POWELL & LEON, LLP

108 Wild Basin Road, Suite 100, Austin, TX 78746 T: (512) 494-1177 F: (512) 494-1188

January 7, 2019

Via Hand Delivery
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
Attention: Tabita Collazo
111 E. 17th Street
Austin, Texas 78774

Re: Board Findings and Agreement under Chapter 313 of the Property Tax Code between Culberson County-Allamoore Independent School District and IP Aragorn, LLC, Application #1266

Dear Local Government Assistance and Economic Analysis Division:

The Culberson County-Allamoore Independent School District Board of Trustees approved the enclosed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes on December 17th, 2018. Enclosed, please find a hardcopy and electronic copy of the fully executed Board Findings and Agreement. A copy is being provided to the Culberson County Appraisal District by copy of this correspondence.

Thank you for your attention to the foregoing.

Respectfully submitted,

Sara Hardner Leon

SHL:sl

Enclosures

cc: *Via Electronic Mail: cgonzalez.ccad@ymail.com*
Maricel G. Gonzelez, Chief Appraiser, Culberson County Appraisal District

Via Electronic Mail: kbaugh@ccaisd.net
Ken Baugh, Superintendent of Schools, Culberson County-Allamoore Independent School District

Via Electronic Mail: dcummings@cwlp.net
Dale Cummings, Founding Partner, Cummings Westlake, LLC

Via Electronic Mail: Brandon@intersectpower.com
Brandon Kideckel, Partner, Intersect Power

Via Electronic Mail: Luke@intersectpower.com
Lucas Dunnington, Vice President, Intersect Power

FINDINGS
OF THE

CULBERSON COUNTY-ALLAMOORE INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY

IP ARAGORN, LLC
TEXAS TAXPAYER ID #32063877008
APPLICATION #1266

December 17, 2018

FINDINGS OF THE CULBERSON COUNTY-ALLAMOORE INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY IP ARAGORN, LLC

STATE OF TEXAS §
§
COUNTY OF CULBERSON §

On the 17th day of December, 2018, a public meeting of the Board of Trustees of the Culberson County-Allamoore Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the Application of IP Aragorn, LLC (Application #1266) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Culberson County-Allamoore Independent School District makes the following findings with respect to the Application of IP Aragorn, LLC #1266, and the economic impact of that Application:

On June 19, 2018, the Superintendent of Schools of the Culberson County-Allamoore Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from IP Aragorn, LLC #1266 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is posted on the Texas Comptroller's website at:

https://comptroller.texas.gov/data/economy/ch313/culberson-1266-ip.php

The Applicant, IP Aragorn, LLC (Taxpayer ID 32063877008) ("Applicant"), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. The Board of Trustees acknowledges receipt of the Application, along with the required Application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Culberson County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054. The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the Application was complete was issued on August 17, 2018.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on September 14, 2018 pursuant to Texas Tax Code § 313.026, and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Exhibit A**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Culberson County-Allamoore Independent School District. A copy of a report prepared by Education Service Center, Region 12 is attached to these findings as **Exhibit B**. The Texas Commissioner of Education has determined that the project will not impact school enrollment.

The Board of Trustees has confirmed that the taxable value of property in the Culberson County-Allamoore Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in the 2017 ISD Summary Worksheet posted on the Texas Comptroller's website at:

https://comptroller.texas.gov/data/property-tax/pvs/2017p/0550559011D.php.

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

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

Board Finding Number 1.

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

Board Finding Number 2.

The Applicant's entire proposed investment in the Culberson County-Allamoore Independent School District is $195,240,500—$194,400,000 of which is proposed to be Qualified Investment under Texas Tax Code § 313.021.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least $44,207 per year. The review of the Application by the State Comptroller's Office indicates that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Texas Tax Code § 313.021.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately $97.6 million on the basis of the 2 new qualifying positions committed to by the Applicant for this project. The project's total investment is $195,240,500, resulting in a relative level of investment per qualifying job of $97,620,250.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Section 313.25(f-1), Texas Tax Code, and the Board finds such waiver request should be granted. The Board notes that the number of jobs proposed for this project (2 jobs) is consistent with industry standards in the solar industry.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region. In support of Finding No. 6, the economic impact evaluation states:

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

Table 2—Estimated Statewide Economic Impact of IP Aragorn, LLC (modeled)

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	401	674	1075	$ 40,044,207	$ 54,375,793	$ 94,420,000
2021	102	224	326	$ 10,088,414	$ 23,751,586	$ 33,840,000
2022	2	46	48	$ 88,414	$ 8,981,586	$ 9,070,000
2023	2	1	3	$ 88,414	$ 4,371,586	$ 4,460,000
2024	2	(25)	-23	$ 88,414	$ 1,171,5 86	$ 1,260,000
2025	2	(35)	-33	$ 88,414	-$ 538,414	-$ 450,000
2026	2	(34)	-32	$ 88,414	-$ 1,258,414	-$ 1,170,000
2027	2	(29)	-27	$ 88,414	-$ 1,328,414	-$ 1,240,000
2028	2	(21)	-19	$ 88,414	-$ 988,414	-$ 900,000
2029	2	(12)	-10	$ 88,414	-$ 458,414	-$ 370,000
2030	2	(5)	-3	$ 88,414	$ 131,586	$ 220,000
2031	2	1	3	$ 88,414	$ 701,586	$ 790,000
2032	2	5	7	$ 88,414	$ 1,161,586	$ 1,250,000
2033	2	8	10	$ 88,414	$ 1,531,586	$ 1,620,000
2034	2	9	11	$ 88,414	$ 1,791,586	$ 1,880,000

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Culberson County, with all property tax incentives sought being granted using estimated market value from the Application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county. The difference noted in the last line is the difference between 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		CCAISD I&S Tax Levy	CCAISD M&O Tax Levy	CCAISD M&O and I&S Tax Levies	Culberson County Tax Levy	Culberson Co. Hosp. Distr. Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	**0.4566**	**1.0400**		**0.2339**	**0.1837**	
2022	$ 135,822,500	$ 25,000,000		$ 620,140	$ 260,000	$ 880,140	$ 31,766	$ 24,955	$ 936,861
2023	$ 114,119,900	$ 25,000,000		$ 521,050	$ 260,000	$ 781,050	$ 26,690	$ 20,968	$ 828,708
2024	$ 101,910,900	$ 25,000,000		$ 465,306	$ 260,000	$ 725,306	$ 23,835	$ 18,724	$ 767,865
2025	$ 89,702,000	$ 25,000,000		$ 409,562	$ 260,000	$ 669,562	$ 20,980	$ 16,481	$ 707,023
2026	$ 77,493,000	$ 25,000,000		$ 353,818	$ 260,000	$ 613,818	$ 18,124	$ 14,238	$ 646,180
2027	$ 63,928,000	$ 25,000,000		$ 291,883	$ 260,000	$ 551,883	$ 14,951	$ 11,746	$ 578,580
2028	$ 51,719,200	$ 25,000,000		$ 236,140	$ 260,000	$ 496,140	$ 12,096	$ 9,503	$ 517,739
2029	$ 43,579,100	$ 25,000,000		$ 198,974	$ 260,000	$ 458,974	$ 10,192	$ 8,007	$ 477,173
2030	$ 39,507,700	$ 25,000,000		$ 180,385	$ 260,000	$ 440,385	$ 9,240	$ 7,259	$ 456,884
2031	$ 34,080,100	$ 25,000,000		$ 155,603	$ 260,000	$ 415,603	$ 7,971	$ 6,262	$ 429,836
2032	$ 27,296,400	$ 27,296,400		$ 124,630	$ 283,883	$ 408,513	$ 63,841	$ 50,153	$ 522,506
2033	$ 27,293,800	$ 27,293,800		$ 124,618	$ 283,856	$ 408,474	$ 63,835	$ 50,148	$ 522,457
2034	$ 27,291,300	$ 27,291,300		$ 124,607	$ 283,830	$ 408,436	$ 63,829	$ 50,143	$ 522,409
2035	$ 27,288,800	$ 27,288,800		$ 124,595	$ 283,804	$ 408,399	$ 63,823	$ 50,139	$ 522,361
2036	$ 27,286,300	$ 27,286,300		$ 124,584	$ 283,778	$ 408,362	$ 63,817	$ 50,134	$ 522,313
			Total	**$ 4,055,896**	**$ 4,019,149**	**$ 8,075,044**	**$ 494,990**	**$ 388,860**	**$ 8,958,895**
			Diff	**$ 0**	**$ 5,219,369**	**$ 5,219,369**	**$ 1,582,610**	**$ 1,243,284**	**$ 8,045,263**

[1]Tax Rate per $100 Valuation

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

Table 3—Estimated Direct Ad Valorem Taxes without Property Tax Incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		CCAISD I&S Tax Levy	CCAISD M&O Tax Levy	CCAISD M&O and I&S Tax Levies	Culberson County Tax Levy	Culberson Co. Hosp. Distr. Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	**0.4566**	**1.0400**		**0.2339**	**0.1837**	
2022	$ 135,822,500	$ 135,822,500		$ 620,140	$ 1,412,554	$ 2,032,694	$ 317,662	$ 249,552	$ 2,599,908
2023	$ 114,119,900	$ 114,119,900		$ 521,050	$ 1,186,847	$ 1,707,897	$ 266,904	$ 209,677	$ 2,184,477
2024	$ 101,910,900	$ 101,910,900		$ 465,306	$ 1,059,873	$ 1,525,179	$ 238,349	$ 187,245	$ 1,950,773
2025	$ 89,702,000	$ 89,702,000		$ 409,562	$ 932,901	$ 1,342,463	$ 209,795	$ 164,813	$ 1,717,071
2026	$ 77,493,000	$ 77,493,000		$ 353,818	$ 805,927	$ 1,159,746	$ 181,241	$ 142,381	$ 1,483,367
2027	$ 63,928,000	$ 63,928,000		$ 291,883	$ 664,851	$ 956,734	$ 149,515	$ 117,457	$ 1.223,707
2028	$ 51,719,200	$ 51,719,200		$ 236,140	$ 537,880	$ 774,020	$ 120,961	$ 95,026	$ 990,006
2029	$ 43,579,100	$ 43,579,100		$ 198,974	$ 453,223	$ 652,197	$ 101,923	$ 80,070	$ 834,189
2030	$ 39,507,700	$ 39,507,700		$ 180,385	$ 410,880	$ 591,265	$ 92,401	$ 72,589	$ 756,254
2031	$ 34,080,100	$ 34,080,10 0		$ 155,603	$ 354,433	$ 510,036	$ 79,707	$ 62,617	$ 652,360
2032	$ 27,296,400	$ 27,296,400		$ 124,630	$ 283,883	$ 408,513	$ 63,841	$ 50,153	$ 522,506
2033	$ 27,293,800	$ 27,293,800		$ 124,618	$ 283,856	$ 408,474	$ 63,835	$ 50,148	$ 522,457
2034	$ 27,291,300	$ 27,291,300		$ 124,607	$ 283,830	$ 408,436	$ 63,829	$ 50,143	$ 522,409
2035	$ 27,288,800	$ 27,288,800		$ 124,595	$ 283,804	$ 408,399	$ 63,823	$ 50,139	$ 522,361
2036	$ 27,286,300	$ 27,286,300		$ 124,584	$ 283,778	$ 408,362	$ 63,817	$ 50,134	$ 522,313
			Total	**$ 4,055,896**	**$ 9,238,518**	**$ 13,294,413**	**$ 2,077,600**	**$ 1,632,144**	**$ 17,004,158**

[1]Tax Rate per $100 Valuation

Board Finding Number 7.

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

Board Finding Number 8.

