

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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January 14, 2019

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

RE: Value Limitation Agreement between Ector County Independent School District and
Oberon Solar LLC (#1276)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy each of the materials submitted to, and approved by, the Ector County ISD Board of Trustees on December 18, 2018. The package contains a copy of the Findings entered by the Board. A fully executed set of originals of these documents will be maintained in the Board's records. Attached to each of the Findings, please find 1) a copy of the Application; 2) a copy of the Comptroller's appraisal of the project; 3) a copy of the economic impact study; 4) a copy of the financial impact study; and, 5) the final participation agreement.

Please do not hesitate to call with any questions.

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Ector County Appraisal District
Oberon Solar LLC

**FINDINGS OF THE ECTOR COUNTY
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
OBERON SOLAR LLC (#1276)**



December 18, 2018

**FINDINGS OF THE
ECTOR COUNTY INDEPENDENT SCHOOL
DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
OBERON SOLAR LLC (#1276)**

DECEMBER 18, 2018

FINDINGS OF THE ECTOR COUNTY INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
OBERON SOLAR LLC (#1276)

STATE OF TEXAS §

COUNTY OF ECTOR §

On the 18th day of December 2018, a public meeting of the Board of Trustees of the Ector County Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Oberon Solar LLC (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On July 24, 2018, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application, with several amendments, is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32063848157), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Ector County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On September 13, 2018, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on October 17, 2018 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

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

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

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

Board Finding Number 1.

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

In support of Finding 1, the Application indicates that:

Oberon Solar LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant, which will be located entirely within the Ector County Independent School District.

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

Board Finding Number 2.

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

Board Finding Number 3.

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

Board Finding Number 4.

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

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

Board Finding Number 5.

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

In its Application, Applicant has committed to creating two (2) new qualifying jobs. The average salary level of qualifying jobs will be at least \$60,034 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

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

Board Finding Number 6.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set

forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 7.

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

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For all non-qualifying jobs, the Applicant should create the Applicant will be required to pay at least the county average wage of \$57,708 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$138 million to the tax base that would be available for debt service purposes at the peak investment level for the 2020-21 school year.

Board Finding Number 9.

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

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

Board Finding Number 10.

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

Board Finding Number 11.

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

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

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

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

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

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is \$673.9 million. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its placement in a strategic investment area. Given that the value of industrial property is more than \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Finding Number 13.

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

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

Board Finding Number 14.

The Applicant (Taxpayer No. 32063848157) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32063848157), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement **(Attachment G)** contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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

Board Finding Number 16.

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

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

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

Board Finding Number 17.

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

Board Finding Number 18.

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

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/home/index/421>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

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

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

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

Board Finding Number 19.

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

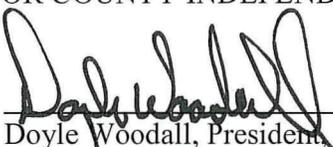
Board Finding Number 20.

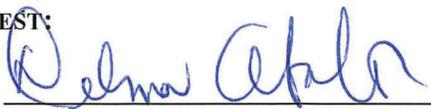
Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

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

Dated the 18th day of December 2018.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

By:  _____
Doyle Woodall, President, Board of Trustees

ATTEST:
By:  _____
Delma Abalos, Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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

July 30, 2018

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

RE: Application to the Ector County Independent School District from Oberon Solar LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Ector County Independent School District is notifying Oberon Solar LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on July 24, 2018. The Board voted to accept the application on July 24, 2018. The application has been determined complete as of July 30, 2018. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

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

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Ector County Appraisal District
Oberon Solar LLC



MEMORANDUM

TO: David Harwell, CFO
FROM: Kirk Glasby
DATE: 7/20/2018
CC:
RE: Oberon Solar LLC – Chapter 313 Application

Enclosed is the original and three copies of the Chapter 313 Application for Oberon Solar LLC. Application contains confidential information. Application fee to follow.



AN EXTENSION OF YOUR TAX DEPARTMENT

July 20, 2018

**Via Electronic Mail:
And Via U.S. First Class Mail**

Mr. Tom Crowe
Ector County ISD
802 North Sam Houston
Odessa, Texas 79761

Re: **Oberon Solar, LLC - Application For Appraised Value Limitation**

Dear Mr. Crowe:

Please find enclosed our formal application for the Chapter 313, Appraised Value Limitation. Electronic copy has been provided via email as well.

As first presented to the Ector County ISD board on February 13, 2018, 174 Power Global Corporation, on behalf of Oberon Solar, LLC., is considering a location in Ector County for a potential solar energy project. The scope and scale of such a project depends very much upon the commitments obtained in advance to contract the power generated by the project. As described in our overview, property taxes are the most significant operating expense once a project is completed and, thus, incentives play a crucial role in our ability to price contracts competitively.

We sincerely appreciate the opportunity to partner with the Ector County ISD and look forward to working together to advance this application.

Respectfully submitted,

S. Kirk Glasby
DuCharme, McMillen & Assoc., Inc.

cc: *Via Electronic Mail: matkins@odessalawfirm.com*
Mr. Mike Atkins

cc: *Via Electronic Mail: WBurnett@odessaecodev.com*
Mr. Wesley Burnett

DMA - DUCHARME, McMILLEN & ASSOCIATES, INC. | DMAINC.COM

12710 Research Blvd., Suite 305 | Austin, TX 78759 | 512-335-5900 | Fax: 512-335-5825

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

Tab 1
Application

0011

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

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

July 24, 2018

Date Application Received by District

Tom _____ Crowe _____

First Name

Last Name

Superintendent

Title

Ector County ISD

School District Name

802 N. Sam Houston

Street Address

Mailing Address

Odessa

Texas

79761

City

State

ZIP

432-456-0000

Phone Number

Fax Number

thomas.crowe@ectorcountyisd.org

Email Address

Mobile Number (optional)

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

Texas Comptroller of Public Accounts

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Mali	Hanley
First Name	Last Name
Consultant	
Title	
O'Hanlon Demerath & Castillo	
Firm Name	
512-494-9949	512-494-9919
Phone Number	Fax Number
	mhanley@808west.com
	Email Address
Mobile Number (optional)	

4. On what date did the district determine this application complete? July 30, 2018

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Jason	Kim	
First Name	Last Name	
President	174 Power Global Corp.	
Title	Organization	
300 Spectrum Center Drive. #1220		
Street Address		
Mailing Address		
Irvine	CA	92618
City	State	ZIP
949-748-5996		
Phone Number	Fax Number	
	Business Email Address	
Mobile Number (optional)		

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

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

Jason	Garewell	
First Name	Last Name	
Director of Project Development	174 Power Global Corp.	
Title	Organization	
300 Spectrum Center Drive. #1220		
Street Address		
Mailing Address		
Irvine	CA	92618
City	State	ZIP
949-748-5996		
Phone Number	Fax Number	
	jason.garewal@174powerglobal.com	
	Business Email Address	
Mobile Number (optional)		

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Kirk _____ Glasby _____
 First Name Last Name
 Director, Property Tax _____
 Title _____
 DuCharme McMillen and Associates, Inc. _____
 Firm Name _____
 512-335-5900, ext #1312 _____
 Phone Number Fax Number
 kglasby@dmmainc.com _____
 Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
 1a. If yes, attach in Tab 2 proof of application fee paid to the school district.
- For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Oberon Solar LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32063848157
3. List the NAICS code 221114
4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No
 2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? Yes No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

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SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

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SECTION 9: Projected Timeline

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

SECTION 10: The Property

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

County: <u>Ector / 100% / \$.3872</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Ector County / 100% / \$.1179</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Odessa College / 100% / \$.2064</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

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

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

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

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

Texas Comptroller of Public Accounts

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SECTION 14: Wage and Employment Information

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

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)

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

4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0

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

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,210.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,476.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,144.00

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

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 59,487.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 59,487.00

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

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

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

SECTION 15: Economic Impact

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

Tab 2
Proof of Application Filing Fee Payment

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

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

Tab 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7)

Not applicable

Tab 4

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.

Oberon Solar LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant, which will be located entirely within the Ector County Independent School District.

The project is estimated to be of 50 megawatt (MW) minimum and potentially larger as feasibility is improved via economic development incentives. The project is to be constructed on approximately 6,000 acres, which is part of a long-term lease agreement with local landowners.

The proposed project will include, but is not limited to, the following:

- Minimum, nominal 50 MW-AC in size;
- Hanwha Q CELLS PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid; and a
- Security fence.

The project construction is estimated to begin in December of 2018 and be completed in December 2019

174 Power Global is the vertically integrated subsidiary of the \$100 billion, Fortune Global 500 Hanwha Group. As the 2nd largest global manufacturer of solar cells and modules, and a leading developer, financier and owner of U.S. and international solar projects, 174 Power Global is uniquely motivated to execute on project opportunities. 174 Power Global/Hanwha Q-CELLS has developed more than 35 utility-scale projects, totaling >500MW completed and >450MW in final development.

OBERON SOLAR

The **Oberon Solar Project** is a utility scale solar project being developed by **174 Power Global** in west Texas.

Location: project site is situated on 5,000 acres in the southwest corner of Ector County near Interstate 20.

Size: 50 Megawatts of solar capacity will provide thousands of Texas homes with clean, renewable energy.

The **Oberon Solar Project** will bring significant investment to the Permian Basin.

Investment: More than 50 million dollars will be invested in design, development, equipment and construction.

Local Jobs: The **Oberon Solar Project** will support more than one hundred jobs during construction and several permanent local jobs during its 20+ year operating life.

174 Power Global is the vertically integrated subsidiary of the \$100 billion, Fortune Global 500 **Hanwha Group**.

As the 2nd largest global manufacturer of solar cells and modules, and a leading developer, financier and owner of U.S. and international solar projects, **174 Power Global** is uniquely motivated to execute on project opportunities.

174 Power Global brings all essential project variables under singular control – from products and pricing, to financing and construction – to guarantee project completion and performance.



