540
S. Special Inventory	0	N/A	0	0
Subtotal	50,506,683		50,506,683	50,506,683
Less Total Deductions	9,523,251		9,523,251	9,523,251
Total Taxable Value	40,983,432		40,983,432	40,983,432 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
43,108,882	40,983,432	43,108,882	40,983,432

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
2,125,450	0

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

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

ceiling reduction

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

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

Value Taxable For I&S Purposes

T7	T8	T9	T10
43,108,882	40,983,432	43,108,882	40,983,432

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

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

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

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

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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

and

RAYOS DEL SOL SOLAR PROJECT, LLC

(Texas Taxpayer ID # 32063120250)

Comptroller Application # 1252

Dated

October 23, 2018

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

STATE OF TEXAS §

COUNTY OF CAMERON §

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 **SANTA MARIA 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 **RAYOS DEL SOL SOLAR PROJECT, LLC**, Texas Taxpayer Identification Number 32063120250 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 February 16, 2018, the Superintendent of Schools of the Santa Maria 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 February 19, 2018, 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 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete, and May 25, 2018 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Cameron Appraisal District established in Cameron County, Texas (the "Cameron 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 August 2, 2018, 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 October 23, 2018, 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 October 23, 2018, 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 October 23, 2018, 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 October 10, 2018, 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 October 23, 2018, 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, or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President 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, as amended.

“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 Rayos Del Sol Solar Project, LLC, (*Texas Taxpayer ID #32063120250*) 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 February 16, 2018. 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 Cameron Appraisal District.

“Board of Trustees” means the Board of Trustees of the Santa Maria Independent School District.

“Commercial Operation” means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land having a value that equals or exceeds \$1,000,000, and is able to generate electricity and is connected to the grid with an interconnection agreement.

“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 ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Cameron County, Texas.

“District” or “School District” means the Santa Maria 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 sixty (60) 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 ADMIN. 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.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s average daily attendance in the amount of 662 for the 2018-2019 school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2018, which, by virtue of the Approval Date is the Tax Year that includes the date on which the Board of Trustees approved the Application and this Agreement.

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

“M&O Amount” means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations 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 Final Termination Date as set forth in Section 4.2 of this Agreement.

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District actually received for such school Year.

“Net Tax Benefit” means, for any subject Tax Year during the term of this Agreement, 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, for all Tax Years up to and including the

subject Tax Year; *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 for all Tax Years up to and including the subject Tax Year, plus (B) any and all payments due to the District under Articles IV and V, of this Agreement for all Tax Years up to and including the subject Tax Year, plus (C) any and all payments owed to the District under Article VI of this Agreement for all Tax Years prior to the subject Tax Year.

“Revenue Protection Amount” means the amount calculated pursuant to Section 4.2 of this Agreement.

“Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax 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 subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

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 May 25, 2018, 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 October 23, 2018.

C. The Qualifying Time Period for this Agreement:

- i. Starts on October 23, 2018, the Application Approval Date; and
- ii. Ends on December 31, 2020, 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, 2020, the first complete Tax Year that begins after the date of the commencement of Commercial Operation;
- ii. Ends on December 31, 2029.

E. The Final Termination Date for this Agreement is December 31, 2034.

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. Ten Million Dollars (\$10,000,000), based on Section 313.054 of the TEXAS TAX CODE

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 \$1,000,000 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 \$620 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 expensed 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 property used for renewable energy electric generation.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of losses that District incurs in its Maintenance and Operations Revenue will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for 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 THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations 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 Final Termination Date, the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.
- B. In making the calculations required by this Section 4.2 of this Agreement:
 - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property 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.

C. Annual Limitation of Payments by Applicant

Notwithstanding anything contained in this Agreement to the contrary, for each Tax Year of the Tax Limitation Period (beginning with Tax Year 2020), amounts due to be paid by Applicant under this Article IV for any Tax Year during the Limitation Period shall not exceed an amount equal to Seventy-Five Percent (75%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement. Beginning with the first Tax Year of the Tax Limitation Period (Tax Year 2020) and for each subsequent year of this Agreement through the third Tax Year after the end of the Tax Limitation Period (2032), any amounts due and owing by Applicant to the District pursuant to Article IV of this Agreement which, by virtue of the payment limitation set forth in this Section 4.2.C, were not paid in prior years, shall be carried forward and added to the amounts due pursuant to Articles IV for each subsequent Tax Year until paid. In no event shall the amounts paid by the Applicant, calculated under Article IV for each Tax Year, including unpaid amounts carried forward from prior years, be in excess of (i) an amount equal to Seventy-Five Percent (75%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the first day of the Qualifying Time Period through the current Tax Year, less (ii) all amounts paid by Applicant for all previous Tax Years under Article IV of this Agreement. The amounts described in this Section 4.2.C shall be included in all calculations made pursuant to Section 4.3, below.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") approved each year by the District. The District agrees that for all Tax Years the Third Party selected by the District shall be either RM School Finance Consulting or Moak Casey & Associates. If the District desires to select a Third Party other than RM School Finance Consulting or Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon 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 4.3. 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 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, 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, subject to the provisions of Section 4.6. 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 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 4.6. PAYMENT BY APPLICANT. Subject to Section 4.7, 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 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, plus any reasonable and necessary out-of-pocket third party legal expenses incurred 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 or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within

thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.6 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, 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 Property 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 Property 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 amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. STATUTORY CHANGES AFFECTING M&O 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 Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, 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, Applicant shall make payments to District, up to the revenue protection amount limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, 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 District.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

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

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for Supplemental Payments to be calculated as set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, and VI are subject to the limitations contained in Section 7.1, and that all Supplemental Payments under this Article IV are subject to the separate limitations contained in Section 6.2 and Section 6.3.B.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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; and

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 the District's 2018-2019 Average Daily Attendance of 662, rounded to the nearest whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT SCHEDULE. Beginning with the first year of the Qualified Time Period [as defined by Tex. Tax Code § 313.021(4)] (Tax Year 2020) and ending the third tax year after the Limitation expires (Tax Year 2032), the District shall receive Supplemental Payments in accordance with the following schedule:

Supplemental Payment Number	Tax Year	School Year	Payment Due Date	Payment Amount
1.	2020	2020-2021	January 31, 2021	\$76,384.62
2.	2021	2021-2022	January 31, 2022	\$76,384.62
3.	2022	2022-2023	January 31, 2023	\$76,384.62
4.	2023	2023-2024	January 31, 2024	\$76,384.62
5.	2024	2024-2025	January 31, 2025	\$76,384.62
6.	2025	2025-2026	January 31, 2026	\$76,384.62
7.	2026	2026-2027	January 31, 2027	\$76,384.62
8.	2027	2027-2028	January 31, 2028	\$76,384.62
9.	2028	2028-2029	January 31, 2029	\$76,384.62
10.	2029	2029-2030	January 31, 2030	\$76,384.62

11.	2030	2030-2031	January 31, 2031	\$76,384.62
12.	2031	2031-2032	January 31, 2032	\$76,384.62
13.	2032	2032-2033	January 31, 2033	\$76,384.62

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.
- B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.
- C. Subject to Section 4.7, all amounts owed by the Applicant to the District for a Tax Year under this Article shall be paid on the same date established by Section 4.6 for such Tax Year.

Section 6.6. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District’s Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant’s payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District’s Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District’s Board of Trustees at any time.

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

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after 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 ADMIN. 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;

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 not greater than 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 Cameron 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 Cameron County, 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 30 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 60 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 \$1,000,000 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 REQUIRED NEW QUALIFYING JOBS.

Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. 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:

Martin Cuellar, Superintendent
Santa Maria Independent School District
1119 Military Road
Santa Maria, Texas 78592
Fax: (956) 565-0598
Email: mcuellar@smisd.net

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

Matt Gilhousen
Vice President
Rayos Del Solar Project, LLC
16105 W. 113th Street, Suite 105
Lenexa, Kansas 66219
Email: mgilhousen@tradewindenergy.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.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

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;

c. and 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 Cameron County.

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. CONFLICTS 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.

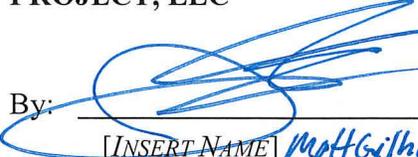
A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing 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 10th day of October, 2018.

**RAYOS DEL SOL SOLAR
PROJECT, LLC**

By: 
[INSERT NAME] *Matt Gilhousen*
[INSERT TITLE] *C.P.*

**SANTA MARIA INDEPENDENT SCHOOL
DISTRICT**

By: 
ADOLFO HINOJOSA
PRESIDENT
BOARD OF TRUSTEES

ATTEST:

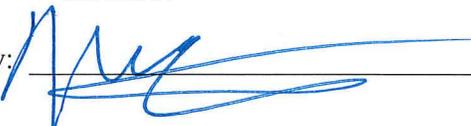
By: 
MIGUEL ZAVALA
SECRETARY
BOARD OF TRUSTEES

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, Cameron County has been designated as an Enterprise Zone. A map of this Enterprise Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment that is subject to this Agreement will be located within the boundaries of the Enterprise Zone and the boundaries of the District.