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

Board Finding Number 9.

The Applicant's 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. Attachment B of the economic impact study contains a year-by-year analysis as depicted in the following table:

	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	2019	$ 0	$ 0	$ 0	$ 0
	2020	$ 0	$ 0	$ 0	$ 0
	2021	$ 0	$ 0	$ 0	$ 0
Limitation Period (10 Years)	2022	$ 260,000	$ 260,000	$ 1,152,554	$ 1,152,554
	2023	$ 260,000	$ 520,000	$ 926,847	$ 2,079,401
	2024	$ 260,000	$ 780,000	$ 799,873	$ 2,879,274
	2025	$ 260,000	$ 1,040,000	$ 672,901	$ 3,552,175
	2026	$ 260,000	$ 1,300,000	$ 545,927	$ 4,098,102
	2027	$ 260,000	$ 1,560,000	$ 404,851	$ 4,502,954
	2028	$ 260,000	$ 1,820,000	$ 277,880	$ 4,780,833
	2029	$ 260,000	$ 2,080,000	$ 193,223	$ 4,974,056
	2030	$ 260,000	$ 2,340,000	$ 150,880	$ 5,124,936
	2031	$ 260,000	$ 2,600,000	$ 94,433	$ 5,219,369
Maintain Viable Presence (5 Years)	2032	$ 283,883	$ 2,883,883	$ 0	$ 5,219,369
	2033	$ 283,856	$ 3,167,738	$ 0	$ 5,219,369
	2034	$ 283,830	$ 3,451,568	$ 0	$ 5,219,369
	2035	$ 283,804	$ 3,735,371	$ 0	$ 5,219,369
	2036	$ 283,778	$ 4,019,149	$ 0	$ 5,219,369
Additional Years as Required by § 313.026(c)(1) (10 Years)	2037	$ 283,753	$ 4,302,901	$ 0	$ 5,219,369
	2038	$ 283,728	$ 4,586,629	$ 0	$ 5,219,369
	2039	$ 283,703	$ 4,870,331	$ 0	$ 5,219,369
	2040	$ 283,679	$ 5,154,010	$ 0	$ 5,219,369
	2041	$ 283,655	$ 5,437,665	$ 0	$ 5,219,369
	2042	$ 283,632	$ 5,721,297	$ 0	$ 5,219,369
	2043	$ 283,609	$ 6,004,906	$ 0	$ 5,219,369
	2044	$ 283,586	$ 6,288,492	$ 0	$ 5,219,369
	2045	$ 283,563	$ 6,572,055	$ 0	$ 5,219,369
	2046	$ 283,541	$ 6,855,597	$ 0	$ 5,219,369

$ 6,855,597	is greater than	**$ 5,219,369**

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**

Board Finding Number 10.

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

Board Finding Number 11.

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

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

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

I. Per IP Aragorn, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
   A. "The ability to enter into a value limitation agreement with Culberson County-Allamoore ISD is a determining factor for constructing the project in Culberson County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings LLC is considering investing in California and Colorado."

B. "The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Culberson County-Allamoore ISD, lowers the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives."

C. "[T]he proposed site in Culberson County is a desirable business location and can provide electricity at a price that is competitive with other projects in Culberson County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. Receiving a value limitation agreement from Culberson County-Allamoore ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Culberson County."

II. Per Comptroller research:

A. On December 20, 2017 *Business Wire* reported that Intersect Power had announced of "a power purchase agreement from Austin Energy for a 150 MWac photovoltaic solar project expected to reach operation in 2020." Luke Dunnington, COO and Co-Founder of Intersect Power, stated, "We are delighted to partner with Austin Energy on this high quality and thoughtfully developed project, bringing competitively priced power to the City of Austin."

B. On April 13, 2018 *The Van Horn Advocate* reported that on April 9 The Culberson County Commissioners met in Regular Session. Christian Fiene and Dale Cummings from Intersect Power made a presentation concerning the Culberson County-Allamoore ISD's Chapter 313 Tax Limitation Agreement for the Aragorn and Titan Project. Cummings stated "investors are looking to see if projects are economically competitive and that tax incentives are the key to compete."

C. On July 20, 2018 *The Van Horn Advocate* reported that on July 11 The Culberson County Hospital District met in Regular Session where Dale Cummings, a tax advisor to Intersect Power, proposed two "solar energy projects in the Culberson County about 50 miles north of Van Horn. The Board approved a 10-year tax abatement agreement for IP Titan LLC and IP Aragorn LLC to be located in the reinvestment zone established by Culberson County. During the ten-year period, 90% of the project value will be subject to abatement."

III. Supplemental information provided by the applicant:

A. IP Aragorn, LLC is not known by any other names besides those submitted in the application.

B. The GINR number is 19INR0088 and was assigned on May 30, 2017.

C. On August 10, 2018 Intersect Power stated in an email "Intersect Power is currently developing over 1.2 gigawatts (GW) of project sites across multiple counties in West Texas. The 150MW Austin Energy ("AE") power purchase agreement ("PPA") referred to in your note could be fulfilled by the Aragorn project site or one of the other sites within that pipeline, or from an as yet to be identified site. A PPA alone, including the AE PPA, will not guarantee that any project will be constructed. Obtaining a 313 Value Limitation Agreement ("313 agreements") will be a major factor in determining the financial viability and final location of all project sites currently under development. Without a 313 agreement, no projects in Intersect's current or future Texas pipeline will be financially viable and Intersect will invest elsewhere. Additionally, no final investment decision has been made as to whether Intersect Power will construct Aragorn, Titan, or both projects. The combined capacity of these two projects is expected to be up to 440MW. The final investment decision will depend on a myriad of factors including:

- The results of the interconnection studies, which are still pending;

- The results of ongoing project diligence, which could make these projects uneconomic given their remote location;
- The ability to secure additional PPAs, which will be predicated on receiving 313 agreements to ensure the projects remain economically viable;

Please note that no module purchase, engineering, procurement and/or construction (EPC), or operations and maintenance (O&M), or financing agreements have been obtained. Intersect Power will be unable to obtain these without 313 agreements since the projects will be uneconomic."

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

Board Finding Number 12.

The Board of Trustees of the Culberson County-Allamoore Independent School District hired consultants to review and verify the information in Application #1266. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently $25 Million Dollars ($25,000,000), which is consistent with the minimum values currently set out by Texas Tax Code § 313.027(b).

Board Finding Number 14.

The Applicant (Taxpayer ID 32063877008) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 15.

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

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, 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 **Exhibit C** is approved and hereby authorized to be executed and delivered by and on behalf of the Culberson County-Allamoore Independent School District. It is further ORDERED that these Findings and the Attachments referred to herein be attached to the official minutes of this meeting and maintained in the permanent records of the Board of Trustees of the Culberson County-Allamoore Independent School District.

Dated the 17th day of December, 2018.

CULBERSON COUNTY-ALLAMOORE INDEPENDENT SCHOOL DISTRICT

By: _____
~~Leticia Hernandez~~
~~President, Board of Trustees~~ Eduardo Seyffert, acting board President

ATTEST:

By: _____
Angie Gonzalez
Secretary, Board of Trustees

Findings and Order of the Culberson County-Allamoore Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by IP Aragorn, LLC (Tax ID 32063877008) (Application #1266)

EXHIBIT A

Comptroller's Economic Impact Analysis

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 14, 2018

Ken Baugh
Superintendent
Culberson County-Allamoore Independent School District
PO Box 899
Van Horn TX, 79855

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Culberson County-Allamoore Independent School District and IP Aragorn, LLC, Application 1266

Dear Superintendent Baugh:

On August 17, 2018, the Comptroller issued written notice that IP Aragorn, LLC (applicant) submitted a completed application (Application 1266) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on June 19, 2018, to the Culberson County-Allamoore 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 1266.

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 August 17, 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 IP Aragorn, LLC (project) applying to Culberson County-Allamoore 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 IP Aragorn, LLC.

Applicant	IP Aragorn, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation-Solar
School District	Culberson County-Allamoore ISD
2016-2017 Average Daily Attendance	373
County	Culberson
Proposed Total Investment in District	$195,240,500
Proposed Qualified Investment	$194,400,000
Limitation Amount	$25,000,000
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	$850
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$850
Minimum annual wage committed to by applicant for qualified jobs	$44,207
Minimum weekly wage required for non-qualifying jobs	$949
Minimum annual wage required for non-qualifying jobs	$49,349
Investment per Qualifying Job	$97,620,250
Estimated M&O levy without any limit (15 years)	$9,238,518
Estimated M&O levy with Limitation (15 years)	$4,019,149
Estimated gross M&O tax benefit (15 years)	$5,219,369

** 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 IP Aragorn, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	401	674	1075	$40,044,207	$54,375,793	$94,420,000
2021	102	224	326	$10,088,414	$23,751,586	$33,840,000
2022	2	46	48	$88,414	$8,981,586	$9,070,000
2023	2	1	3	$88,414	$4,371,586	$4,460,000
2024	2	(25)	-23	$88,414	$1,171,586	$1,260,000
2025	2	(35)	-33	$88,414	-$538,414	-$450,000
2026	2	(34)	-32	$88,414	-$1,258,414	-$1,170,000
2027	2	(29)	-27	$88,414	-$1,328,414	-$1,240,000
2028	2	(21)	-19	$88,414	-$988,414	-$900,000
2029	2	(12)	-10	$88,414	-$458,414	-$370,000
2030	2	(5)	-3	$88,414	$131,586	$220,000
2031	2	1	3	$88,414	$701,586	$790,000
2032	2	5	7	$88,414	$1,161,586	$1,250,000
2033	2	8	10	$88,414	$1,531,586	$1,620,000
2034	2	9	11	$88,414	$1,791,586	$1,880,000

Source: CPA REMI, IP Aragorn 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		Culberson County-Allamoore ISD I&S Tax Levy	Culberson County-Allamoore ISD M&O Tax Levy	Culberson County-Allamoore ISD M&O and I&S Tax Levies	Culberson County Tax Levy	Culberson County Hospital Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.4566**	**1.0400**		**0.2339**	**0.1837**	
2022	$135,822,500	$135,822,500		$620,140	$1,412,554	$2,032,694	$317,662	$249,552	$2,599,908
2023	$114,119,900	$114,119,900		$521,050	$1,186,847	$1,707,897	$266,904	$209,677	$2,184,477
2024	$101,910,900	$101,910,900		$465,306	$1,059,873	$1,525,179	$238,349	$187,245	$1,950,773
2025	$89,702,000	$89,702,000		$409,562	$932,901	$1,342,463	$209,795	$164,813	$1,717,071
2026	$77,493,000	$77,493,000		$353,818	$805,927	$1,159,746	$181,241	$142,381	$1,483,367
2027	$63,928,000	$63,928,000		$291,883	$664,851	$956,734	$149,515	$117,457	$1,223,707
2028	$51,719,200	$51,719,200		$236,140	$537,880	$774,020	$120,961	$95,026	$990,006
2029	$43,579,100	$43,579,100		$198,974	$453,223	$652,197	$101,923	$80,070	$834,189
2030	$39,507,700	$39,507,700		$180,385	$410,880	$591,265	$92,401	$72,589	$756,254
2031	$34,080,100	$34,080,100		$155,603	$354,433	$510,036	$79,707	$62,617	$652,360
2032	$27,296,400	$27,296,400		$124,630	$283,883	$408,513	$63,841	$50,153	$522,506
2033	$27,293,800	$27,293,800		$124,618	$283,856	$408,474	$63,835	$50,148	$522,457
2034	$27,291,300	$27,291,300		$124,607	$283,830	$408,436	$63,829	$50,143	$522,409
2035	$27,288,800	$27,288,800		$124,595	$283,804	$408,399	$63,823	$50,139	$522,361
2036	$27,286,300	$27,286,300		$124,584	$283,778	$408,362	$63,817	$50,134	$522,313
			Total	**$4,055,896**	**$9,238,518**	**$13,294,413**	**$2,077,600**	**$1,632,144**	**$17,004,158**