\$117 billion in assets

Backed by Hanwha Group, one of South Korea's 10 largest corporations, Hanwha Q CELLS provides optimal business stability and reliability.



2.6 GW capacity

The synergies between Hanwha Q CELLS and Hanwha SolarOne have helped Hanwha Group become the third-largest solar manufacturer in the world.



700 MW track record

Hanwha Q CELLS and its predecessor company Q-Cells SE have installed over 700 MW in solar power plants with outputs > 1 MWp.



Global manufacturing

Hanwha Q CELLS' global manufacturing set-up in Germany, Malaysia, Poland and China allows us to rapidly respond to changing tariff regulation.



Years of O&M experience

Hanwha Q CELLS has extensive and long-term experience in the field of O&M.

174 Power Global/Hanwha Q-CELLS has developed more than 35 utility-scale projects, totaling >500MW completed and >450MW in final development.

174 Power Global Under construction or Completed Projects:

- 230MW Midway Energy 1,200 Acres; TX
- 200MW Techren Energy 1,000 Acres, NV
- 108MW Grand View 500 Acres, ID
- 79MW Starwood Energy 400 Acres, CN
- 40MW Blackhills Energy 200 Acres, SD
- 11MW Maywood Energy 75 Acres, IN*

* First solar facility ever constructed on an active, EPA-monitored Superfund Site



Tab 5
Documentation to assist in determining if limitation is a determining factor

The applicant's parent company for this project is a national solar developer with the ability to locate projects of this type in other countries and states in the US with strong solar characteristics. The applicant is actively developing and constructing other projects throughout the US and internationally. The applicant requires this appraised value limitation in order to move forward with constructing this project in Texas. Specifically, without the available tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project in Texas becomes unlikely.

Property taxes are the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bi-lateral contract. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement. As such, the applicant is not able to finance and build its project in Texas even with a signed power purchase agreement because of the low price in the power purchase agreement. Without the tax incentive, the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis.

This is true even if the entity is able to contract with an off-taker under a power purchase agreement because the low rate contracted for is not financeable without the tax incentives. More specifically, a signed power purchase agreement in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Other states have high electricity prices where a developer can obtain a PPA with a much higher contracted rate, combined with state subsidies, the other states offer a much higher rate of return for the project financiers. Without the tax incentives in Texas, a project with a power purchase agreement would lose its ability to be financed.

Tab 6
Location in a single ISD

The proposed project is located entirely within the boundaries of Ector County ISD

Tab 7

Specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation, including a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment

Oberon Solar LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant, which will be located entirely within the Ector County Independent School District.

The project is estimated to be of 50 megawatt (MW) minimum and potentially larger as feasibility is improved via economic development incentives. The project is to be constructed on approximately 6,000 acres, which is part of a long-term lease agreement with local landowners.

The proposed project will include, but is not limited to, the following:

- Minimum, nominal 50 MW-AC in size;
- Hanwha Q CELLS PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid; and a
- Security fence.

The project construction is estimated to begin in December of 2018 and be completed in December 2019

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Tab 8

Specific and detailed description of the qualified property you propose to make on the property for which you are requesting an appraised value limitation, including a description of any new buildings, proposed new improvements or personal property.

Oberon Solar LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant, which will be located entirely within the Ector County Independent School District.

The project is estimated to be of 50 megawatt (MW) minimum and potentially larger as feasibility is improved via economic development incentives. The project is to be constructed on approximately 6,000 acres, which is part of a long-term lease agreement with local landowners.

The proposed project will include, but is not limited to, the following:

- Minimum, nominal 50 MW-AC in size;
- Hanwha Q CELLS PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
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- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
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Tab 9

Land on which this project is to be developed is not to be consider part of the Qualified Investment

Tab 10

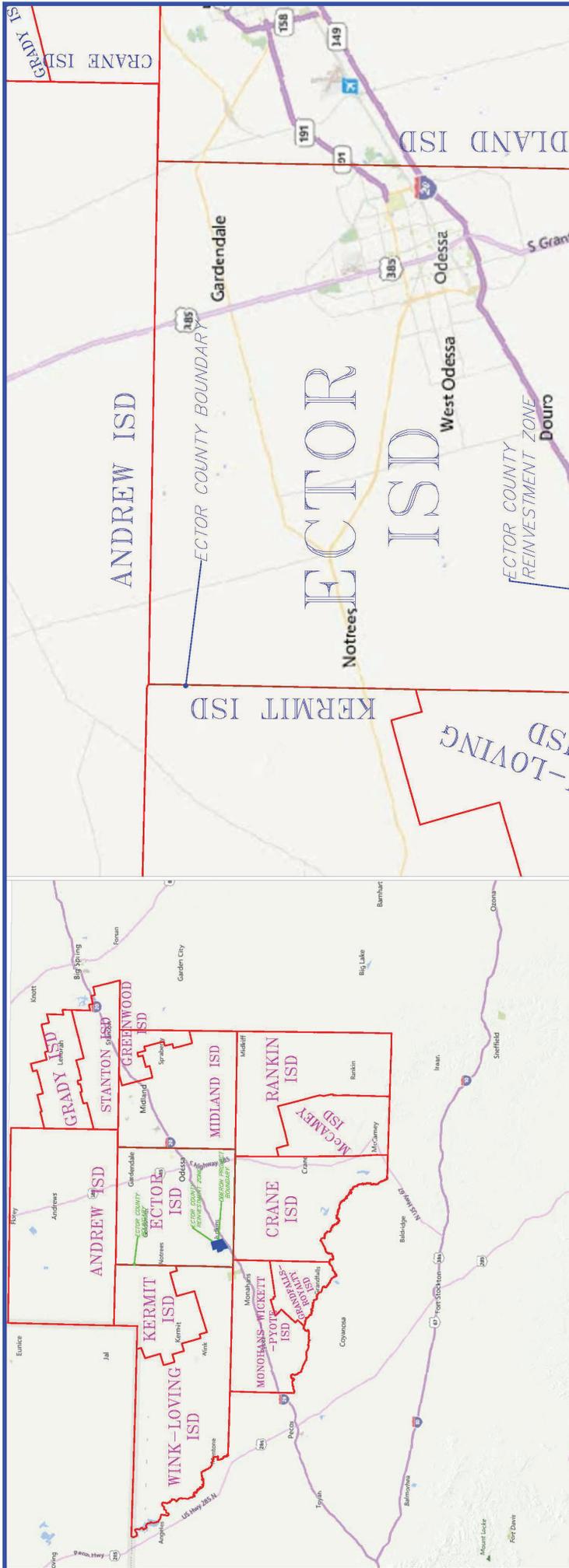
Property Not Eligible To Become Qualified Property

There is currently no existing property at the location of the proposed project

Tab 11

Detailed maps of "Qualified Investment" depicting locations of proposed buildings and process improvements

Site Overview Map



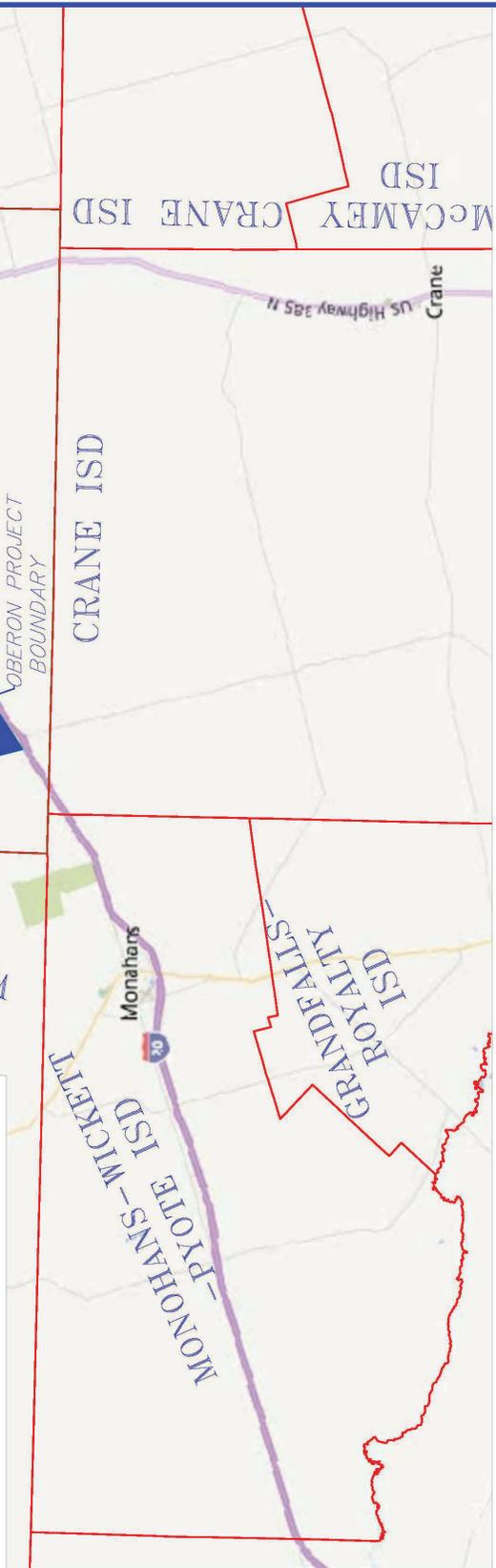
VIEW #1: OBERON SOLAR PROJECT/ISDs

LEGEND

-  ISD BOUNDARY LINE, TYPICAL
-  ECTOR COUNTY ISD BOUNDARY LINE OVERLAPS WITH ECTOR COUNTY BOUNDARY LINE
-  ECTOR COUNTY REINVESTMENT ZONE BOUNDARY/ OVERLAPS WITH OBERON PROJECT BOUNDARY
-  OBERON PROJECT SITE AREA