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property that is subject to this Agreement shall be located and on which the Qualified Investment that is subject to this Agreement shall be made is described by the map attached to **Exhibit 1**, which is within the boundaries of the District.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment that is subject to this Agreement shall be all tangible personal property first placed in service after May 25, 2018, owned by the Applicant, as more fully described in Tab 7 of the Application and **EXHIBIT 4** below, and located within the boundaries of the Santa Maria Independent School District and the project boundaries depicted on the map attached to **EXHIBIT 1**.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following:

- Approximately 450,000 PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- 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. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

The Applicant intends to construct a building to house Maintenance and Operations, supplies and other miscellaneous related equipment. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems. Associated equipment and supplies depends on the final design of the Project. The exact placement and type of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. Any changes in the number or type of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

EXHIBIT 4

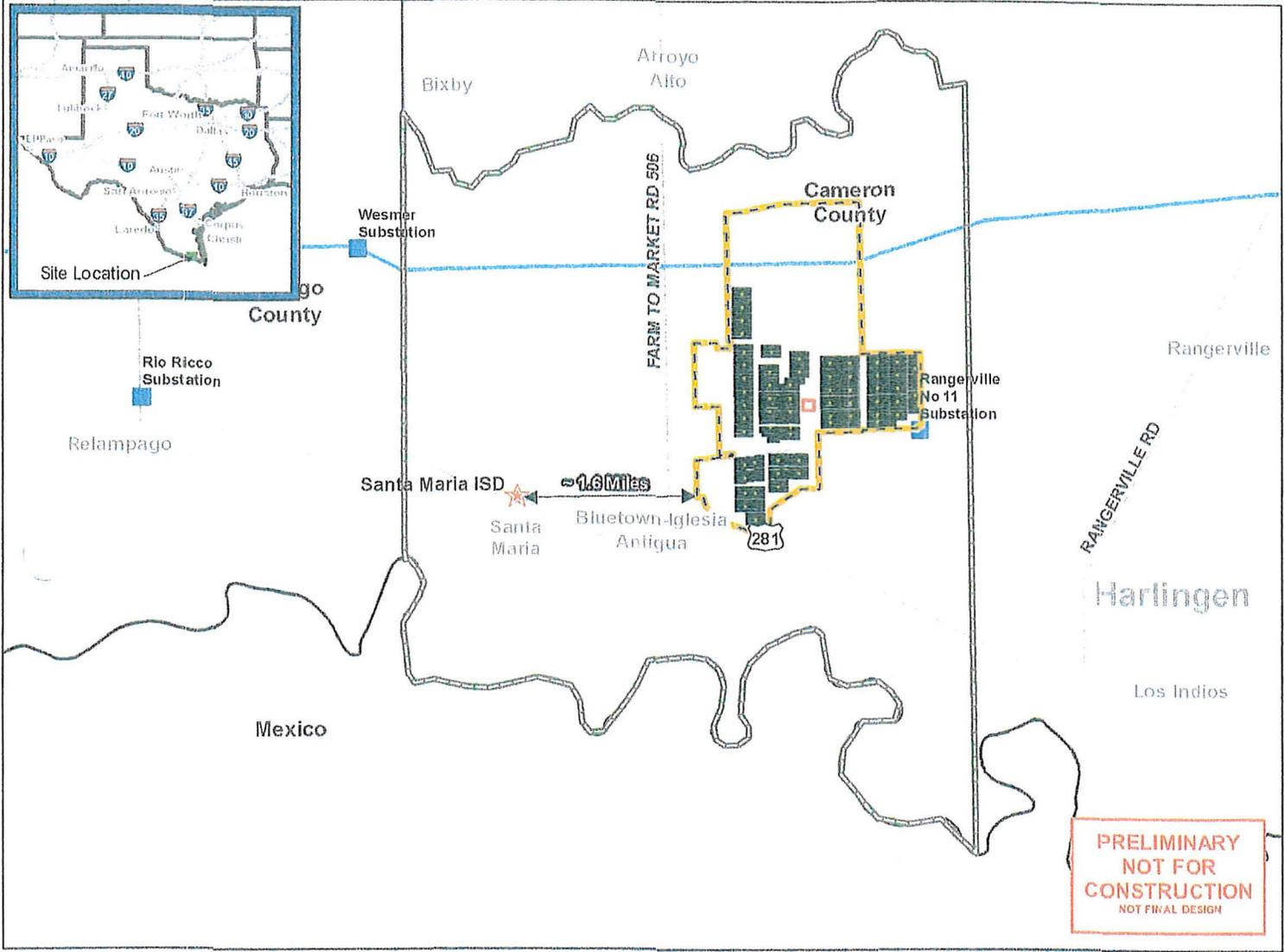
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property that Rayos Del Sol Solar Project, LLC plans to construct for an estimated 150 MW photovoltaic solar energy facility in Cameron County, located entirely within Santa Maria ISD. The Qualified Property includes:

- Approximately 450,000 Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- 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. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

The exact placement and type of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. The life expectancy of the project is projected at a minimum of 30 years. All equipment outlined above is expected to be located within Santa Maria ISD. The final number and location of units and supporting structures will be determined before construction begins. However, any changes in the number or type of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years. Current plans are to install all equipment in one phase. Rayos Del Sol intends to connect to 138 kV AEP TX Line from WesMar to Rangerville. All of the infrastructure will remain within the project boundary and within the Enterprise Zone.

Rayos del Sol Solar Project - Qualified Investment



 Project Boundary	 Substation
 Santa Maria Independent School District Boundary	 Transmission Lines
 Solar Array	 Voltage kV
 Solar Inverters	 Voltage kV
 Project Substation	



The Tradewind Energy logo features a stylized wind turbine icon to the left of the company name 'tradewind energy' in a sans-serif font.



A north arrow pointing upwards and a scale bar showing 0, 0.5, 1, and 2 miles.

Scale: 1:90,000
Date: 2/7/2018

Coordinate System:
GCS North American 1983

EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Pre-Limitation Period	Partial Year Beginning on the Application Approval Date (9/24/18)	January 1, 2018	2018-2019	2018	Start of Qualifying Time Period beginning with the Application Approval Date (9/24/18). No limitation on appraised value. First year for computation of Annual Limit.
	1	January 1, 2019	2019-2020	2019	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	1	January 1, 2020	2020-2021	2020	\$10 million appraised value limitation.
	2	January 1, 2021	2021-2022	2021	\$10 million appraised value limitation.
	3	January 1, 2022	2022-2023	2022	\$10 million appraised value limitation.
	4	January 1, 2023	2023-2024	2023	\$10 million appraised value limitation.
	5	January 1, 2024	2024-2025	2024	\$10 million appraised value limitation.
	6	January 1, 2025	2025-2026	2025	\$10 million appraised value limitation.
	7	January 1, 2026	2026-2027	2026	\$10 million appraised value limitation.
	8	January 1, 2027	2027-2028	2027	\$10 million appraised value limitation.
	9	January 1, 2028	2028-2029	2028	\$10 million appraised value limitation.
	10	January 1, 2029	2029-2030	2029	\$10 million appraised value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2030	2030-2031	2030	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2031	2031-2032	2031	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2032	2032-2033	2032	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

September 24, 2018

President and Members
Board of Trustees
Santa Maria Independent School District
11119 Military Road
P.O. Box 448
Santa Maria, Texas 78592

Re: Recommendations and Findings of the firm Concerning Application of Rayos Del Sol Solar Project, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Santa Maria Independent School District, with respect to the pending Application of Rayos Del Sol Solar Project, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Rayos Del Sol Solar Project, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

September 24, 2018

President and Members
Board of Trustees
Santa Maria Independent School District
11119 Military Road
P.O. Box 448
Santa Maria, Texas 78592

Re: Recommendations and Findings of the Firm Concerning Application of Rayos Del Sol Solar Project, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Santa Maria Independent School District, with respect to the pending Application of Rayos Del Sol Solar Project, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Rayos Del Sol Solar Project, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Rayos Del Sol Solar Project, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', written in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 9, 2018

Martin Cuellar
Superintendent
Santa Maria Independent School District
P.O. Box 448
Santa Maria, Texas 78592

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Santa Maria Independent School District and Rayos Del Sol Solar Project, LLC, Application 1252

Dear Superintendent Cuellar:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Santa Maria Independent School District and Rayos Del Sol Solar Project, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

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

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or at 512-463-6053.

Sincerely,

A handwritten signature in cursive script that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Kevin O'Hanlon, O'Hanlon, McCollom & Castillo, PC
Matt Gilhousen, Rayos Del Sol Solar Project, LLC
Brianna Baca, Rayos Del Sol Solar Project, LLC
Robert Pena, Jr., Texas Energy Consultants, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.