Source: CPA, IP Aragorn, LLC
*Tax Rate per $100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Culberson County-Allamoore ISD I&S Tax Levy	Culberson County-Allamoore ISD M&O Tax Levy	Culberson County-Allamoore ISD M&O and I&S Tax Levies	Culberson County Tax Levy	Culberson County Hospital Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4566	1.0400		0.2339	0.1837	
2022	$135,822,500	$25,000,000		$620,140	$260,000	$880,140	$31,766	$24,955	$936,861
2023	$114,119,900	$25,000,000		$521,050	$260,000	$781,050	$26,690	$20,968	$828,708
2024	$101,910,900	$25,000,000		$465,306	$260,000	$725,306	$23,835	$18,724	$767,865
2025	$89,702,000	$25,000,000		$409,562	$260,000	$669,562	$20,980	$16,481	$707,023
2026	$77,493,000	$25,000,000		$353,818	$260,000	$613,818	$18,124	$14,238	$646,180
2027	$63,928,000	$25,000,000		$291,883	$260,000	$551,883	$14,951	$11,746	$578,580
2028	$51,719,200	$25,000,000		$236,140	$260,000	$496,140	$12,096	$9,503	$517,739
2029	$43,579,100	$25,000,000		$198,974	$260,000	$458,974	$10,192	$8,007	$477,173
2030	$39,507,700	$25,000,000		$180,385	$260,000	$440,385	$9,240	$7,259	$456,884
2031	$34,080,100	$25,000,000		$155,603	$260,000	$415,603	$7,971	$6,262	$429,836
2032	$27,296,400	$27,296,400		$124,630	$283,883	$408,513	$63,841	$50,153	$522,506
2033	$27,293,800	$27,293,800		$124,618	$283,856	$408,474	$63,835	$50,148	$522,457
2034	$27,291,300	$27,291,300		$124,607	$283,830	$408,436	$63,829	$50,143	$522,409
2035	$27,288,800	$27,288,800		$124,595	$283,804	$408,399	$63,823	$50,139	$522,361
2036	$27,286,300	$27,286,300		$124,584	$283,778	$408,362	$63,817	$50,134	$522,313
			Total	$4,055,896	$4,019,149	$8,075,044	$494,990	$388,860	$8,958,895
			Diff	$0	$5,219,369	$5,219,369	$1,582,610	$1,243,284	$8,045,263

Source: CPA, IP Aragorn, 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 IP Aragorn, 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	2019	$0	$0	$0	$0
	2020	$0	$0	$0	$0
	2021	$0	$0	$0	$0
Limitation Period (10 Years)	2022	$260,000	$260,000	$1,152,554	$1,152,554
	2023	$260,000	$520,000	$926,847	$2,079,401
	2024	$260,000	$780,000	$799,873	$2,879,274
	2025	$260,000	$1,040,000	$672,901	$3,552,175
	2026	$260,000	$1,300,000	$545,927	$4,098,102
	2027	$260,000	$1,560,000	$404,851	$4,502,954
	2028	$260,000	$1,820,000	$277,880	$4,780,833
	2029	$260,000	$2,080,000	$193,223	$4,974,056
	2030	$260,000	$2,340,000	$150,880	$5,124,936
	2031	$260,000	$2,600,000	$94,433	$5,219,369
Maintain Viable Presence (5 Years)	2032	$283,883	$2,883,883	$0	$5,219,369
	2033	$283,856	$3,167,738	$0	$5,219,369
	2034	$283,830	$3,451,568	$0	$5,219,369
	2035	$283,804	$3,735,371	$0	$5,219,369
	2036	$283,778	$4,019,149	$0	$5,219,369
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	$283,753	$4,302,901	$0	$5,219,369
	2038	$283,728	$4,586,629	$0	$5,219,369
	2039	$283,703	$4,870,331	$0	$5,219,369
	2040	$283,679	$5,154,010	$0	$5,219,369
	2041	$283,655	$5,437,665	$0	$5,219,369
	2042	$283,632	$5,721,297	$0	$5,219,369
	2043	$283,609	$6,004,906	$0	$5,219,369
	2044	$283,586	$6,288,492	$0	$5,219,369
	2045	$283,563	$6,572,055	$0	$5,219,369
	2046	$283,541	$6,855,597	$0	$5,219,369

$6,855,597 is greater than **$5,219,369**

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, IP Aragorn, 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 IP Aragorn 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 IP Aragorn, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "The ability to enter into a value limitation agreement with Culberson County-Allamoore ISD is a determining factor for constructing the project in Culberson County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings LLC is considering investing in California and Colorado."
  B. "The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Culberson County-Allamoore ISD, lowers the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives."
  C. "the proposed site in Culberson County is a desirable business location and can provide electricity at a price that is competitive with other projects in Culberson County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. Receiving a value limitation agreement from Culberson County-Allamoore ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Culberson County."
- Per Comptroller research:
  A. On December 20, 2017 *Business Wire* reported that Intersect Power had announced of "a power purchase agreement from Austin Energy for a 150 MWac photovoltaic solar project expected to reach operation in 2020" Luke Dunnington, COO and Co-Founder of Intersect Power, stated "We are delighted to partner with Austin Energy on this high quality and thoughtfully developed project, bringing competitively priced power to the City of Austin."

B. On April 13,2018 *The Van Horn Advocate* reported that on April 9 The Culberson County Commissioners met in Regular Session. Christian Fiene and Dale Cummings from Intersect Power made a presentation concerning the Culberson County- Allamoore ISD's Chapter 313 Tax Limitation Agreement for the Aragorn and Titan Project. Cummings stated "investors are looking to see if projects are economically competitive and that tax incentives are the key to compete."
C. On July 20, 2018 *The Van Horn Advocate* reported that on July 11 The Culberson County Hospital District met in Regular Session where Dale Cummings, a tax advisor to Intersect Power, proposed two "solar energy projects in the Culberson County about 50 miles north of Van Horn. The Board approved a 10-year tax abatement agreement for IP Titan LLC and IP Aragorn LLC to be located in the reinvestment zone established by Culberson County. During the ten-year period, 90% of the project value will be subject to abatement."

- Supplemental information provided by the applicant:
  A. IP Aragorn, LLC is not known by any other names besides those submitted in the application.
  B. The GINR number is 19INR0088 and was assigned on May 30, 2017.
  C. On August 10, 2018 Intersect Power stated in an email "Intersect Power is currently developing over 1.2 gigawatts (GW) of project sites across multiple counties in West Texas. The 150MW Austin Energy ("AE") power purchase agreement ("PPA") referred to in your note could be fulfilled by the Aragorn project site or one of the other sites within that pipeline, or from an as yet to be identified site. A PPA alone, including the AE PPA, will not guarantee that any project will be constructed. Obtaining a 313 Value Limitation Agreement ("313 agreements") will be a major factor in determining the financial viability and final location of all project sites currently under development. Without a 313 agreement, no projects in Intersect's current or future Texas pipeline will be financially viable and Intersect will invest elsewhere.
  Additionally, no final investment decision has been made as to whether Intersect Power will construct Aragorn, Titan, or both projects. The combined capacity of these two projects is expected to be up to 440MW. The final investment decision will depend on a myriad of factors including:
    - The results of the interconnection studies, which are still pending;
    - The results of ongoing project diligence, which could make these projects uneconomic given their remote location;
    - The ability to secure additional PPAs, which will be predicated on receiving 313 agreements to ensure the projects remain economically viable;

  Please note that no module purchase, engineering, procurement and/or construction (EPC), or operations and maintenance (O&M), or financing agreements have been obtained. Intersect Power will be unable to obtain these without 313 agreements since the projects will be uneconomic."

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:
   - ☐ 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.

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.

IP Renewable Energy Holdings LLC, the parent of IP Aragorn, LLC, is a national solar developer with project opportunities across the United States. The ability to enter into a value limitation agreement with Culberson County-Allamoore ISD is a determining factor for constructing the project in Culberson County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings LLC is considering investing in California and Colorado.

IP Renewable Energy Holdings LLC is actively developing and constructing other projects throughout the US. The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Culberson County-Allamoore ISD, lowers the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. We want to avoid a situation where the applicant would be forced to have its development capital and prospective investment funds spent in other states where the rate of return is higher on a project basis.

However, the proposed site in Culberson County is a desirable business location and can provide electricity at a price that is competitive with other projects in Culberson County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. Electric utilities and other wholesale electricity buyers are focused on providing low-cost energy to their customers, and contracting for the sale of solar electricity is highly competitive. Receiving a value limitation agreement from Culberson County-Allamoore ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Culberson County.

About IP Renewable Energy Holdings LLC

The IP Renewable Energy Holdings LLC team has the collective experience in all phases of development across 60+ projects, and 2GWp of operating solar power with a total value of over $6 billion. Our team has been involved in almost $9B of successful debt and long-term equity financing for mid to late stage development projects. Our team has been successful together throughout the evolution of clean infrastructure, from the early days of kW scale solar, to pioneering 5-20MW projects and on to increasingly sophisticated and complex transactions of 100-500MW projects.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Culberson-County Allamoore ISD– IP Aragorn, LLC App. #1266

Comptroller Questions (via email on August 7, 2018):

1. *IP Aragorn, LLC is also known by Aragorn Solar, is it known by any other project names?*

2. *Please verify that the ERCOT GINR number is 19INR0088. Also when was it assigned?*

Comptroller Questions (via email on August 9, 2018):

3. *The article states "Intersect Power, ..., today announced the award of a power purchase agreement from Austin Energy... This 150 MWac project with the capacity to upsize 180MWac. Located in West Texas, Intersect Power has approximate 1700 acre land lease and ERCOT interconnection for this project." Is this article referring to the IP Aragorn and IP Titan's solar projects?*

Applicant Response (via email on August 7, 2018):

1. *IP Aragorn, LLC is not known by any other names besides those submitted in the application.*

2. *The GINR number is correct and was assigned on May 30, 2017.*

Applicant Response (via email on August 10, 2018):

3. *Intersect Power is currently developing over 1.2 gigawatts (GW) of project sites across multiple counties in West Texas. The 150MW Austin Energy ("AE") power purchase agreement ("PPA") referred to in your note could be fulfilled by the Aragorn project site or one of the other sites within that pipeline, or from an as yet to be identified site. A PPA alone, including the AE PPA, will not guarantee that any project will be constructed. Obtaining a 313 Value Limitation Agreement ("313 agreements") will be a major factor in determining the financial viability and final location of all project sites currently under development. Without a 313 agreement, no projects in Intersect's current or future Texas pipeline will be financially viable and Intersect will invest elsewhere.*
   Additionally, no final investment decision has been made as to whether Intersect Power will construct Aragorn, Titan, or both projects. The combined capacity of these two projects is expected to be up to 440MW. The final investment decision will depend on a myriad of factors including:
   - *The results of the interconnection studies, which are still pending;*
   - *The results of ongoing project diligence, which could make these projects uneconomic given their remote location;*

- *The ability to secure additional PPAs, which will be predicated on receiving 313 agreements to ensure the projects remain economically viable;*

Please note that no module purchase, engineering, procurement and/or construction (EPC), or operations and maintenance (O&M), or financing agreements have been obtained. Intersect Power will be unable to obtain these without 313 agreements since the projects will be uneconomic.