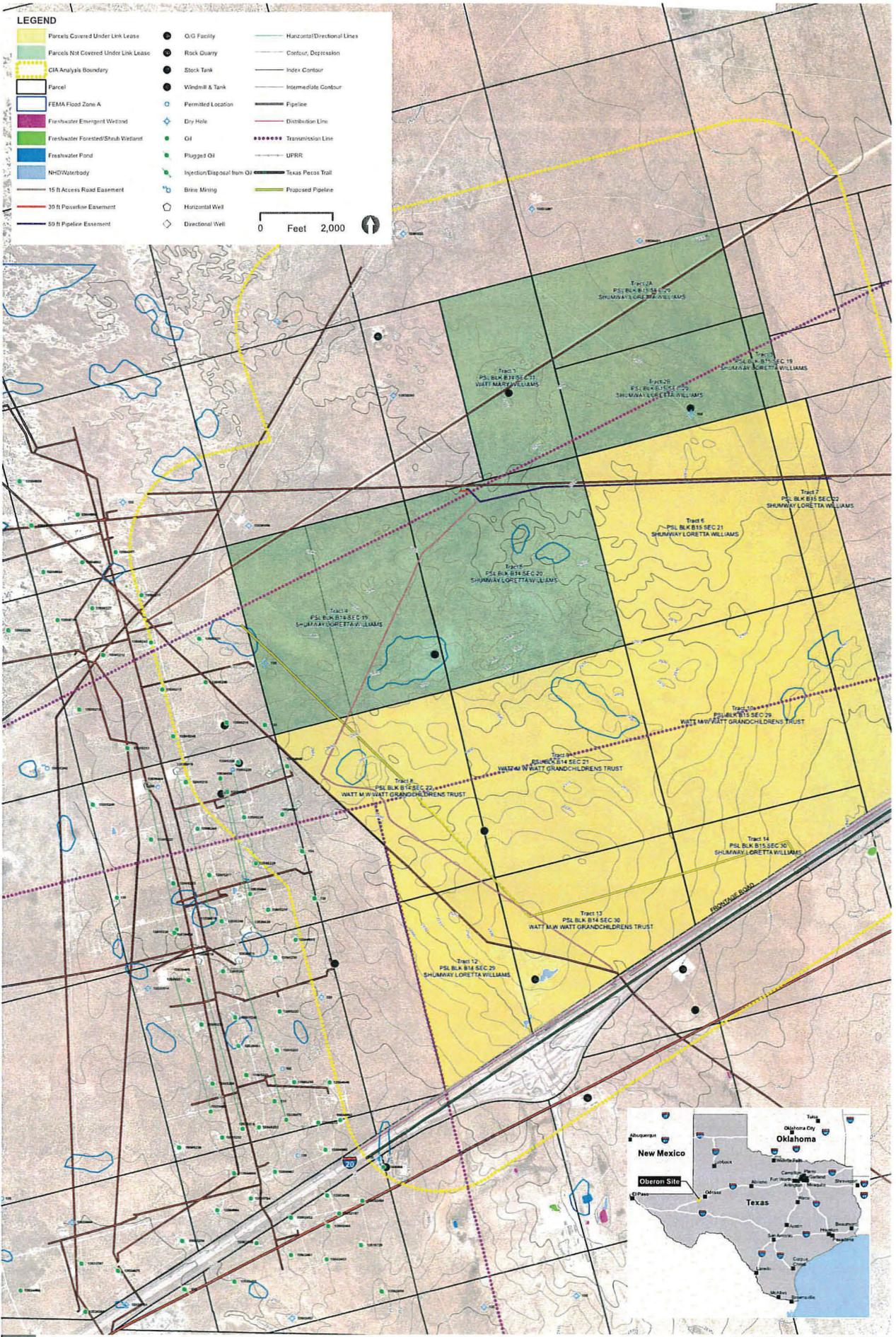
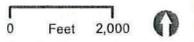
OBERON SOLAR PROJECT
CONTACT: JASON G. 858.204.7896



VIEW #2: OBERON SOLAR PROJECT/ECTOR COUNTY

LEGEND

- Parcels Covered Under Link Lease
- Parcels Not Covered Under Link Lease
- CIA Analysis Boundary
- Parcel
- FEMA Flood Zone A
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond
- NHD/Waterbody
- 15 ft Access Road Easement
- 30 ft Pipeline Easement
- 50 ft Pipeline Easement
- O/G Facility
- Rock Quarry
- Stock Tank
- Windmill & Tank
- Permitted Location
- Dry Hole
- Oil
- Plugged Oil
- Injection/Disposal from Oil
- Bore Mining
- Horizontal Well
- Directional Well
- Horizontal/Directional Lines
- Contour, Depression
- Index Contour
- Intermediate Contour
- Pipeline
- Distribution Line
- Transmission Line
- UPRR
- Texas Pecos Trail
- Proposed Pipeline



OBERON PROJECT SITE

Tab 12

Minimum "new job" creation waiver request

Oberon Solar LLC
Ector County ISD
CH 313 Application
July 3, 2018

Oberon Solar LLC
330 Spectrum Center Drive, Suite 1250
Irvine, CA 92618

July 3, 2018

Mr. Tom Crowe, Superintendent
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

Re: Chapter 313 Job Waiver Request

Dear Mr. Allen:

Oberon Solar LLC ("Oberon") hereby requests the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1), be waived. The jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Oberon has committed to create not less than 2 FTE year-round and 2-3 FTE equivalent seasonal local jobs for preventative and corrective maintenance of the improvements once commercial operation begins for the 30 or more-year operating life.

Large scale solar projects generally require 200 or more direct jobs during the one-year construction timeline. However, once the construction phase ends and commercial operations begin, only a few highly skilled technicians are required. These permanent employees and seasonal employees will maintain and service installed equipment including solar panels, inverters, mounting systems, electrical connections, project substation, etc. to support safe and reliable operation of the project.

The waiver request herein is in line with general industry practice for the number of jobs being created for solar energy generation facility of a similar size. Due to the automated nature of the planned facility, the number of employees needed to operate the facility does not vary significantly with the size of the project. This is also evidenced by previously filed limitation agreement applications by other developers who similarly requested a waiver of the job requirements.

Sincerely,



Jason Garewal
Director of Project Development
Oberon Solar LLC

Tab 13

Four most recent quarters of data for each wage calculation, including documentation from the TWC website.

Oberon Solar LLC
Attachment to Ch 313 Application
Ch 313 Wage Calculation
Ector County ISD/Ector County

All Jobs / All Industries Ector County

Quarter	Year	Average Weekly	
		Wages	Annualized
1st	2017	\$ 1,072	\$ 55,744
2nd	2017	\$ 1,058	\$ 55,016
3rd	2017	\$ 1,104	\$ 57,408
4th	2017	\$ 1,167	\$ 60,684
Average =		\$ 1,100	\$ 57,213
Avg. @ 110%		\$ 1,210	\$ 62,934

Manufacturing Jobs (31-33) - Ector County

Quarter	Year	Average Weekly	
		Wages	Annualized
1st	2017	\$ 1,275	\$ 66,300
2nd	2017	\$ 1,320	\$ 68,640
3rd	2017	\$ 1,292	\$ 67,184
4th	2017	\$ 1,479	\$ 76,908
Average =		\$ 1,342	\$ 69,758
Avg. @ 110%		\$ 1,476	\$ 76,734

Regional Wage Rate

Council of Government Region 9	Year	Average Weekly Wages (all occupations)	
		Wages	Annualized
Permian Basin	2016	\$ 1,040	\$ 54,079
Wage @ 110%		\$ 1,144	\$ 59,487

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Ector County	Private	00	0	10	Total, all industries	\$1,072
2017	2nd Qtr	Ector County	Private	00	0	10	Total, all industries	\$1,058
2017	3rd Qtr	Ector County	Private	00	0	10	Total, all industries	\$1,104
2017	4th Qtr	Ector County	Private	00	0	10	Total, all industries	\$1,167

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,275
2017	2nd Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,320
2017	3rd Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,292
2017	4th Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,479

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2017

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

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

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

Data intended for TAC 313 purposes only.

Tab 14
Schedules A1, A2, B, C, and D

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

Date: 3-Jul-18
 Applicant Name: Oberon Solar, LLC
 ISD Name: Escator County ISD

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
		Column A	Column B	Column C	Column D	Column E			
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)			
Investment made before filing complete application with district			Not eligible to become Qualified Property						
Investment made after filing complete application with district, but before final board approval of application	--								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period			\$ -	\$ -		\$ -			
Complete tax years of qualifying time period		2018	\$ -	\$ -		\$ -			
		2019	\$ 150,000,000.00	\$ -		\$ 150,000,000.00			
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			\$ 150,000,000.00	\$ -		\$ 150,000,000.00	Enter amounts from TOTAL row above in Schedule A2		
Total Qualified Investment (sum of green cells)			\$ 150,000,000.00			\$ 150,000,000.00			

For All Columns: List amount invested each year, not cumulative totals.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
 Column B: Only tangible personal property that is specifically described in the application can become qualified property.
 Column C: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.02(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column E: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.
 Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.
 Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Form 50-296A
 Revised May 2014

Date: July 3, 2018
 Applicant Name: Oberon Solar
 LLC
 ISD Name: Ector County ISD