As stated in Tab 5 of both the IP Aragorn, LLC and IP Titan, LLC applications: "IP Renewable Energy Holdings LLC is actively developing and constructing other projects throughout the US. The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Culberson County-Allamoore ISD, lowers the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. We want to avoid a situation where the applicant would be forced to have its development capital and prospective investment funds spent in other states where the rate of return is higher on a project basis. However, the proposed site in Culberson County is a desirable business location and can provide electricity at a price that is competitive with other projects in Culberson County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. Electric utilities and other wholesale electricity buyers are focused on providing low-cost energy to their customers, and contracting for the sale of solar electricity is highly competitive. Receiving a value limitation agreement from Culberson County-Allamoore ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Culberson County."

Essentially, without 313 agreements, these projects will not be built anywhere in Texas. Declining power prices in Texas have made the utilization of 313 agreements essential in order for solar to be competitive with other types of power generation and to create new jobs in Texas.

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Intersect Power Contracts 150 MW with Austin Energy for West Texas Solar Power Plant

December 20, 2017 09:00 AM Eastern Standard Time

SAN FRANCISCO--(BUSINESS WIRE)--Intersect Power, a utility-scale power development company, today announced the award of a power purchase agreement from Austin Energy for a 150 MWac photovoltaic solar project expected to reach commercial operation in 2020.

Intersect Power, through its IPREH joint venture with Macquarie Infrastructure Corporation (NYSE: MIC), is developing this 150 MWac project with the capacity to upsize to 180 MWac. Located in West Texas, Intersect Power has an approximate 1700 acre land lease and ERCOT interconnection for this project.

"The Intersect Power team has a strong track record of delivering on cost effective solar power," said Sheldon Kimber, CEO and Co-Founder, Intersect Power. "Our expertise in development, design, supply chain and financing allows us to develop projects with compelling economics and this project showcases that capability."

"This purchase power agreement not only gets us closer to achieving the City's renewable energy goals, but it's also a good deal for our customers," said Jackie Sargent, Austin Energy General Manager. "I am pleased that we can pursue this affordable project and continue to demonstrate economic and environmental leadership on behalf of our community."

"We are delighted to partner with Austin Energy on this high quality and thoughtfully developed project, bringing competitively priced power to the City of Austin," said Luke Dunnington, COO and Co-Founder, Intersect Power.

Building on nearly a decade of utility-scale solar development, the Intersect Power team has the creativity and energy market sophistication to deliver innovative solutions that address customers' rapidly evolving needs. The team continues to develop partnerships across the full supply chain, expand greenfield pipeline, and aggressively pursue acquisition of early development assets.

About Intersect Power

Intersect Power is an infrastructure development company bringing utility-scale power to wholesale customers and markets, delivering value and viability to both energy buyers and financiers. Currently focused on "greenfield" solar and storage project development, Intersect Power's functional expertise spans all development disciplines including site acquisition, permitting, interconnection, origination, engineering, procurement, construction and finance. Intersect Power is actively developing more than 1000MWp of early stage projects across the U.S. For more information: http://www.intersectpower.com

About Macquarie Infrastructure Corporation

Macquarie Infrastructure Corporation owns, operates and invests in a diversified group of infrastructure businesses providing basic services to customers in the United States. Its businesses consist of a bulk liquid terminals business, International-Matex Tank Terminals, an airport services business, Atlantic Aviation, a gas processing and distribution

business, Hawaii Gas, and several entities comprising a Contracted Power and Energy segment. MIC is managed by a wholly-owned subsidiary of the Macquarie Group. For additional information, please visit the Macquarie Infrastructure Corporation website at www.macquarie.com/mic.

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The sun is bright in Culberson County

April 13, 2018

Possible Solar Energy Projects on the Horizon

By Becky Brewster

Culberson County Commissioners met in Regular Session on April 9. The first business item on the agenda was a presentation by Christian Fiene of Intersect Power and Dale Cummings, a tax advisor to Intersect Power, regarding a possible Chapter 312 Tax Abatement Agreement for two proposed solar energy projects in Culberson County about 50 miles north of Van Horn. A similar presentation was made to the Culberson County—Allamoore ISD for a Chapter 313 Tax Limitation Agreement. As previously reported, the Aragorn Project would develop approximately 1,765 acres of land for up to 180 Megawatts (MW) generated by 50,000 solar panels. The Titan Project would develop approximately 2,500 acres of land for up to 260 MW. Options to lease the land (which is part of the University Land Trust) have already been executed.

Each project is expected to create 2 full-time permanent jobs and 400 full-time construction jobs during peak construction. If the projects go forward, the target commercial operation date is December 31, 2020. Cummings stated that "investors are looking to see if projects are economically competitive" and that "tax incentives are the key to compete."

Ramon Carrasco of Kleinmann Consultants recommended that the Court approve a change to the design of the concession stand at the Veteran's Memorial Park. The original design called for windows across the entire front of the building, but after concerns were voiced by the contractor, Lupe Alvarado, about the potential for vandalism, Carrasco proposed that the design be modified to replace the glass with metal rollup windows. The Court concurred. Alvarado reported that the project is 60-65% complete and should be finished before the summer softball season which is several months ahead of schedule.

Rita Carrasco, JP Precinct 1, reported on the "Texas Roundup" which was a joint effort with the software provider and DHS to collect outstanding tickets in the judicial system. During the period from October 2017 through March 2018, JP #1 collected over $436,000 compared to collections from the same period the prior fiscal year of approximately $231,000. Carrasco also reported that

Noemi Tarango had completed the requirements to become a Certified Clerk, and praised Tarango's "hard work and dedication." Carrasco also reviewed new laws affecting Texas courts that went into effect on September 1, 2017. The County will need to take steps to implement procedures for judicial and courthouse security as well as to address persons with mental illness that enter the judicial system.

Angelica Torres, a concerned parent, came before the Court to discuss the Rainbow Express Depot Day Care Center. Acknowledging that the County had made improvements such as new playground equipment, Torres stated that she is concerned about the routine and preventative care of the facility and playground. Torres expressed appreciation of the staff at the Day Care Center stating that they were "excellent" but concluded that the County needed to prioritize a "safe and sanitary environment for our youngest, tiniest residents." Judge Urias reported on recent maintenance at the facility and advised the Court to include major improvements as a capital project in the next budget process.

In other County business, the Court also:

- Heard the monthly Agrilife Extension office report from Extension Agent Amber Caroll.
- Approved appropriating funds for the Far West Texas Public Defender's Office.
- Approved a finance contract for the purchase of vehicles for the courthouse.
- Approved an agreement for right-of-way funds.
- Approved a proposal from RTS to service the repeater sites for $2565.00
- Approved a tower lease agreement with Gomez Peak Towers LLC.
- Approved two tax sale proposals and denied one proposal as submitted by the Culberson County Appraisal District.
- Heard reports on various County Projects.
- Approved monthly reports.
- Approved monthly payroll and expenses for March and payment of current bills.

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After long delay, clinic nears completion

July 20, 2018

By Becky Brewster

The Culberson County Hospital District met in Regular Session on July 11. The Board received an update on the clinic construction project. The architect inspected the project for final completion on July 5 and is preparing a final punch list for any items still remaining. This work will not include the completion of the façade. The hospital district board of directors is working to get the clinic open as soon as possible. The Board also directed the District's Attorney to proceed with the mediation and arbitration requirements as discussed in closed session.

The Board also heard a report from Dale Cummings, a tax advisor to Intersect Power, regarding two applications for a Chapter 312 Tax Abatement Agreement for two proposed solar energy projects in Culberson County about 50 miles north of Van Horn. The Board approved a 10-year tax abatement agreement for IP Titan LLC and IP Aragorn LLC to be located in the reinvestment zone established by Culberson County. During this ten-year period, 90% of the project value will be subject to abatement.

The Board discussed a proposal to rename Eisenhower Street to Dr. Lipsey Road. All but one property owner located on Eisenhower Street objected to the name change. The District also noted the hardship such a name change would place on Culberson Hospital and Van Horn Rural Health Clinic due to licensing, Medicare, Medicaid, insurances, etc. However, the District was enthusiastic about honoring Dr. Lipsey in some way. As the hospital campus renovations continue, the District will consider the most effective way to commemorate Dr. Lipsey's service to the community. Funds have already been set aside to commission a plaque to place inside the hospital.

In other business, the Culberson County Hospital District: •Elected Board officers for 2018-2020. • Updated signatories at the bank. • Heard reports on recruitment efforts. • Approved accounts payable. • Approved financial reports. • Approved one tax sales proposal and denied four.

Findings and Order of the Culberson County-Allamoore Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
IP Aragorn, LLC (Tax ID 32063877008) (Application #1266)

EXHIBIT B

Summary of Financial Impact on
Culberson County-Allamoore ISD Prepared by
Education Service Center, Region 12

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED

IP ARAGORN, LLC PROJECT

(APPLICATION #1266)

ON THE FINANCES OF

CULBERSON COUNTY-ALLAMOORE INDEPENDENT SCHOOL DISTRICT

UNDER A REQUESTED

CHAPTER 313 APPRAISED VALUE LIMITATION

PREPARED BY

EDUCATION SERVICE CENTER, REGION 12

OCTOBER 5, 2018

Introduction

IP Aragorn, LLC ("IP Aragorn" or "Company") has submitted an application to the Culberson County-Allamoore Independent School District ("CCAISD" or "District") requesting a property value limitation on a proposed project, located within the school district boundaries, under Chapter 313 of the Texas Tax Code. The proposed project is a solar electric generation facility in Culberson County, TX. The company estimates that the total investment in this project will be in excess of $130 million.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. Thus, the property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to encourage economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200 creating Tax Code Chapter 313, the Texas Economic Development Act. The act as amended by the legislature in 2007, 2009, and 2013 now grants eligibility to companies engaging in manufacturing, advanced clean energy projects, research and development, clean coal projects, renewable electric energy generation, electric power generation using integrated gasification combined cycle technology, nuclear electric power generation and a computer center used primarily in connection to one of the other categories, or a Texas Priority Project. Under the provisions of this law, the Culberson County-Allamoore Independent School District may grant a value limitation for maintenance and operation taxes in the amount of $25 million for a period of ten years.

The application calls for the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2020-21 and 2021-22 school years. Beginning with the 2022-23 school year, the value of the project would be limited to $25 million for M&O tax purposes and remain limited through the 2031-32 school year. The full value of the project will be taxable for debt service purposes using the I&S tax rate in all years of the agreement.

Revenue Protection Payment to Culberson County-Allamoore ISD -	$312,719
Supplemental Payments to Culberson County-Allamoore ISD -	$750,000
M&O Taxes Paid to Culberson County-Allamoore ISD -	$4,019,149
Total Revenue to Culberson County-Allamoore ISD -	$5,081,868

Total Tax Savings to Company after all Payments - $4,156,650

School Finance Mechanics

The Texas system of public school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. State funding is calculated using a prior year value certified by the Comptroller's Property Tax Division (CPTD). Texas school districts are funded by some combination of local ad valorem property taxes and state aid. Most of the money that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier I funding. In 2018-19, a school district's Tier I revenue is the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. Beginning with the 2017-18 school year, Additional State Aid for Tax Reduction or ASATR is eliminated. Thus all school districts in the state will be formula funded. The Tier 1 formulas start with a Basic Allotment per student of $5,140. Calculations that use the number of students in average daily attendance, the number of students who participate in special programs, and adjustments for size, sparsity, and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the district's compressed tax rate by the previous year (CPTD) property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1 cost. School districts that are relatively property wealthy per student fund most of the Total Cost of Tier 1 with local property taxes, while school districts that are relatively property poor per student receive most of the Total Cost of Tier 1 from state aid.