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Qualified Property			Estimated Taxable Value		
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
0	2018-2019	2018	0	0	0	0	0	0
0	2019-2020	2019	0	\$ -	\$ -	\$ -	\$ -	\$ -
1	2020-2021	2020	0	\$ 138,000,000	\$ 138,000,000	\$ 138,000,000	\$ 138,000,000	\$ 30,000,000
2	2021-2022	2021	0	\$ 126,000,000	\$ 126,000,000	\$ 126,000,000	\$ 126,000,000	\$ 30,000,000
3	2022-2023	2022	0	\$ 114,000,000	\$ 114,000,000	\$ 114,000,000	\$ 114,000,000	\$ 30,000,000
4	2023-2024	2023	0	\$ 100,500,000	\$ 100,500,000	\$ 100,500,000	\$ 100,500,000	\$ 30,000,000
5	2024-2025	2024	0	\$ 87,000,000	\$ 87,000,000	\$ 87,000,000	\$ 87,000,000	\$ 30,000,000
6	2025-2026	2025	0	\$ 73,500,000	\$ 73,500,000	\$ 73,500,000	\$ 73,500,000	\$ 30,000,000
7	2026-2027	2026	0	\$ 58,500,000	\$ 58,500,000	\$ 58,500,000	\$ 58,500,000	\$ 30,000,000
8	2027-2028	2027	0	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 30,000,000
9	2028-2029	2028	0	\$ 36,000,000	\$ 36,000,000	\$ 36,000,000	\$ 36,000,000	\$ 30,000,000
10	2029-2030	2029	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 30,000,000
11	2030-2031	2030	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
12	2031-2032	2031	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
13	2032-2033	2032	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
14	2033-2034	2033	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
15	2034-2035	2034	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
16	2035-2036	2035	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
17	2036-2037	2036	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
18	2037-2038	2037	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
19	2038-2039	2038	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
20	2039-2040	2039	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
21	2040-2041	2040	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
22	2041-2042	2041	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
23	2042-2043	2042	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
24	2043-2044	2043	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
25	2044-2045	2044	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000

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

Schedule C: Employment Information

Form 50-296A

Revised May 2014

Date: July 3, 2018
 Applicant Name: Oberon Solar LLC

ISD Name: Ector County ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTEs or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0		2019	90	\$ 45,000	88	0	\$ -	
	1		2020	90	\$ 45,000	88	2	\$ 59,487	
	2		2021				2	\$ 59,487	
	3		2022				2	\$ 59,487	
	4		2023				2	\$ 59,487	
	5		2024				2	\$ 59,487	
	6		2025				2	\$ 59,487	
	7		2026				2	\$ 59,487	
	8		2027				2	\$ 59,487	
	9		2028				2	\$ 59,487	
	10		2029				2	\$ 59,487	
Years Following Value Limitation Period	11 through 25		2030-2044				2	\$ 59,487	

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) Yes No

qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date: 7/3/2018
 Applicant Name: Oberon Solar, LLC
 ISD Name: Ector County ISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:					
	Ector County	2020	10-years	\$ 154,200	\$ 130,900	\$ 23,300
Tax Code Chapter 312	Ector County Hospital	2020	10-years	\$ 82,200	\$ 69,400	\$ 12,800
	Odessa College	2020	10-years	\$ 46,900	\$ 39,600	\$ 7,300
Local Government Code Chapters 380/381	County: City: Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 283,300	\$ 239,900	\$ 43,400

Additional information on incentives for this project:

Formal agreements not in-place at time of filing. Estimates based on proposed terms

Tab 15
Economic Impact Analysis,
Other payments made in the
state or other economic
information (if applicable)

N/A

Tab 16
Description of Reinvestment
or Enterprise Zone

- a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office: N/A
- b) legal description of reinvestment zone - See attached
- c) order, resolution or ordinance establishing the reinvestment zone: See attached
- d) guidelines and criteria for creating the zone

Resolution to Create Economic Investment Zone

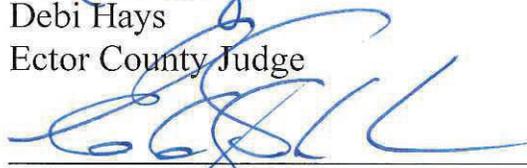
Be it resolved on this the 25th day of June, 2018 that the Ector County Commissioners Court hereby creates a reinvestment zone for economic development for Oberon Solar LLC concerning the property described in Exhibit A.

This zone is created to encourage Oberon Solar LLC to invest in Ector County.

Signed on this the 25th day of June, 2018.



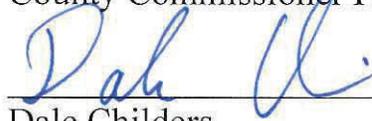
Debi Hays
Ector County Judge



Eddy Shelton
County Commissioner Precinct 1



Greg Simmons
County Commissioner Precinct 2



Dale Childers
County Commissioner Precinct 3



Armando Rodriguez
County Commissioner Precinct 4

OBERON SOLAR LEGAL DECRPTION

The East half of Section 11, Block 14, PSL, Ector County, Texas, more particularly described by metes and bounds description recorded as an exhibit to that certain Warranty Deed dated December 31, 1991, recorded in Volume 1102, Page 568, Deed Records, Ector County, Texas, further described as follows:

The East half of Section 11, Block 14, PSL, more particularly described by metes and bounds description attached as follows:

BEGINNING at a 2-inch iron pipe in the Northeast corner of Section 11, Block B-14, P.S.L Ector County, Texas, and being patented Southeast corner of Section 10 this block, for the Northeast corner of this tract;

THENCE S 15°15'58" E, with the East line of Section 11, 5281.26 feet to a 2-inch iron pipe, being the patented Northeast corner of Section 20 this block and being the Southeast corner of Section 11, for the Southeast corner of this tract;

THENCE S 74° 50'58" W, with the North line of Section 20 and the South line of Section 11, 2704.4 feet to a 3/4-inch iron pipe set for the Southwest corner of this tract, from which point a 1-inch Iron pipe at the Southwest corner of Section 11, being the patented Southeast corner of Section 12 bears S 74° 50'58" W, 2704.4 feet;

THENCE N 15°16'02" W, 5279.7 feet to a 1/2-inch iron pipe set in the North line of Section 11 and the South line of Section 10 for the Northwest corner of this tract, from which point a 1-1/4-inch iron pipe at the Northwest corner of Section 11 and being the patented Southwest corner of Section 10 bears S 74° 49' W, 2704.5 feet;

THENCE N 74° 49' E, 2704.5 feet.to the PLACE OF BEGINNING and containing 327.84 acres of land, more or less.

Sections 20, 21 and 30, Block-14, PSL, Ector County, Texas; Sections 21, 29 and 30, Block-15, PSL, Ector County, Texas; and the West one-quarter (W/4) of Section 22, and the West one-quarter (W/4) of Section 28, Block-15 PSL, Ector County Texas.

Sections 19, 22, and 29, Block 14, PSL, Ector County, Texas, to the extent that they lie East of the boundary line shown on the survey plat and the metes and bounds as follows:

Field note description of the survey of a boundary agreement dividing Tracts "A" and "B" of a partition deed of properties included in an Exhibit "A" between Helen Ann and McDaniel and Allen Lee Williams, as Co-Trustees of the Trust created by Helen Allen Williams and F.L. Williams, Jr. on May 1, 1972 (hereinafter referred to as the 'Grandchildren's Trust'), Helen Allen Williams and Nations Bank of Texas, N.A., Midland, Texas, as Co-Trustees of the Glenn Allen Trust (hereinafter referred to as the "Glenn Allen Trust"), and Madeline Williams McLain, situated in Public School Land Survey, Sections 12, 19, 22 and 29, Block B-14, Ector County, Texas, and being described more fully by metes and bounds as follows:

BEGINNING at a point in the North right-of-way line of Texas & Pacific Railroad in the South part of Section 29 of said Block B-14, said point located 5773.33 feet S.05°01'04"W of the NE corner of said Section 29;

THENCE N.15°25'53"W, at 5415.00 feet cross the North line of said Section 29, same being the South line of Section 22, at a point dividing the East 1/2 and the West 1/2 of said Section 22, continuing for a total distance of 7502.00 to a point in an existing fence line running diagonally Northwesterly/Southeasterly;

THENCE N.47°57'33"W. 3520.95 feet along the existing fence to a deflection to the right, continuing

Exhibit A

N.16°05'33"W. 5507.09 feet along an existing fence to its intersection with the North line of Section 19, same being the South line of Section 12;

THENCE N.74°44'27"E. 4596.85 feet along above said common section line to an iron rod marked "X", the common corner, SW11-SE12-NE19-NW20 in said Block B-14;

THENCE N.15°25'34"W. 4999.00 feet along the East line of said Section 12, same being the west line of Section 11 to a point for the end of this survey in an existing fence running generally east and west, said point located 278.86 feet S.15°25'34"E, from the common corner SE9-SW10-NW11-NE12 in said Block B-14.

The South half (S/2) of the West one-eight (W/8) of Section 19 and All of Section 20, Block 15, PSL, Ector County, Texas

ADOPTED ECTOR COUNTY GUIDELINES AND CRITERIA FOR TAX ABATEMENT

I. PURPOSE

Ector County, herein referred to as “the County,” is committed to the promotion of quality development in all parts of the County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider recommending tax abatement to stimulate growth and development. Any such incentive shall be provided in accordance with the procedures and criteria outlined in this document. However, nothing in these guidelines shall imply or suggest, or be construed to imply or suggest, that the County is under any obligation to provide any incentive to any applicant. All such applications for tax abatement shall be considered on an individual basis with regard to both the qualification for abatement and the amount of any abatement.

II. DEFINITIONS

As used within these guidelines and criteria, the following words or phrases shall have the following meaning:

1. **Abatement of Taxes:** To exempt from ad valorem taxation all or part of the value of certain Improvements placed on land located in the Zone for commercial/industrial development purposes for a period of time not to exceed ten (10) years.
2. **Affected Jurisdictions:** The City of Odessa, the County of Ector, the Ector County Independents School District, the Ector County Hospital District, Odessa Junior College.
3. **Abatement Agreement:** A contract between a property owner and the Affected Jurisdictions for the abatement of taxes on property located within the Zone as authorized V.T.C.A., Tax Code, Section 312.204(a).
4. **Base Year Value:** The assessed value of the property eligible for tax abatement as of January 1 preceding the execution of an Abatement Agreement as herein defined.
5. **Commercial Facilities:** Facilities classified as commercial include office, service, or retail.
6. **Distribution Facility:** A building or structure including Tangible Personal Property used or to be used primarily to receive, store, service or distribute goods or materials.

7. **Existing Facility or Structure:** A Facility as of the date of execution of the Tax Abatement Agreement, located in or on Real Property eligible for tax abatement.
8. **Facility:** The commercial or industrial improvements made to Real Property eligible for tax abatement and including the building or structure erected on such Real Property and/or any Tangible Personal Property to be located in or on such property.
9. **Improvements to Real Property:** Shall mean the construction, addition to, structural upgrading of, replacement of, or completion of any Facility to be located upon Real Property, as herein defined or any Tangible Personal Property to be placed in or on said Real Property.
10. **Job:** Means a new permanent job that has provided at least 1820 hours of employment a year to an employee and is intended to exist during the period of a contract. Except for tax abatement purposes, it must be for a qualified employee provided for a qualified business.
11. **Manufacturing Facility:** A facility which is or will be used for the primary purpose of the production of goods or materials or the processing or change of goods or materials to a finished product.
12. **New Facility:** The construction of a new facility on previously undeveloped Real Property eligible for tax abatement in the Reinvestment Zone.
13. **Other Basic Industry:** A facility other than a distribution center facility, a research facility, a regional service facility, or a manufacturing facility which produces goods or services or which creates new or expanded job opportunities and services a market either within or outside of Ector County, Texas.
14. **Owner:** The record title owner of Real Property or the legal owner of Tangible Personal Property. In the case of land leased from an Affected Jurisdiction, the lessee shall be deemed the owner of such leased property together with all improvements and Tangible Personal Property located thereon. In the case of land leased from private property owner, both the owner and lessee shall be deemed subject to execution of the Tax Abatement Agreement.
15. **Productive Life:** The number of years a commercial or industrial facility is expected to be in service.
16. **Qualified Business:** A business that is located in or committed to location in the Zone. The business must retain this qualified status throughout the specified period.
17. **Real Property:** Land on which improvements are to be made or fixtures placed.

18. **Regional Services Facility:** A facility, the primary purpose of which is to service or repair goods or materials and which creates job opportunities within the Affected Jurisdictions.
19. **Reinvestment Zone:** Real property designated as a Reinvestment Zone under the provisions of V.T.C.A. Tax Code, Section 312.202.
20. **Renovation of Existing Facilities or Structures:** The addition of buildings, structure, machinery or equipment to a facility after the date of execution of an Abatement Agreement.
21. **Tangible Personal Property:** Any Personal Property, not otherwise defined herein, and which is necessary for the property operation of any type of commercial or industrial facility.

III. GUIDELINES AND CRITERIA

Improvements eligible for abatement include the following:

Aquaculture/agriculture facility,
Distribution center facility,
Manufacturing facility,
Office building,
Regional entertainment/ tourism facility,
Renewable power facility and fixtures,
Research facility,
Historic building in a designated area, or
Other basic industry.

Requests for abatement will be evaluated according to factors including, but not limited to, the following:

- (1) **Jobs.** Projected new jobs created, including the number and type of new jobs, the number and type of jobs retained, the average payroll, and the number of local persons hired.
- (2) **Fiscal Impact.** The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, any County financed infrastructure improvements that will be required by the facility, any infrastructure improvements proposed to be made by the facility, and the compatibility of the project with the County's master plan for development.
- (3) **Community Impact.** The pollution, if any, as well as other potential negative environmental impact on the health and safety of the community

resulting from the proposed project; whether the project will revitalize a depressed area; potential business opportunities for local vendors; alternative development possibilities for the proposed site; the impact on other taxing entities; and/or whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Ector County to another.

IV. ABATEMENT AUTHORIZED

- (a) Authorized Date. A facility shall be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction: provided, that such facility meets the criteria for granting tax abatement in reinvestment zones created by Ector County pursuant to these Guidelines and Criteria. Property may be exempted from taxation under these guidelines for a period not to exceed the statutory limitations.
- (b) Creation of New Value. Abatement may only be granted for the additional value of or increase in value to eligible improvements made subsequent to the filing of an application for tax abatement and specified in the abatement agreement between the County and the property owner or lessee and lessor, subject to such limitations as the Tax Abatement Statute and these Guidelines and Criteria may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes that leads to additional job creation expansion that leads to additional job creation. If the modernization project includes replacement of a facility existing at the time of application, the abated value shall be the value of the new unit(s) less the value of the old unit(s).
- (d) Eligible Property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement:
 - (1) land,
 - (2) animals,
 - (3) inventories,
 - (4) supplies,
 - (5) tools,
 - (6) furnishings, and other forms of movable personal property (except as provided below),
 - (7) vehicles,

- (8) vessels,
- (9) aircraft,
- (10) housing or residential property,
- (11) hotels/motels, restaurants
- (12) fauna,
- (13) flora,
- (14) retail facilities,
- (15) any improvements including those involved in the production, storage or distribution of natural gas or fluids that are not integral to the operation of the facility, and
- (16) property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.

This provision shall not be interpreted to disallow abatement for property located in the Odessa Industrial Park. Nor shall this provision be interpreted to disallow abatement where the eligible property to be abated may be located on or affixed to land owned by the State or a subdivision of the State, but is wholly owned by the party seeking the abatement.

Equipment constituting personal property located in the reinvestment zone shall remain eligible for abatement provided the equipment is awaiting installation to become a permanent part of a fixture located or to be constructed in the reinvestment zone that is or will be eligible for property tax abatement, including any replacement parts.

- (f) Owned/Leased Facilities. If leased property is granted abatement, the agreement shall be executed with the lessor and lessee. If the eligible property to be abated is located on or affixed to leased land, but is wholly owned by the party seeking the abatement, the agreement shall be executed only with the owner of the property to be abated.
- (g) Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement. The value of new eligible properties shall be abated according to the approved agreement between the applicant and the governing body. The governing body, in its sole discretion, shall determine the amount of any abatement.

The abatement may be extended from the date of the initial agreement by modification provided the statutory requirements for modification are met.

- (h) Construction in Progress. If a qualifying facility has not been placed in service as of January 1 following execution of the abatement agreement, the taxpayer may apply for a one-year extension of the term of abatement.

Said extension must be applied for prior to the end of the calendar year in which the abatement agreement is executed.

- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
 - (1) The value of ineligible property as provided in Part IV(e) shall be fully taxable.
 - (2) The base year value of existing eligible property, meaning the value of the property for the year in which the abatement agreement is executed, shall be fully taxable.
 - (3) The additional value of eligible property shall be taxable as provided for by the applicable abatement agreement between the owner and the County.

V. APPLICATION FOR TAX ABATEMENT

- (a) Any present or potential owner of taxable property in Ector County may request the creation of a reinvestment zone and tax abatement by filing a written request with the County.
- (b) The application shall consist of a completed application form accompanied by:
 - (1) a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;
 - (2) a descriptive list of the improvements that will be a part of the facility;
 - (3) a map and property description or a site plan;
 - (4) a time schedule for undertaking and completing the planned improvements;
 - (5) for modernized facilities, a statement of the assessed value of the facility, separately stated for real and personal property, for the tax year immediately preceding the application; and,
 - (6) Financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.

- (c) Upon receipt of a completed application, the County receiving such application shall notify in writing the presiding officer of the legislative body of each affected jurisdiction. Before acting upon the application, the County shall through public hearings as described below afford the applicant and the designated representative of any affected jurisdiction and any member of the public the opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the legislative body of the County to be posted at least twenty (20) days prior to the hearing.
- (d) The County shall approve or deny the application for tax abatement within sixty (60) days after receipt of the application. The presiding officer of the County shall notify the applicant of the approval or disapproval promptly thereafter.
- (e) Statutory Requirements: Not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be: (1) delivered in writing to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, and (2) published in a newspaper of general circulation in the County. At the hearing, the Commissioners Court evaluates the application against the criteria described in these guidelines and decides by majority vote whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect. An order designating an area as a reinvestment zone is valid for five years from the date of designation. Once the area is designated as a reinvestment zone, the Commissioners Court may then arrange to consider for approval of the tax abatement agreement between the applicant and the county, which it may do at any regularly scheduled meeting, provided notice requirements are met. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline.
- (f) Expedited consideration of application. If the County determines that the application should receive expedited consideration, the Commissioners Court may combine the steps described in the preceding paragraph into a single, regularly scheduled meeting of the Commissioners Court, provided the County meets the procedural prerequisites for each step.
- (g) A request for a reinvestment zone for the purpose of abatement shall not be granted if the County finds that the request for the abatement was filed

after commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.

- (h) Variance. Requests for variance from the provisions of Subsections (a) through (e) of Part IV may be made in written form to the County Commissioners Court. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of the request for variance requires a three-fourths (3/4) vote of the Ector County Commissioners Court.

VI. PUBLIC HEARING

- (a) If, after a public hearing, the County Commissioners Court weighs the relevant factors listed in these guidelines and determines that granting the abatement is not in the best interests of the County, the Court shall deny the abatement.
- (b) Neither a reinvestment zone nor an abatement agreement shall be authorized if it is determined that:
 - (1) There would be a substantial and unreasonable adverse affect on the provision of government services or the overall tax base of the County.
 - (2) The applicant has insufficient financial capacity.
 - (3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals.
 - (4) Planned or potential use of the property violates any other governmental codes or any applicable law.

VII. AGREEMENT

- (a) After approval of the tax abatement application, the County shall formally pass a resolution and execute an agreement with the owner of the facility and the lessee involved, if any, which shall include:
 - (1) Estimated value to be abated and the base year value.
 - (2) Percent of value to be abated each year.
 - (3) The commencement date and the termination date of abatement.