Culberson County-Allamoore ISD is a relatively property rich district per student and so is generating most of M&O revenue from local ad valorem property taxes. In an attempt to provide some degree of funding equity among school districts, the formulas provide two equalized wealth levels. A district that exceeds the first equalized wealth level of $514,000 per weighted ADA is subject to recapture on taxes collected at the compressed rate. A district that exceeds the second equalized wealth level of $319,500 per weighted ADA is subject to recapture on revenues collected on pennies that exceed six pennies over the compressed rate. CCAISD currently has property wealth per weighted ADA in excess of the second equalized wealth level at over $1,800,000 per weighted ADA. For this reason, CCAISD is considered a Chapter 41 or "recapture" district under the current school finance system. IP Aragorn is requesting that the value of the solar electric generation facility be limited to $25,000,000 in years one through ten of the agreement, corresponding to the 2022-23 school year through the 2031-32 school year. The full value of the project would be subject to interest and sinking (I&S) taxes levied by Culberson County-Allamoore ISD in all years of the agreement.

Underlying Assumptions

A forecast of the financial impact that the proposed value limitation will have on CCAISD's future revenue is critical information that will be very useful to the district when making the decision to grant the limitation and for the district's long range financial planning process. Analysis for this application covers the 2020-21 through the 2036-37 school years.

The Revenue Protection Clause of the proposed agreement calls for the school district to be held harmless against total state and local maintenance and operation revenue losses as a result of the value limitation agreement. Revenue protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years one through ten of the agreement. This stipulation is a statutory requirement under Section 313.027 of the Tax Code.

The approach used in this report was to predict 17 years of base data including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections and current year (CAD) values and prior year (CPTD) values for each year of the agreement. For the purposes of this analysis, final 2017 CPTD values were used as well as 2018 CAD values from Culberson County and Hudspeth County CAD. These values have been included in the base data illustrated in **Table 1**.

Table 1 Base District Information with IP Aragorn, LLC Project

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value No Limit	CAD Value with Limitation	CPTD No Limit	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP1	2020-21	339	676	$1.0400	$0.4566	$1,950,912,097	$1,950,912,097	$1,950,912,097	$1,950,912,097	$2,885,965	$2,885,965
QTP2	2021-22	339	676	$1.0400	$0.4566	$1,950,912,097	$1,950,912,097	$1,950,912,097	$1,950,912,097	$2,885,965	$2,885,965
L1	2022-23	339	676	$1.0400	$0.4566	$2,086,734,597	$1,975,912,097	$1,950,912,097	$1,950,912,097	$2,885,965	$2,885,965
L2	2023-24	339	676	$1.0400	$0.4566	$2,065,031,997	$1,975,912,097	$2,086,734,597	$1,975,912,097	$3,086,885	$2,922,947
L3	2024-25	339	676	$1.0400	$0.4566	$2,052,822,997	$1,975,912,097	$2,065,031,997	$1,975,912,097	$3,054,781	$2,922,947
L4	2025-26	339	676	$1.0400	$0.4566	$2,040,614,097	$1,975,912,097	$2,052,822,997	$1,975,912,097	$3,036,720	$2,922,947
L5	2026-27	339	676	$1.0400	$0.4566	$2,028,405,097	$1,975,912,097	$2,040,614,097	$1,975,912,097	$3,018,660	$2,922,947
L6	2027-28	339	676	$1.0400	$0.4566	$2,014,840,097	$1,975,912,097	$2,028,405,097	$1,975,912,097	$3,000,599	$2,922,947
L7	2028-29	339	676	$1.0400	$0.4566	$2,002,631,297	$1,975,912,097	$2,014,840,097	$1,975,912,097	$2,980,533	$2,922,947
L8	2029-30	339	676	$1.0400	$0.4566	$1,994,491,197	$1,975,912,097	$2,002,631,297	$1,975,912,097	$2,962,472	$2,922,947
L9	2030-31	339	676	$1.0400	$0.4566	$1,990,419,797	$1,975,912,097	$1,994,491,197	$1,975,912,097	$2,950,431	$2,922,947
L10	2031-32	339	676	$1.0400	$0.4566	$1,984,992,197	$1,975,912,097	$1,990,419,797	$1,975,912,097	$2,944,408	$2,922,947
MVP1	2032-33	339	676	$1.0400	$0.4566	$1,978,208,497	$1,978,208,497	$1,984,992,197	$1,975,912,097	$2,936,379	$2,922,947
MVP2	2033-34	339	676	$1.0400	$0.4566	$1,978,205,897	$1,978,205,897	$1,978,208,497	$1,978,208,497	$2,926,344	$2,926,344
MVP3	2034-35	339	676	$1.0400	$0.4566	$1,978,203,397	$1,978,203,397	$1,978,205,897	$1,978,205,897	$2,926,340	$2,926,340
MVP4	2035-36	339	676	$1.0400	$0.4566	$1,978,200,897	$1,978,200,897	$1,978,203,397	$1,978,203,397	$2,926,336	$2,926,336
MVP5	2036-37	339	676	$1.0400	$0.4566	$1,978,198,397	$1,978,198,397	$1,978,200,897	$1,978,200,897	$2,926,333	$2,926,333

To isolate the impact of the value limitation on the District's finances over this 17 year agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2017-18 school year. An ADA of 338.810, a WADA of 676.315 and an M&O tax rate of $1.04 are used for each year of the forecast. A tax collection rate of 100% is assumed in all of the calculations used in this analysis. The Culberson and Hudspeth County CADs certified value for 2018 was used as the 2018 CAD value. This value was used as the basis for subsequent current year (CAD) values in this report. The final 2017 T1, T2, T3 and T4 Comptroller Property Tax Division (CPTD) values, certified to school districts in late July, 2018, were used as a basis for predicting prior year (CPTD) values for each of the agreement years.

The proposed agreement calls for Culberson County-Allamoore ISD to be held harmless against total state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these revenue losses may occur, two models were developed. One model, illustrated in **Table 2,** incorporates the full value of the project into the state and local funding calculations. The other model, shown in **Table 3,** assumes that only the limited value of the project is available for M&O taxation purposes. In any year of the limitation period where total state and local funding with the full project value exceeds the total state and local funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 4**.

Financial Impact on the School District

Utilizing the assumptions and methodology described above, total maintenance and operation revenue was estimated for each year of the agreement. **Table 4**, which summarizes the difference between the two models, indicates that there will be a total revenue loss of $312,719 over the course of the agreement. The revenue loss by the district, due to the agreement, is estimated to be mostly in the first year of the value limitation period. Most of the reductions in M&O taxes under this agreement are offset by reductions in recapture costs that the district would owe under current school finance law.

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

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to $.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at the $514,00 Level	Recapture at the $319,500 Level	Other State Aid	Total General Fund
QTP1	2020-21	$44,104	$97,408	$3,725,798	$780,365	$0	$15,783,323	$0	$0	$4,647,674
QTP2	2021-22	$44,104	$97,408	$3,725,798	$780,365	$0	$15,783,323	$0	$0	$4,647,674
L1	2022-23	$44,228	$97,408	$3,967,815	$834,694	$0	$16,899,531	$0	$0	$4,944,144
L2	2023-24	$44,256	$97,408	$3,710,783	$826,013	$0	$16,939,537	$0	$0	$4,678,460
L3	2024-25	$44,237	$97,408	$3,723,007	$821,129	$0	$16,805,223	$0	$0	$4,685,781
L4	2025-26	$44,222	$97,408	$3,720,985	$816,246	$0	$16,685,156	$0	$0	$4,678,860
L5	2026-27	$44,206	$97,408	$3,718,961	$811,362	$0	$16,565,090	$0	$0	$4,671,937
L6	2027-28	$44,189	$97,408	$3,714,611	$805,936	$0	$16,433,790	$0	$0	$4,662,145
L7	2028-29	$44,174	$97,408	$3,714,684	$801,053	$0	$16,311,629	$0	$0	$4,657,317
L8	2029-30	$44,162	$97,408	$3,719,718	$797,796	$0	$16,225,194	$0	$0	$4,659,084
L9	2030-31	$44,155	$97,408	$3,725,484	$796,168	$0	$16,178,714	$0	$0	$4,663,215
L10	2031-32	$44,149	$97,408	$3,722,468	$793,997	$0	$16,127,454	$0	$0	$4,658,021
MVP1	2032-33	$44,141	$97,408	$3,719,222	$791,283	$0	$16,062,863	$0	$0	$4,652,054
MVP2	2033-34	$44,138	$97,408	$3,730,042	$791,282	$0	$16,052,017	$0	$0	$4,662,870
MVP3	2034-35	$44,138	$97,408	$3,730,041	$791,281	$0	$16,051,992	$0	$0	$4,662,869
MVP4	2035-36	$44,138	$97,408	$3,730,041	$791,280	$0	$16,051,968	$0	$0	$4,662,867
MVP5	2036-37	$44,138	$97,408	$3,730,041	$791,279	$0	$16,051,943	$0	$0	$4,662,866

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

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to $.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at the $514,000 Level	Recapture at the $319,500 Level	Other State Aid	Total General Fund
QTP1	2020-21	$44,104	$97,408	$3,725,798	$780,365	$0	$15,783,323	$0	$0	$4,647,674
QTP2	2021-22	$44,104	$97,408	$3,725,798	$780,365	$0	$15,783,323	$0	$0	$4,647,674
L1	2022-23	$44,126	$97,408	$3,770,344	$790,365	$0	$15,988,777	$0	$0	$4,702,243
L2	2023-24	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L3	2024-25	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L4	2025-26	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L5	2026-27	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L6	2027-28	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L7	2028-29	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L8	2029-30	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L9	2030-31	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
L10	2031-32	$44,135	$97,408	$3,729,689	$790,365	$0	$16,029,432	$0	$0	$4,661,597
MVP1	2032-33	$44,137	$97,408	$3,733,729	$791,283	$0	$16,048,356	$0	$0	$4,666,558
MVP2	2033-34	$44,138	$97,408	$3,730,042	$791,282	$0	$16,052,017	$0	$0	$4,662,870
MVP3	2034-35	$44,138	$97,408	$3,730,041	$791,281	$0	$16,051,992	$0	$0	$4,662,869
MVP4	2035-36	$44,138	$97,408	$3,730,041	$791,280	$0	$16,051,968	$0	$0	$4,662,867
MVP5	2036-37	$44,138	$97,408	$3,730,041	$791,279	$0	$16,051,943	$0	$0	$4,662,866

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

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to $.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at the $514,000 Level	Recapture at the $319,500 Level	Other State Aid	Total General Fund
QTP1	2020-21	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP2	2021-22	$0	$0	$0	$0	$0	$0	$0	$0	$0
L1	2022-23	-$101	$0	-$197,471	-$44,329	$0	-$910,754	$0	$0	-$241,901
L2	2023-24	-$121	$0	$18,905	-$35,648	$0	-$910,104	$0	$0	-$16,863
L3	2024-25	-$102	$0	$6,682	-$30,764	$0	-$775,791	$0	$0	-$24,185
L4	2025-26	-$86	$0	$8,704	-$25,881	$0	-$655,724	$0	$0	-$17,263
L5	2026-27	-$71	$0	$10,728	-$20,997	$0	-$535,658	$0	$0	-$10,340
L6	2027-28	-$54	$0	$15,077	-$15,571	$0	-$404,357	$0	$0	-$548
L7	2028-29	-$38	$0	$15,005	-$10,688	$0	-$282,197	$0	$0	$4,279
L8	2029-30	-$26	$0	$9,971	-$7,432	$0	-$195,762	$0	$0	$2,513
L9	2030-31	-$20	$0	$4,204	-$5,803	$0	-$149,281	$0	$0	-$1,618
L10	2031-32	-$13	$0	$7,221	-$3,632	$0	-$98,022	$0	$0	$3,576
MVP1	2032-33	-$3	$0	$14,507	$0	$0	-$14,507	$0	$0	$14,504
MVP2	2033-34	$0	$0	$0	$0	$0	$0	$0	$0	$0
MVP3	2034-35	$0	$0	$0	$0	$0	$0	$0	$0	$0
MVP4	2035-36	$0	$0	$0	$0	$0	$0	$0	$0	$0
MVP5	2036-37	$0	$0	$0	$0	$0	$0	$0	$0	$0

Financial Impact on the Taxpayer

The terms of the proposed agreement call for the maintenance and operation (M&O) value of the project to be limited to $25 million starting in school year 2022-23 and remaining limited through school year 2031-32. The potential gross and net tax savings to IP Aragorn are shown in **Table 5.** As stated earlier, an M&O tax rate of $1.04 and a collection rate of 100% is used throughout the calculations in this report. **Table 5** shows gross tax savings due to the limitation of over $5.2 million over the length of the agreement. Net tax savings are estimated to be $4.15 million. According to Texas Tax Code 313.027(i), supplemental payments to the district will be $50,000, rather than $100 per ADA, because the district has less than 500 ADA.