- (4) The proposed use of the facility, nature of construction, time schedule for undertaking and completing the planned improvements, map, property description, and improvements list.
 - (5) Contractual obligations in the event of default, including a provision for cancellation and recapture of delinquent taxes, provisions for administration and assignment as provided herein, and any other provision that may be required for uniformity or by state law.
 - (6) Performance criteria for continuation of the abatement.
 - (7) Amount of investment and average number of jobs involved for the period of abatement.
 - (8) A provision that the contract shall meet all of the requirements of Texas Tax Code Sec. 312, et. seq.
- (b) Such agreement shall be executed within sixty (60) days after approval of the agreement.
 - (c) The County shall make its own determination of abatement which shall not bind any other affected taxing entity.

VIII. RECAPTURE

- (a) In the event that the facility is completed and begins producing product or service, but subsequently discontinues production of product or service for any reason other than fire, explosion, or other casualty or accident or natural disaster for a period of more than one (1) year during the abatement period, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.
- (b) Should the County determine that the owner is in default of the agreement, the County shall notify the owner of the defect in writing at the address stated in the agreement, and if such defect is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated. Where cure of the proposed defect requires action undertaken over a period of time, the contract will not be considered to be in default if the performing party has undertaken efforts to cure the defect and is diligently pursuing those efforts.
- (c) In the event that the company or individual:

- (1) allows its ad valorem taxes owed the County to become delinquent, and to remain delinquent for a period of thirty (30) days following notice of the delinquency without instituting proper legal procedures for their protest and/or contest; or
- (2) violates in a way any of the terms and conditions of the abatement agreement and fails to cure same during the Cure Period;

the agreement shall be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination. A failure to abide by estimated timelines for construction will not be considered to be a material breach of this agreement, provided the owner makes a reasonable effort to meet the estimated timeline.

IX. ADMINISTRATION

- (a) The Chief Appraiser of the Ector County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year the company or individual receiving the abatement shall furnish the designee of the County with such information as may be necessary to determine continued eligibility for abatement. Once the value has been established, the Chief Appraiser shall notify the County of the amount of assessment. Additionally, the County designee shall notify the County of the number of new or retained employees associated with the facility or generated by the abatement agreement. Once value has been established, the Chief Appraiser shall notify the affected taxing jurisdictions of the amount of the assessment.
- (b) The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to prevent unreasonable interference with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the owner in accordance with its safety standards.
- (c) Upon completion of construction the County shall annually evaluate each facility and report possible violations of the contract and/or agreement to the County.
- (d) All proprietary information acquired by the County for purposes of monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.

X. ASSIGNMENT

- (a) Abatement may not be transferred or assigned by the owner to a new owner of the same property.

XI. SUNSET PROVISION

- (a) These guidelines are effective upon the date of their adoption and will remain in force for two (2) years, at which time all reinvestment zones and tax abatement contracts created pursuant to its agreements will be reviewed by the County to determine whether the goals of these guidelines and the Tax Abatement Statute have been achieved. Based on that review, these guidelines may be modified, renewed or eliminated. Such actions shall not affect existing contracts.
- (b) Prior to the date for review, as defined above, these Guidelines may be modified by a two-thirds (2/3) vote of the Ector County Commissioners Court, as provided for by the laws of the State of Texas.

XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph, or any part of these guidelines is, for any reason, adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of the guidelines.
- (b) Property that is in a reinvestment zone and that is owned or leased by a member of the Ector County Commissioners Court is excluded from property tax abatement.
- (c) If this Guideline Statement has omitted any mandatory requirement of the applicable tax abatement laws of the State of Texas, then such requirement is hereby incorporated as a part of these guidelines.

XIII. RESERVATION OF RIGHTS

These Guidelines and Criteria do not affect the County's right to enter into abatement agreements for property located within the City of Odessa pursuant to the existing agreement between the County and the City, regardless of whether such abatement agreements meet the criteria announced by these Guidelines.

Tab 17
Signature and Certification
Page

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Tom Crowe

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

Thomas Crowe

Signature (Authorized School District Representative)

7/24/18

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Jason Kim

Print Name (Authorized Company Representative (Applicant))

Secretary

Title

sign here

Jason Kim

Signature (Authorized Company Representative (Applicant))

7/19/2018

Date

GIVEN under my hand and seal of office this, the

_____ day of _____,

See attached

Notary Public in and for the State of Texas

My Commission expires: _____

(Notary Seal)

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

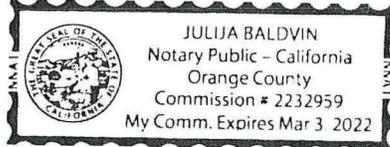
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }

On July 19, 2018 before me, Julija Baldwin, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Jason Kim
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature Baldwin
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

August 1, 2018

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

RE: Supplement001 Application to Ector County Independent School District from
Oberon Solar LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the Supplement001 Application to the Ector County Independent School District from Oberon Solar LLC.

1. Section 14, Question 7c, 9 and 10 have been updated with new wage data.
2. Tab 13 has been updated with new wage data.
3. New Regional Wage Cog page has been added.
4. Schedule C has been revised with new Wage.

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

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Ector County Appraisal District

Texas Comptroller of Public Accounts

SECTION 14: Wage and Employment Information

- 1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
- 2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
- 3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
- 4. What is the number of new qualifying jobs you are committing to create? 2
- 5. What is the number of new non-qualifying jobs you are estimating you will create? 0
- 6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
- 7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,210.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,476.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,144.00
- 8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
- 9. What is the minimum required annual wage for each qualifying job based on the qualified property? 60,034.00
- 10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 60,034.00
- 11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
- 12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
- 13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Oberon Solar LLC
Attachment to Ch 313 Application
Ch 313 Wage Calculation
Ector County ISD/Ector County

All Jobs / All Industries Ector County

Quarter	Year	Average Weekly Wages		Annualized
1st	2017	\$	1,072	\$ 55,744
2nd	2017	\$	1,058	\$ 55,016
3rd	2017	\$	1,104	\$ 57,408
4th	2017	\$	1,167	\$ 60,684
	Average =	\$	1,100	\$ 57,213
	Avg. @			
	110%	\$	1,210	\$ 62,934

Manufacturing Jobs (31-33) - Ector County
--

Quarter	Year	Average Weekly Wages		Annualized
1st	2017	\$	1,275	\$ 66,300
2nd	2017	\$	1,320	\$ 68,640
3rd	2017	\$	1,292	\$ 67,184
4th	2017	\$	1,479	\$ 76,908
	Average =	\$	1,342	\$ 69,758
	Avg. @			
	110%	\$	1,476	\$ 76,734

Regional Wage Rate

Council of Government Region 9	Year	Average Weekly Wages (all occupations)		Annualized
Permian Basin	2017	\$	1,050	\$ 54,576
	Wage @			
	110%	\$	1,154	\$ 60,034

2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
<u>1. Panhandle Regional Planning Commission</u>	\$23.65	\$49,190
<u>2. South Plains Association of Governments</u>	\$19.36	\$40,262
<u>3. NORTEX Regional Planning Commission</u>	\$23.46	\$48,789
<u>4. North Central Texas Council of Governments</u>	\$26.80	\$55,747
<u>5. Ark-Tex Council of Governments</u>	\$18.59	\$38,663
<u>6. East Texas Council of Governments</u>	\$21.07	\$43,827
<u>7. West Central Texas Council of Governments</u>	\$21.24	\$44,178
<u>8. Rio Grande Council of Governments</u>	\$18.44	\$38,351
<u>9. Permian Basin Regional Planning Commission</u>	\$26.24	\$54,576
<u>10. Concho Valley Council of Governments</u>	\$19.67	\$40,924
<u>11. Heart of Texas Council of Governments</u>	\$21.53	\$44,781
<u>12. Capital Area Council of Governments</u>	\$31.49	\$65,497
<u>13. Brazos Valley Council of Governments</u>	\$17.76	\$39,931
<u>14. Deep East Texas Council of Governments</u>	\$17.99	\$37,428
<u>15. South East Texas Regional Planning Commission</u>	\$34.98	\$72,755
<u>16. Houston-Galveston Area Council</u>	\$28.94	\$60,202
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.94	\$56,042
<u>18. Alamo Area Council of Governments</u>	\$22.05	\$48,869
<u>19. South Texas Development Council</u>	\$15.07	\$31,343
<u>20. Coastal Bend Council of Governments</u>	\$28.98	\$60,276
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.86	\$37,152
<u>22. Texoma Council of Governments</u>	\$21.18	\$44,060
<u>23. Central Texas Council of Governments</u>	\$19.30	\$40,146
<u>24. Middle Rio Grande Development Council</u>	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

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

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

Data intended for TAC 313 purposes only.

Schedule C: Employment Information

Date: August 1, 2018
Applicant Name: Oberon Solar LLC

Form 50-296A

Revised May 2014

ISD Name: Ector County ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTEs or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>(insert as many rows as necessary)</i>	0		2019	90	\$ 45,000	88	0	\$ -	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1		2020	90	\$ 45,000	88	2	\$ 60,034	
	2		2021				2	\$ 60,034	
	3		2022				2	\$ 60,034	
	4		2023				2	\$ 60,034	
	5		2024				2	\$ 60,034	
	6		2025				2	\$ 60,034	
	7		2026				2	\$ 60,034	
	8		2027				2	\$ 60,034	
	9		2028				2	\$ 60,034	
	10		2029				2	\$ 60,034	
Years Following Value Limitation Period	11 through 25		2030-2044				2	\$ 60,034	

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute?
qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
if yes, answer the following two questions:

(25) Yes No

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

Yes No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes No

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here Tom Crowe Superintendent

sign here [Signature] 7/24/18

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Jason Kim Secretary

sign here [Signature] 7/19/2018

GIVEN under my hand and seal of office this, the ___ day of _____,

See attached (Notary Seal)

Notary Public in and for the State of Texas My Commission expires: _____

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

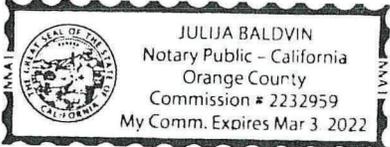
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }

On July 19, 2018 before me, Julija Baldwin, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Jason Kim
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature Baldwin
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian of Conservator
- Other: _____

Signer is Representing: _____

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian of Conservator
- Other: _____

Signer is Representing: _____

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

August 24, 2018

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: 1276-Amended Application to Ector County Independent School District from
Oberon Solar LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed for you is the Amended Application to Ector County Independent School District from
Oberon Solar LLC.