Facilities Funding Impact on the District

Reports submitted by IP Aragorn show the full value of the property being depreciated over time. Even so, the full value of the project will be available to the district for I&S taxes and will enhance the district's ability to service current and future debt obligations. Texas funding laws provide assistance to school districts for debt service purposes in the form of the Instructional Facilities Allotment and the Existing Debt Allotment. The formulas provide a guarantee of $35 per ADA per penny of tax effort. CCAISD has property wealth per WADA that exceeds this amount and is thus not eligible for this state assistance. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

Table 5 Estimated Financial Impact on Culberson County-Allamoore ISD from the IP Aragorn, LLC Project

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit $100 per ADA	Company Tax Benefit
QTP1	2020-21	$0	$0	$0	1.0400	$0	$0	$0	$0	$0	$0	$50,000	-$50,000
QTP2	2021-22	$0	$0	$0	1.0400	$0	$0	$0	$0	$0	$0	$50,000	-$50,000
L1	2022-23	$135,822,500	$25,000,000	$110,822,500	1.0400	$1,412,554	$260,000	$1,152,554	$1,152,554	-$241,901	$910,653	$50,000	$860,653
L2	2023-24	$114,119,900	$25,000,000	$89,119,900	1.0400	$1,186,847	$260,000	$926,847	$926,847	-$16,863	$909,984	$50,000	$859,984
L3	2024-25	$101,910,900	$25,000,000	$76,910,900	1.0400	$1,059,873	$260,000	$799,873	$799,873	-$24,185	$775,689	$50,000	$725,689
L4	2025-26	$89,702,000	$25,000,000	$64,702,000	1.0400	$932,901	$260,000	$672,901	$672,901	-$17,263	$655,638	$50,000	$605,638
L5	2026-27	$77,493,000	$25,000,000	$52,493,000	1.0400	$805,927	$260,000	$545,927	$545,927	-$10,340	$535,587	$50,000	$485,587
L6	2027-28	$63,928,000	$25,000,000	$38,928,000	1.0400	$664,851	$260,000	$404,851	$404,851	-$548	$404,303	$50,000	$354,303
L7	2028-29	$51,719,200	$25,000,000	$26,719,200	1.0400	$537,880	$260,000	$277,880	$277,880	$0	$277,880	$50,000	$227,880
L8	2029-30	$43,579,100	$25,000,000	$18,579,100	1.0400	$453,223	$260,000	$193,223	$193,223	$0	$193,223	$50,000	$143,223
L9	2030-31	$39,507,700	$25,000,000	$14,507,700	1.0400	$410,880	$260,000	$150,880	$150,880	-$1,618	$149,262	$50,000	$99,262
L10	2031-32	$34,080,100	$25,000,000	$9,080,100	1.0400	$354,433	$260,000	$94,433	$94,433	$0	$94,433	$50,000	$44,433
MVP1	2032-33	$27,296,400	$27,296,400	$0	1.0400	$283,883	$283,883	$0	$0	$0	$0	$50,000	-$50,000
MVP2	2033-34	$27,293,800	$27,293,800	$0	1.0400	$283,856	$283,856	$0	$0	$0	$0	$50,000	-$50,000
MVP3	2034-35	$27,291,300	$27,291,300	$0	1.0400	$283,830	$283,830	$0	$0	$0	$0	$50,000	-$50,000
MVP4	2035-36	$27,288,800	$27,288,800	$0	1.0400	$283,804	$283,804	$0	$0	$0	$0	$0	$0
MVP5	2036-37	$27,286,300	$27,286,300	$0	1.0400	$283,778	$283,778	$0	$0	$0	$0	$0	$0
TOTALS						**$9,238,518**	**$4,019,149**	**$5,219,369**	**$5,219,369**	**-$312,719**	**$4,906,650**	**$750,000**	**$4,156,650**

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Conclusion

The IP Aragorn project proposed in this application will benefit the community, the district, CCAISD, and the company, IP Aragorn. The community will receive economic development, the taxpayer will enjoy savings on property taxes and the district will be held harmless from revenue loss due to the provisions of the agreement. The district will also enjoy an increased value available for I&S tax collections dedicated to debt service that can be leveraged to provide first class facilities for faculty and students.

Remember that the Texas Legislature could take action that could potentially change the impact of this agreement on the finances of Culberson County-Allamoore ISD and result in estimates that differ significantly from the estimates presented in this analysis. Some of the factors that could significantly change these estimates are legislative or administrative changes by the Texas Legislature, the Texas Education Agency or the Comptroller of Public Accounts. Those changes could contain changes to the school finance formulas, property value appraisals and tax exemptions. Other factors which could change, and will impact the estimates of this agreement, include changes to property values, district tax rates and student enrollment.

Table 5 Estimated Financial Impact on Culberson County-Allamoore ISD from the IP Aragorn, LLC Project

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit $100 per ADA	Company Tax Benefit
QTP1	2020-21	$0	$0	$0	1.0400	$0	$0	$0	$0	$0	$0	$50,000	-$50,000
QTP2	2021-22	$0	$0	$0	1.0400	$0	$0	$0	$0	$0	$0	$50,000	-$50,000
L1	2022-23	$135,822,500	$25,000,000	$110,822,500	1.0400	$1,412,554	$260,000	$1,152,554	$1,152,554	-$241,901	$910,653	$50,000	$860,653
L2	2023-24	$114,119,900	$25,000,000	$89,119,900	1.0400	$1,186,847	$260,000	$926,847	$926,847	-$16,863	$909,984	$50,000	$859,984
L3	2024-25	$101,910,900	$25,000,000	$76,910,900	1.0400	$1,059,873	$260,000	$799,873	$799,873	-$24,185	$775,689	$50,000	$725,689
L4	2025-26	$89,702,000	$25,000,000	$64,702,000	1.0400	$932,901	$260,000	$672,901	$672,901	-$17,263	$655,638	$50,000	$605,638
L5	2026-27	$77,493,000	$25,000,000	$52,493,000	1.0400	$805,927	$260,000	$545,927	$545,927	-$10,340	$535,587	$50,000	$485,587
L6	2027-28	$63,928,000	$25,000,000	$38,928,000	1.0400	$664,851	$260,000	$404,851	$404,851	-$548	$404,303	$50,000	$354,303
L7	2028-29	$51,719,200	$25,000,000	$26,719,200	1.0400	$537,880	$260,000	$277,880	$277,880	$0	$277,880	$50,000	$227,880
L8	2029-30	$43,579,100	$25,000,000	$18,579,100	1.0400	$453,223	$260,000	$193,223	$193,223	$0	$193,223	$50,000	$143,223
L9	2030-31	$39,507,700	$25,000,000	$14,507,700	1.0400	$410,880	$260,000	$150,880	$150,880	-$1,618	$149,262	$50,000	$99,262
L10	2031-32	$34,080,100	$25,000,000	$9,080,100	1.0400	$354,433	$260,000	$94,433	$94,433	$0	$94,433	$50,000	$44,433
MVP1	2032-33	$27,296,400	$27,296,400	$0	1.0400	$283,883	$283,883	$0	$0	$0	$0	$50,000	-$50,000
MVP2	2033-34	$27,293,800	$27,293,800	$0	1.0400	$283,856	$283,856	$0	$0	$0	$0	$50,000	-$50,000
MVP3	2034-35	$27,291,300	$27,291,300	$0	1.0400	$283,830	$283,830	$0	$0	$0	$0	$50,000	-$50,000
MVP4	2035-36	$27,288,800	$27,288,800	$0	1.0400	$283,804	$283,804	$0	$0	$0	$0	$0	$0
MVP5	2036-37	$27,286,300	$27,286,300	$0	1.0400	$283,778	$283,778	$0	$0	$0	$0	$0	$0
TOTALS						**$9,238,518**	**$4,019,149**	**$5,219,369**	**$5,219,369**	**-$312,719**	**$4,906,650**	**$750,000**	**$4,156,650**

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

EXHIBIT C

Proposed Agreement between
Culberson County-Allamoore Independent School District
and IP Aragorn, LLC

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 17, 2018

Ken Baugh
Superintendent
Culberson County-Allamoore Independent School District
PO Box 899
Van Horn TX, 79855

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Culberson County-Allamoore Independent School District and IP Aragorn, LLC, Application 1266

Dear Superintendent Baugh:

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 Culberson County-Allamoore Independent School District and IP Aragorn, 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 Tabita Collazo with our office. She can be reached by email at tabita.collazo@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5- 5626 or at 512-475-5626.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP
Lucas Dunnington, Intersect Power
Brandon Kideckel, Intersect Power
Dale Cummings, Cummings Westlake, LLC

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

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by and between

CULBERSON COUNTY-ALLAMOORE INDEPENDENT SCHOOL DISTRICT

and

IP ARAGORN, LLC

(Texas Taxpayer ID # 32063877008)

Comptroller Application #1266

Dated

December 17, 2018

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

STATE OF TEXAS §
§
COUNTY OF CULBERSON §

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 **CULBERSON COUNTY-ALLAMOORE 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 **IP ARAGORN, LLC**, Texas Taxpayer Identification Number 32063877008, 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 June 19, 2018, the Superintendent of Schools of the Culberson County—Allamoore 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 June 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 August 17, 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 Culberson County Appraisal District established in Culberson County, Texas (the "Culberson 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 September 14, 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 December 17, 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 December 17, 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 December 17, 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 December 17, 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 December 17, 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 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 IP Aragorn, LLC (Texas Taxpayer ID #32063877008), 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 3** of this Agreement.

"*Application*" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on June 19, 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 Culberson County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the Culberson County-Allamoore Independent School District.

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

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

"*Comptroller's Rules*" means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative

decisions interpreting same.

"*County*" means Culberson County, Texas.

"*District*" *or* "*School District*" means the Culberson County-Allamoore 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 60 (sixty) 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:

"Aggregate Limit" means, for any Tax Year during the term of this Agreement, an amount equal to the Net Tax Benefit to the Applicant.

"*Applicable School Finance Law*" means the State constitution and laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools and school districts generally and the District specifically, in accordance with all provisions thereof applicable to any terms of this Agreement at the time any computation, calculation or obligation of either Party under this Agreement is required to be performed or for the period to which such computation, calculation or obligation relates, as applicable. The term includes any amendments or successor statutes that may be adopted in the future which affect the calculation of the District's Maintenance and Operations Revenue or the Applicant's ad valorem tax obligation to the District, in each case, either with or without the limitation on appraised value of property pursuant to this Agreement.

"Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by

or owed by Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

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

"Maintenance and Operations Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE, and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE, or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's Maintenance and Operations Revenue lost as a result of such similar agreements, minus (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE,, in each case, as any of the items in clauses (i), (ii), and (iv) above may be amended by Applicable School Finance Law from time to time, and plus or minus, as applicable, any other revenues, payments or amounts received or required to be reimbursed by the District from State and local funding for maintenance and operations purposes under Applicable School Finance Law, such that Maintenance and Operations Revenue shall be the net amount of all such revenues, payments or other amounts which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

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

"Net Tax Benefit" means, for any 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 such Tax Year and all previous Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such Tax Year and all previous Tax Years during the term of this Agreement, plus (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement.

"*Original M&O Revenue*" means, with respect to any school year, the total State and local Maintenance and Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the ad valorem maintenance and operations tax at the tax rate actually adopted by the District for the applicable Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District, except that with respect to the Applicant's Qualified Property during the Tax Limitation Period, such calculations shall use the Taxable Value for each applicable Tax Year of the Applicant's Qualified Property which is used for the calculation of the District's tax levy for debt service (interest and sinking fund) ad valorem tax purposes. For the calculation of Original M&O Revenue, the Taxable Value for Applicant's Qualified Property for

maintenance and operations ad valorem tax purposes will not be used during the Tax Limitation Period.

"Revenue Protection Payment" means payments made pursuant to Article IV of this Agreement.

"*Third Party*" shall have the meaning set forth in Section 4.3

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 August 17, 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 December 17, 2018.

C. The Qualifying Time Period for this Agreement:
   i. Starts on January 1, 2020, a date no later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
   ii. Ends on December 31, 2021, 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, 2022, the first complete Tax Year that begins after the date of commencement of Commercial Operation; and
   ii. Ends on December 31, 2031, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2036; which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii plus 5 years.

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

Section 2.4. TAX LIMITATION.

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

A. The Market Value of the Applicant's Qualified Property; or,
B. Twenty-Five Million Dollars ($25,000,000.00)

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE

Section 2.5. TAX LIMITATION ELIGIBILITY.

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

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

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

C. pay an average weekly wage of at least $949 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS.

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

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

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

C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional

obligations as more fully specified in Article VIII of this Agreement; and

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

ARTICLE III
QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 3**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE.

The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy electric generation facility.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

Subject to the limitations contained in this Agreement, it is the intent of the Parties in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE that the District shall be compensated by the Applicant as provided in this Article IV for any Lost M&O Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. Subject to the limitations contained in this Agreement, **it is the intent of the Parties that the risk of any and all Lost M&O Revenue as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

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

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

i. 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 Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,

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

Section 4.2 CALCULATING LOST M&O REVENUE.

Subject to the limitations contained in this Agreement, the amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the first year of the Tax Limitation Period and ending on December 31st of the last year of the Tax Limitation Period (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

Subject to the limitations contained in this Agreement (including Section 7.1), the Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

In making the calculations required by this Section 4.2:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property 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 this Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 4.2 shall be made by a methodology which isolates only the full Maintenance and Operation Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected and appointed each year by the District, subject to approval by Applicant in writing, which approval shall not unreasonably be withheld.

Section 4.4. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified 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 and appointed 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. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

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

Section 4.6. 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 this Article IV, Article V, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District's Maintenance and Operation 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 the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and

calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article IV, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.8. PAYMENT BY APPLICANT.

Subject to Section 4.9 below, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. Subject to the limitation set forth in this Section 4.8 below, by such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.4, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. The Applicant shall only be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 not to exceed Fifteen Thousand Dollars ($15,000.00).

Section 4.9. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV of this Agreement, 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 4.4 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 calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees within thirty (30) days after receipt of the final determination of the calculations. Any appeal by the Applicant of the final determination of calculations shall in no way limit Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. PAYMENT LIMITATION.

Notwithstanding any other provision in this Agreement, in no event shall the Revenue Protection Payments calculated for a Tax Year of this Agreement during the period from the Tax Year that includes the date on which the Tax Limitation Period commences under this Agreement as provided in Section 2.3.D.i, and ending with the end of the Tax Limitation Period, exceed an amount equal to One Hundred Percent (100%) of the Applicant's Net Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District under this Article IV which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10. Any of the Revenue Protection Payments which cannot be paid to the District prior to the end of the first Tax Year following the end of the Tax Limitation Period because such payment

would exceed the Applicant's Net Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES.

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment caused directly by such project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 above.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of this Article VI, the Parties agree that, 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 the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are 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 such limitations as are contained in Sections 4.10 and 7.1, and that all payments under Article VI are subject to the separate limitations contained in Section 6.2 and Section 6.3. Each Supplemental Payment shall be due and payable on January 31st of the year following that in which such Supplemental Payment accrued.

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.

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 Average Daily Attendance for the previous school year, or any greater amount that may be then permitted by law.

Failure to pay such Supplemental Payments shall constitute Material Breach of this Agreement, as set forth more fully herein at Article IX.

Section 6.3. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT.

For each Tax Year beginning with the period starting the first full or partial year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period, supplemental payments shall be owed. For each Tax Year not falling within the Tax Limitation Period, the full supplemental amount shall be paid and shall not be subject to the Aggregate Limit.

If, for any Tax Year during the Limitation Period of this Agreement the Cumulative Payment Amount, calculated under Sections IV, V and VI of this Agreement, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year until paid to the District. The Aggregate Limit shall not apply nor limit Supplemental Payment amounts due to the District during the Qualifying Time Period or in the three years following the end of the Tax Limitation Period.

For illustrative purposes, the Supplemental Payments shall be paid as follows:

Tax Year	Supplemental Payment Amount Owed
2020	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2021	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2022	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2023	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2024	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2025	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2026	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2027	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2028	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2029	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2030	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2031	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2032	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2033	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.
2034	The greater of $50,000 or $100 multiplied by the District's Average Daily Attendance for the previous school year.

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS. All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Supplemental Payment Amount; (ii) the determination of the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected

pursuant to Section 4.3.

(a) 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.

(b) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.8.

(c) Any appeal by the Applicant of the calculations made by the Third Party under this Article VI shall be done in the same manner as set forth in Section 4.9, above.

Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that any of the Applicant's payments under this Article VI be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees.

Section 6.6. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive Supplemental Payments in excess of the foregoing limitation in Section 6.2A, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of Supplemental Payments as allowed by law; provided however, the total Supplemental Payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Benefit under this Agreement in such year (calculated without taking Supplemental Payments into account) or the amount calculated under Section 6.2.A above, as determined for that school year. This Section 6.6 shall only apply if Chapter 313 of the TEXAS TAX CODE is amended so that the District is permitted to receive Supplemental Payments greater than as described in Section 6.2A above; otherwise, Section 6.2D shall apply.

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 ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to 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 ninety (90) 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 Culberson County. 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 Culberson 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 ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS

TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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

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

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

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

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

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES.

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

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

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN 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:

To the District		**With Copy to**
Name:	Culberson County-Allamoore Independent School District	Powell & Leon. LLP
Attn:	Superintendent Ken Baugh or his successor	Sara Hardner Leon
Address:	400 W. 7th Street P.O. Box 899	108 Wild Basin Road #100
City/Zip:	Van Horn, Texas 79855	West Lake Hills, TX 78746
Phone :	(432) 283-2245	Phone : (512) 494-1177
Fax :	(432) 283-9062	Fax : (512) 494-1188
Email:	kbaugh@ccaisd.net	sleon@powell-leon.com

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

To the Applicant

Name: Intersect Power

Attn:	Lucas Dunnington Chief Operating Officer
Address:	548 Market Street 68743
City/Zip:	San Francisco, CA 94104
Phone :	(510) 260-2192
Email:	Luke@intersectpower.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 10.3C 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 Culberson 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 18th day of December, 2018.

IP ARAGORN, LLC

By: See attached signature block

Name: _____

Title: _____

CULBERSON COUNTY-ALLAMOORE INDEPENDENT SCHOOL DISTRICT

By: _____

~~Leticia Hernandez~~

President, Board of Trustees

EDUARDO SEYFFERT

ATTEST:

By: _____

Angie Gonzalez

Secretary, Board of Trustees

IP ARAGORN, LLC,
a Delaware limited liability company

By: IP Portfolio I, LLC,
a Delaware limited liability company,
its sole member

By: IP Renewable Energy Holdings LLC,
a Delaware limited liability company,
its sole member

Signature:
Name: Luke Dunnington
Title: Vice President

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Description	Block	Section
University Lands	46	10
University Lands	46	11
University Lands	46	13
University Lands	46	14
University Lands	46	22
University Lands	46	23
University Lands	46	24
University Lands	46	26
University Lands	46	27
University Lands	46	34
University Lands	46	35

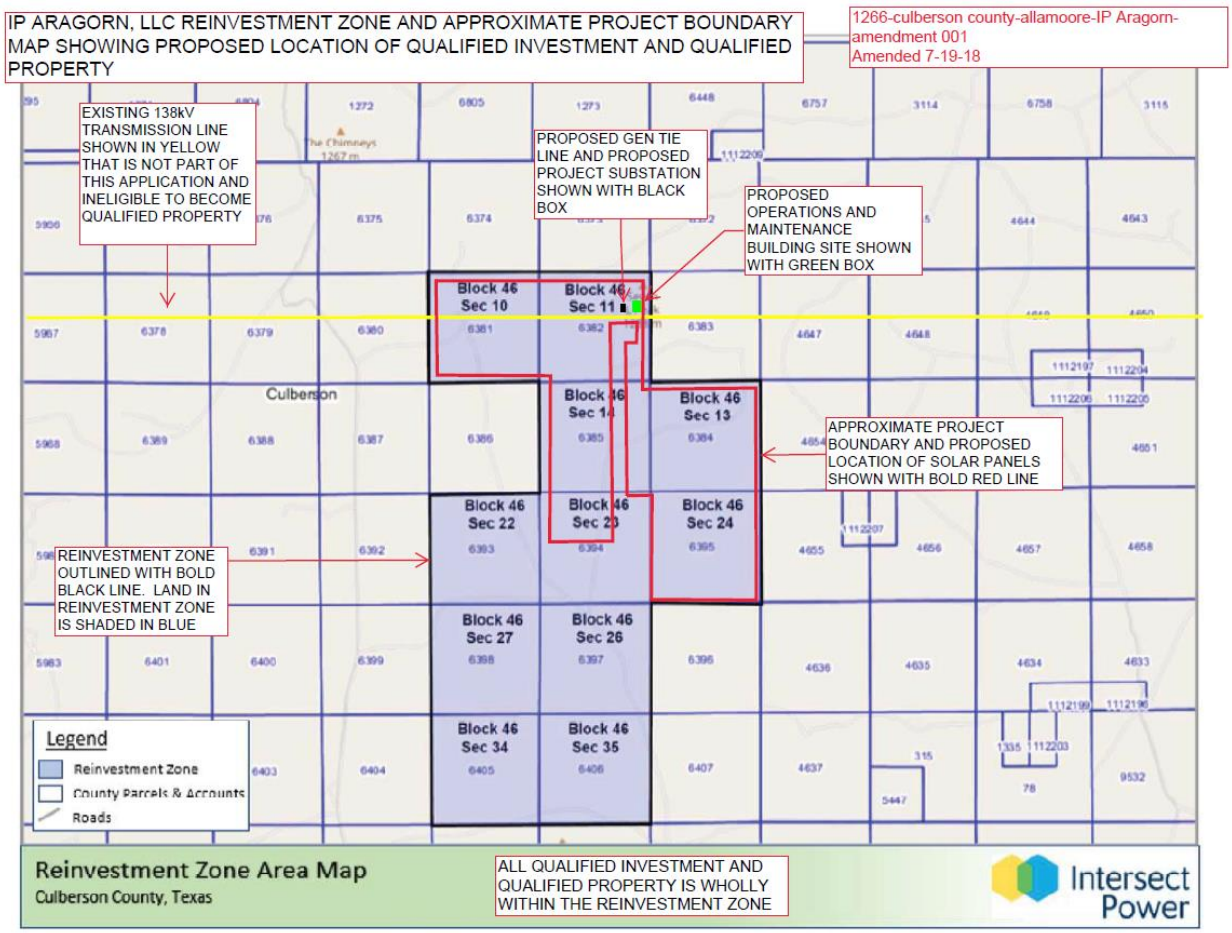

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

Description	Block	Section
University Lands	46	10
University Lands	46	11
University Lands	46	13
University Lands	46	14
University Lands	46	22
University Lands	46	23
University Lands	46	24
University Lands	46	26
University Lands	46	27
University Lands	46	34
University Lands	46	35