Below are the changes for Amendment 001:

1. Email Address Added
2. Fixed the Last name
3. Section 5: Question 2 updated to No – Not part of a combined group
4. Section 5 – Question 4: Updated NA – Not part of a combined group
5. Wages have been updated to the four most recent quarters
6. Job Waiver Request has been updated
7. Tab 11 Map has been updated.
8. Tab 14 Schedule B&D have been updated
9. New Signature Page

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

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Ector County Appraisal District

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Mali	Hanley
First Name	Last Name
Consultant	
Title	
O'Hanlon Demerath & Castillo	
Firm Name	
512-494-9949	512-494-9919
Phone Number	Fax Number
	mhanley@808west.com
	Email Address

4. On what date did the district determine this application complete? July 30, 2018
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Jason	Kim	
First Name	Last Name	
President	174 Power Global Corp.	
Title	Organization	
3000 Spectrum Center Drive. #1220		
Street Address		
Mailing Address		
Irvine	CA	92618
City	State	ZIP
949-748-5996		
Phone Number	Fax Number	
	jason.kim@174powerglobal.com	
	Business Email Address	

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

Jason	Garewal	
First Name	Last Name	
Director of Project Development	174 Power Global Corp.	
Title	Organization	
3000 Spectrum Center Drive. #1220		
Street Address		
Mailing Address		
Irvine	CA	92618
City	State	ZIP
949-748-5996		
Phone Number	Fax Number	
	jason.garewal@174powerglobal.com	
	Business Email Address	

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

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Kirk _____ Glasby _____
 First Name Last Name
 Director, Property Tax _____
 Title _____
 DuCharme McMilen and Associates, Inc. _____
 Firm Name _____
 512-335-5900, ext #1312 _____
 Phone Number Fax Number
 kglasby@dmmainc.com _____
 Business Email Address _____

SECTION 3: Fees and Payments

- Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
 1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.
- For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
- Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
- If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

- What is the legal name of the applicant under which this application is made? _____ Oberon Solar LLC
- List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32063848157
- List the NAICS code _____ 221114
- Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
 4a. If yes, please list application number, name of school district and year of agreement _____

SECTION 5: Applicant Business Structure

- Identify Business Organization of Applicant (corporation, limited liability corporation, etc) _____ Limited Liability Corporation
- Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No
 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
- Is the applicant current on all tax payments due to the State of Texas? Yes No
- Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A
- If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,110.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,514.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,154.49
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 60,034.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 60,034.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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



KERMIT ISD

WINK-LOVING ISD

MONOHANS-WICKETT
-PYOTE ISD

INDFALTS-
TY

ECTOR COUNTY BOUNDARY

Ector County ISD
Boundary

ECTOR ISD

Notrees

West Odessa

ECTOR COUNTY
REINVESTMENT ZONE
Douro

OBERON PROJECT
BOUNDARY

CRANE ISD

Monahans



OBJECT/ISDs

Oberon Solar, LLC
Ector County ISD
CH 313 Application
July 3, 2018

Oberon Solar LLC
330 Spectrum Center Drive, Suite 1250
Irvine, CA 92618

July 3, 2018

Mr. Tom Crowe, Superintendent
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

Re: Chapter 313 Job Waiver Request

Dear Mr. Allen:

Oberon Solar LLC ("Oberon") hereby requests the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1), be waived. The jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

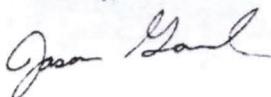
Oberon has committed to create not less than 2 FTE year-round and 2-3 FTE equivalent seasonal local jobs for preventative and corrective maintenance of the improvements once commercial operation begins for the 30 or more-year operating life.

Large scale solar projects in the range of 150 Megawatts in size generally require 200 or more direct jobs during the one-year construction timeline. However, once the construction phase ends and commercial operations begin, only a few highly skilled technicians are required. Due to the automated nature of the planned facility, the number of employees needed to operate the facility does not vary significantly with the size of the project. Therefore, a 150 megawatt project requires approximately 2 FTE employees. The waiver would be for 2 jobs.

These permanent employees and seasonal employees will maintain and service installed equipment including solar panels, inverters, mounting systems, electrical connections, project substation, etc. to support safe and reliable operation of the project.

The waiver request herein is in line with general industry practice for the number of jobs being created for solar energy generation facility of a similar size. This is also evidenced by previously filed limitation agreement applications by other developers who similarly requested a waiver of the job requirements.

Sincerely,



Jason Garewal
Director of Project Development
Midway Solar LLC

Oberon Solar LLC
Attachment to Ch 313 Application
Ch 313 Wage Calculation
Ector County ISD/Ector County

All Jobs / All Industries Ector County

Quarter	Year	Average Weekly	
		Wages	Annualized
1st	2018	\$ 1,165	\$ 60,580
2nd	2017	\$ 1,047	\$ 54,444
3rd	2017	\$ 1,082	\$ 56,264
4th	2017	\$ 1,145	\$ 59,540
Average =		\$ 1,110	\$ 57,707
Avg. @ 110%		\$ 1,221	\$ 63,478

Manufacturing Jobs (31-33) - Ector County

Quarter	Year	Average Weekly	
		Wages	Annualized
1st	2018	\$ 1,416	\$ 73,632
2nd	2017	\$ 1,320	\$ 68,640
3rd	2017	\$ 1,292	\$ 67,184
4th	2017	\$ 1,478	\$ 76,856
Average =		\$ 1,377	\$ 71,578
Avg. @ 110%		\$ 1,514	\$ 78,736

Regional Wage Rate

Council of Government Region 9	Year	Average Weekly	
		Wages (all occupations)	Annualized
Permian Basin	2017	\$ 1,050	\$ 54,576
Wage @ 110%		\$ 1,154.49	\$ 60,034

[Back](#)

Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Ector County	Total All	00	0	10	Total, all industries	\$1,049
2018	1st Qtr	Ector County	Total All	00	0	10	Total, all industries	\$1,165
2017	2nd Qtr	Ector County	Total All	00	0	10	Total, all industries	\$1,047
2017	3rd Qtr	Ector County	Total All	00	0	10	Total, all industries	\$1,082
2017	4th Qtr	Ector County	Total All	00	0	10	Total, all industries	\$1,145

[Back](#)

Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,275
2018	1st Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,416
2017	2nd Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,320
2017	3rd Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,292
2017	4th Qtr	Ector County	Private	31	2	31-33	Manufacturing	\$1,478

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

Date: August 24, 2018
Applicant Name: Oberon Solar LLC
ISD Name: Ector County/ISD

Form 50-296A
Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Qualified Property			Estimated Taxable Value		
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for (I&S) after all reductions	Final taxable value for M&O after all reductions
0	2018-2019	2018	0	0	0	0	0	0
0	2019-2020	2019	0	\$ -	0	\$ -	\$ -	\$ -
1	2020-2021	2020	0	\$ 138,000,000	0	\$ 138,000,000	\$ 138,000,000	\$ 30,000,000
2	2021-2022	2021	0	\$ 126,000,000	0	\$ 126,000,000	\$ 126,000,000	\$ 30,000,000
3	2022-2023	2022	0	\$ 114,000,000	0	\$ 114,000,000	\$ 114,000,000	\$ 30,000,000
4	2023-2024	2023	0	\$ 100,500,000	0	\$ 100,500,000	\$ 100,500,000	\$ 30,000,000
5	2024-2025	2024	0	\$ 87,000,000	0	\$ 87,000,000	\$ 87,000,000	\$ 30,000,000
6	2025-2026	2025	0	\$ 73,500,000	0	\$ 73,500,000	\$ 73,500,000	\$ 30,000,000
7	2026-2027	2026	0	\$ 58,500,000	0	\$ 58,500,000	\$ 58,500,000	\$ 30,000,000
8	2027-2028	2027	0	\$ 45,000,000	0	\$ 45,000,000	\$ 45,000,000	\$ 30,000,000
9	2028-2029	2028	0	\$ 36,000,000	0	\$ 36,000,000	\$ 36,000,000	\$ 30,000,000
10	2029-2030	2029	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 30,000,000
11	2030-2031	2030	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
12	2031-2032	2031	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
13	2032-2033	2032	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
14	2033-2034	2033	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
15	2034-2035	2034	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
16	2035-2036	2035	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
17	2036-2037	2036	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
18	2037-2038	2037	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
19	2038-2039	2038	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
20	2039-2040	2039	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
21	2040-2041	2040	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
22	2041-2042	2041	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
23	2042-2043	2042	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
24	2043-2044	2043	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
25	2044-2045	2044	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000

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

Schedule D: Other Incentives (Estimated)

Date: 8/16/2018
 Applicant Name: Oberon Solar, LLC
 ISD Name: Ector County ISD

Form 50-296A
 Revised May 2014

Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:					
	Ector County	2020	10-years	\$ 154,200	5-year/100%	\$ 23,300
Tax Code Chapter 312	Ector County Hospital	2020	10-years	\$ 82,200	5-year/100%	\$ 12,800
	Odessa College	2020	10-years	\$ 46,900	5-year/100%	\$ 7,300
Local Government Code Chapters 380/381	County: City: Other:					
Freight Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 283,300	\$ 5-year/100%	\$ 43,400

Additional information on incentives for this project:

Formal agreements not in-place at time of filing. Estimates based on proposed terms

Texas Comptroller of Public Accounts

DATA ANALYSIS and
TRANSPARENCY
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Tom Crowe

Print Name (Authorized School District Representative)

Superintendent

Title

sign here



Signature (Authorized School District Representative)

8-24-18

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Jason Kim

Print Name (Authorized Company Representative (Applicant))