Note: This reinvestment zone will include property for the Applicant, IP Aragorn, LLC as well as property for another project, IP Titan, LLC that is a separate Chapter 313 application to Culberson County-Allamoore ISD.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

The Project will be constructed on approximately 1,765 acres, which is part of a larger, long-term lease agreement with the Permanent University Fund of the State of Texas. The Project will be located entirely within the project boundary for IP Aragorn located inside the reinvestment zone within Culberson County-Allamoore Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 180 MW-AC in size;
- Photovoltaic (PV) modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

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

Construction of the Project is anticipated to begin in the fourth quarter of 2019 with anticipated project completion by the fourth quarter of 2020 or first quarter of 2021.

NOTE - The map [BELOW] shows the preliminary panel and inverter locations outlined with a bold red line. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be finally determined before construction begins. The Project gen-tie line and Project substation are shown with a black box as the substation is adjacent to the existing transmission line. The proposed location of the Project operations and maintenance building is shown with a green box.

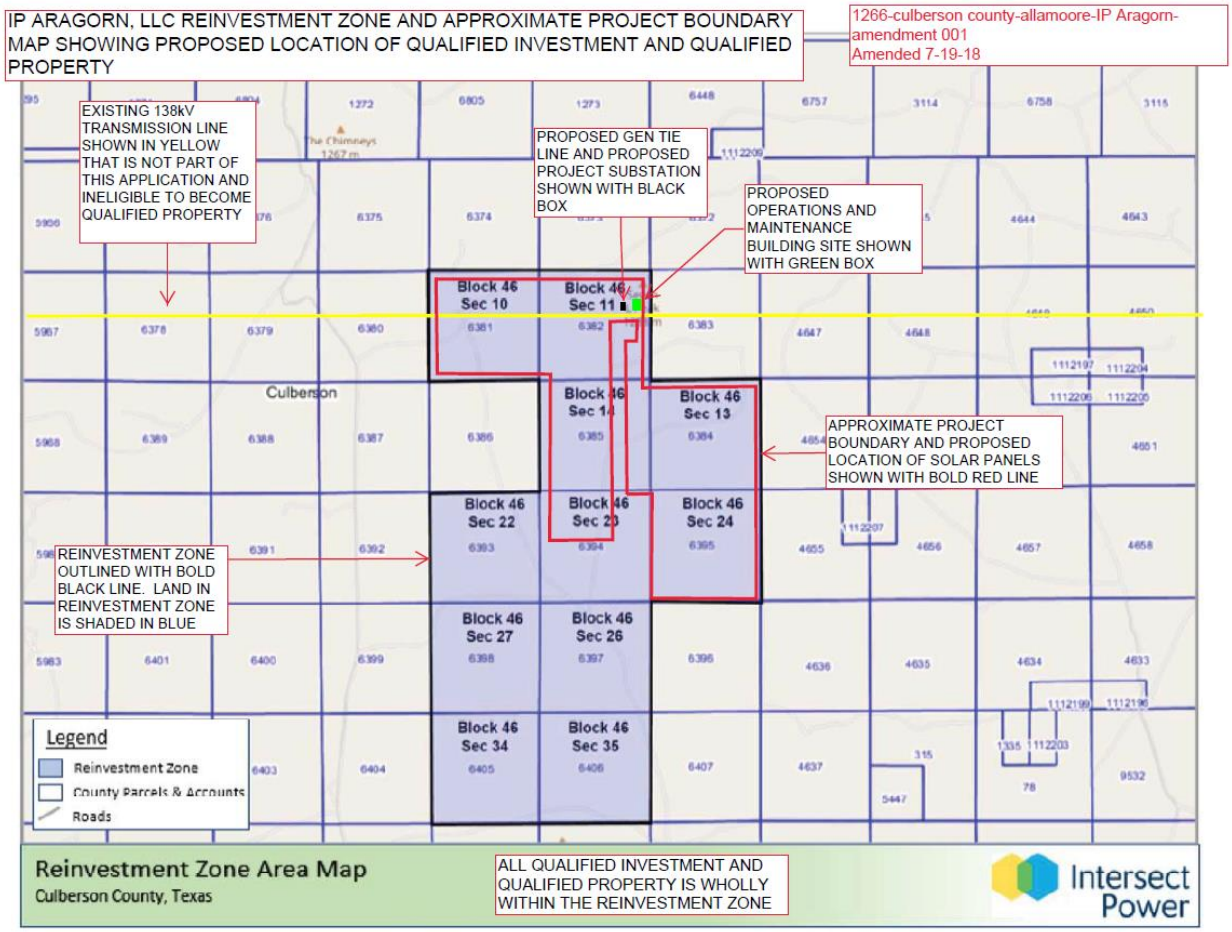
IP ARAGORN, LLC REINVESTMENT ZONE AND APPROXIMATE PROJECT BOUNDARY MAP SHOWING PROPOSED LOCATION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY
1266-culberson county-allamoore-IP Aragorn-amendment 001
Amended 7-19-18
EXISTING 138kV TRANSMISSION LINE SHOWN IN YELLOW THAT IS NOT PART OF THIS APPLICATION AND INELIGIBLE TO BECOME QUALIFIED PROPERTY
PROPOSED GEN TIE LINE AND PROPOSED PROJECT SUBSTATION SHOWN WITH BLACK BOX
PROPOSED OPERATIONS AND MAINTENANCE BUILDING SITE SHOWN WITH GREEN BOX
Block 46 Sec 10
Block 46 Sec 11
Block 46 Sec 14
Block 46 Sec 13
Culberson
APPROXIMATE PROJECT BOUNDARY AND PROPOSED LOCATION OF SOLAR PANELS SHOWN WITH BOLD RED LINE
Block 46 Sec 22
Block 46 Sec 23
Block 46 Sec 24
REINVESTMENT ZONE OUTLINED WITH BOLD BLACK LINE. LAND IN REINVESTMENT ZONE IS SHADED IN BLUE
Block 46 Sec 27
Block 46 Sec 26
Block 46 Sec 34
Block 46 Sec 35
Legend
Reinvestment Zone
County Parcels & Accounts
Roads
Reinvestment Zone Area Map
Culberson County, Texas
ALL QUALIFIED INVESTMENT AND QUALIFIED PROPERTY IS WHOLLY WITHIN THE REINVESTMENT ZONE
Intersect Power

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

The Project will be constructed on approximately 1,765 acres, which is part of a larger, long-term lease agreement with the Permanent University Fund of the State of Texas. The Project will be located entirely within the project boundary for IP Aragorn located inside the reinvestment zone within Culberson County-Allamoore Independent School District. The proposed Project will include, but is not limited to, the following:

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- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

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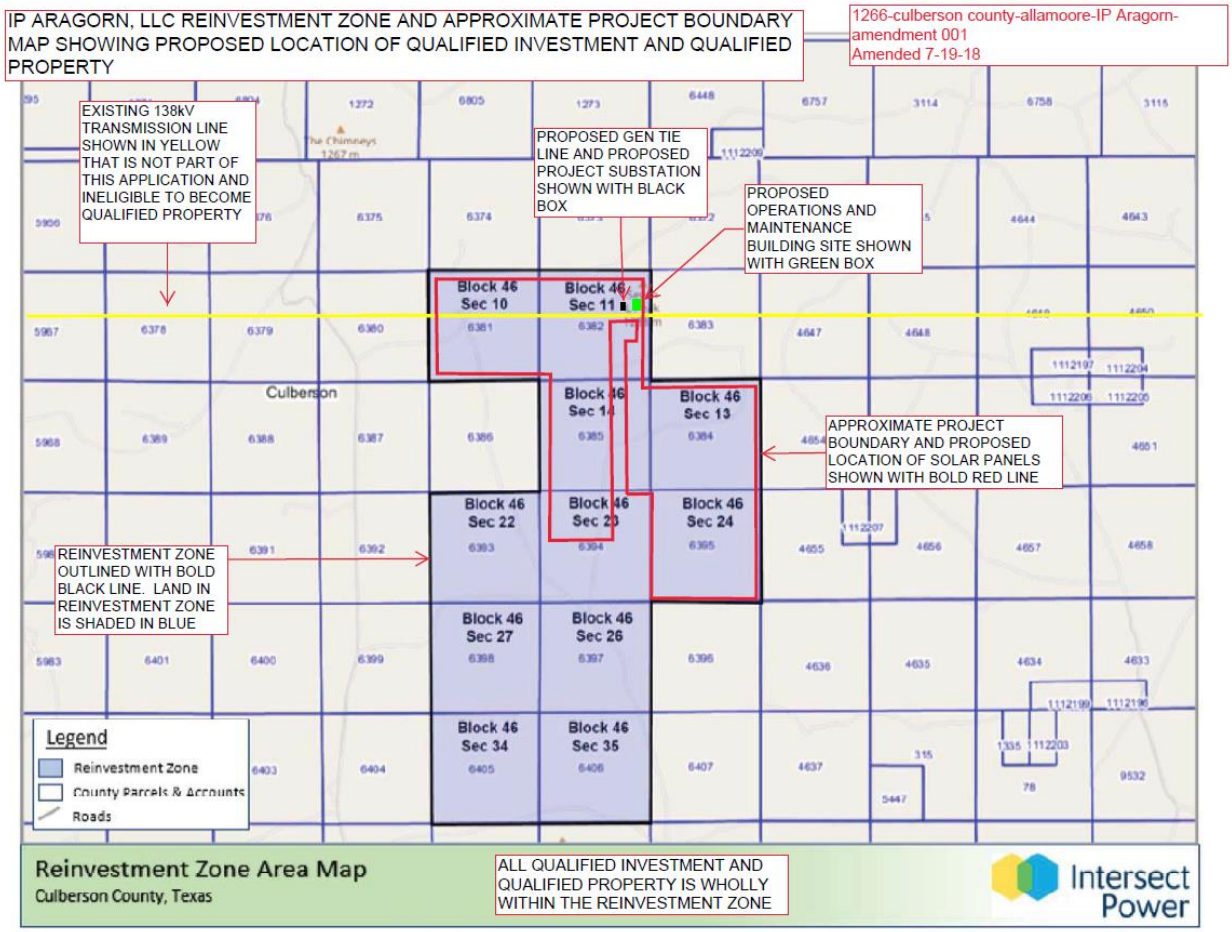
IP ARAGORN, LLC REINVESTMENT ZONE AND APPROXIMATE PROJECT BOUNDARY MAP SHOWING PROPOSED LOCATION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY
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Intersect Power