Secretary

Title

sign here



Signature (Authorized Company Representative (Applicant))

8-22-2018

Date

See attached

(Notary Seal)

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

My Commission expires:

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }
On August 22, 2018 before me, Julija Baldwin, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Jason Kim
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Baldwin
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

O'HANLON, DEMERATH & CASTILLO

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

September 7, 2018

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

RE: Supplement003 Application to Ector County Independent School District from
Oberon Solar LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the Supplement003 Application to the Ector County Independent School District from Oberon Solar LLC. The following change has been made:

1. Updated Schedule B
2. Updated Schedule D
3. Updated Qualified Property Map

A copy of the supplement will be submitted to the Ector County Appraisal District.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Ector County Appraisal District

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

Date: August 16, 2018
Applicant Name: Oberon Solar LLC
ISD Name: Ector County ISD

Form 50-296A
Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Qualified Property			Estimated Taxable Value		
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
0	2018-2019	2018	0	0	0	0	0	0
0	2019-2020	2019	0	0	0	0	0	0
1	2020-2021	2020	0	\$ 138,000,000	0	\$ 138,000,000	\$ 138,000,000	\$ 30,000,000
2	2021-2022	2021	0	\$ 126,000,000	0	\$ 126,000,000	\$ 126,000,000	\$ 30,000,000
3	2022-2023	2022	0	\$ 114,000,000	0	\$ 114,000,000	\$ 114,000,000	\$ 30,000,000
4	2023-2024	2023	0	\$ 100,500,000	0	\$ 100,500,000	\$ 100,500,000	\$ 30,000,000
5	2024-2025	2024	0	\$ 87,000,000	0	\$ 87,000,000	\$ 87,000,000	\$ 30,000,000
6	2025-2026	2025	0	\$ 73,500,000	0	\$ 73,500,000	\$ 73,500,000	\$ 30,000,000
7	2026-2027	2026	0	\$ 58,500,000	0	\$ 58,500,000	\$ 58,500,000	\$ 30,000,000
8	2027-2028	2027	0	\$ 45,000,000	0	\$ 45,000,000	\$ 45,000,000	\$ 30,000,000
9	2028-2029	2028	0	\$ 36,000,000	0	\$ 36,000,000	\$ 36,000,000	\$ 30,000,000
10	2029-2030	2029	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 30,000,000
11	2030-2031	2030	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
12	2031-2032	2031	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
13	2032-2033	2032	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
14	2033-2034	2033	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
15	2034-2035	2034	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
16	2035-2036	2035	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
17	2036-2037	2036	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
18	2037-2038	2037	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
19	2038-2039	2038	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
20	2039-2040	2039	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
21	2040-2041	2040	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
22	2041-2042	2041	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
23	2042-2043	2042	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
24	2043-2044	2043	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000
25	2044-2045	2044	0	\$ 31,500,000	0	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000

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

Schedule D: Other Incentives (Estimated)

Date 8/16/2018
Applicant Name Oberon Solar, LLC
ISD Name Ector County ISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:					
	Ector County	2020	10-years	\$ 154,200	5-Year/100%, 5-yr/50%	\$ 23,300
Tax Code Chapter 312	Ector County Hospital	2020	10-years	\$ 82,200	5-Year/100%, 5-yr/50%	\$ 12,800
	Odessa College	2020	10-years	\$ 46,900	5-Year/100%, 5-yr/50%	\$ 7,300
Local Government Code Chapters 380/381	County: City: Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 283,300	5-Year/100%	\$ 43,400

Additional information on incentives for this project:

Formal agreements not in-place at time of filing. Estimates based on proposed terms

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 12/12/2018 08:51:52

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

OBERON SOLAR LLC	
Texas Taxpayer Number	32063848157
Mailing Address	300 SPECTRUM CENTER DR STE 1250 IRVINE, CA 92618-3009
ⓧ Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/24/2017
Texas SOS File Number	0802730563
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

October 17, 2018

Jim Nelson
Superintendent
Ector County Independent School District
802 N. Sam Houston
Odessa, Texas 79761

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and Oberon Solar, LLC, Application 1276

Dear Superintendent Nelson:

On September 13, 2018, the Comptroller issued written notice that Oberon Solar, LLC (applicant) submitted a completed application (Application 1276) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 24, 2018, to the Ector County 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 1276.

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 by December 31, 2018.

Note that any building or improvement existing as of the application review start date of September 13, 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,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is fluid and cursive, with the first name "Lisa" and last name "Craven" clearly legible.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Oberon Solar, LLC (project) applying to Ector County 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 Oberon Solar, LLC.

Applicant	Oberon Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation-Solar
School District	Ector County ISD
2017-2018 Average Daily Attendance	29,127
County	Ector
Proposed Total Investment in District	\$150,000,000
Proposed Qualified Investment	\$150,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,155
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$154
Minimum annual wage committed to by applicant for qualified jobs	\$60,034
Minimum weekly wage required for non-qualifying jobs	\$1,110
Minimum annual wage required for non-qualifying jobs	\$57,708
Investment per Qualifying Job	\$75,000,000
Estimated M&O levy without any limit (15 years)	\$10,062,000
Estimated M&O levy with Limitation (15 years)	\$4,758,000
Estimated gross M&O tax benefit (15 years)	\$5,304,000

* 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 Oberon Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	0	0	0	\$0	\$0	\$0
2019	90	112	201,989	\$4,050,000	\$9,871,000	\$13,921,000
2020	92	124	216	\$4,170,068	\$12,114,932	\$16,285,000
2021	2	21	23	\$120,068	\$3,391,932	\$3,512,000
2022	2	12	14	\$120,068	\$2,367,932	\$2,488,000
2023	2	4	6	\$120,068	\$1,446,932	\$1,567,000
2024	2	(1)	1	\$120,068	\$857,932	\$978,000
2025	2	(2)	0	\$120,068	\$539,932	\$660,000
2026	2	(2)	0	\$120,068	\$386,932	\$507,000
2027	2	(1)	1	\$120,068	\$342,932	\$463,000
2028	2	(0)	2	\$120,068	\$378,932	\$499,000
2029	2	1	3	\$120,068	\$462,932	\$583,000
2030	2	2	4	\$120,068	\$571,932	\$692,000
2031	2	3	5	\$120,068	\$688,932	\$809,000
2032	2	4	6	\$120,068	\$792,932	\$913,000
2033	2	5	7	\$120,068	\$877,932	\$998,000

Source: CPA REMI, Oberon Solar, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Ector County ISD I&S Tax Levy	Ector County ISD M&O Tax Levy	Ector County ISD M&O and I&S Tax Levies	Ector County Tax Levy	Ector County Hospital District Tax Levy	Odessa College Tax Levy	Estimated Total Property Taxes
				0.1096	1.0400		0.3872	0.1179	0.2064	
2020	\$138,000,000	\$138,000,000		\$151,205	\$1,435,200	\$1,586,405	\$534,336	\$534,336	\$284,832	\$2,939,909
2021	\$126,000,000	\$126,000,000		\$138,057	\$1,310,400	\$1,448,457	\$487,872	\$487,872	\$260,064	\$2,684,265
2022	\$114,000,000	\$114,000,000		\$124,909	\$1,185,600	\$1,310,509	\$441,408	\$441,408	\$235,296	\$2,428,621
2023	\$100,500,000	\$100,500,000		\$110,117	\$1,045,200	\$1,155,317	\$389,136	\$389,136	\$207,432	\$2,141,021
2024	\$87,000,000	\$87,000,000		\$95,325	\$904,800	\$1,000,125	\$336,864	\$336,864	\$179,568	\$1,853,421
2025	\$73,500,000	\$73,500,000		\$80,533	\$764,400	\$844,933	\$284,592	\$284,592	\$151,704	\$1,565,821
2026	\$58,500,000	\$58,500,000		\$64,098	\$608,400	\$672,498	\$226,512	\$226,512	\$120,744	\$1,246,266
2027	\$45,000,000	\$45,000,000		\$49,306	\$468,000	\$517,306	\$174,240	\$174,240	\$92,880	\$958,666
2028	\$36,000,000	\$36,000,000		\$39,445	\$374,400	\$413,845	\$139,392	\$139,392	\$74,304	\$766,933
2029	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$121,968	\$65,016	\$671,066
2030	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$121,968	\$65,016	\$671,066
2031	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$121,968	\$65,016	\$671,066
2032	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$121,968	\$65,016	\$671,066
2033	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$121,968	\$65,016	\$671,066
2034	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$121,968	\$65,016	\$671,066
			Total	\$1,060,080	\$10,062,000	\$11,122,080	\$3,746,160		\$1,996,920	\$20,611,320

Source: CPA, Oberon Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Ector 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, Ector County Hospital, and Odessa College.

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	Tax Rate*	Ector County ISD I&S Tax Levy	Ector County ISD M&O Tax Levy	Ector County ISD M&O and I&S Tax Levies	Ector County Tax Levy	Ector County Hospital District Tax Levy	Odessa College Tax Levy	Estimated Total Property Taxes
				0.1096	1.0400		0.3872	0.1179	0.2064	
2020	\$138,000,000	\$30,000,000		\$151,205	\$312,000	\$463,205	\$0	\$0	\$0	\$463,205
2021	\$126,000,000	\$30,000,000		\$138,057	\$312,000	\$450,057	\$0	\$0	\$0	\$450,057
2022	\$114,000,000	\$30,000,000		\$124,909	\$312,000	\$436,909	\$0	\$0	\$0	\$436,909
2023	\$100,500,000	\$30,000,000		\$110,117	\$312,000	\$422,117	\$0	\$0	\$0	\$422,117
2024	\$87,000,000	\$30,000,000		\$95,325	\$312,000	\$407,325	\$0	\$0	\$0	\$407,325
2025	\$73,500,000	\$30,000,000		\$80,533	\$312,000	\$392,533	\$142,296	\$43,328	\$75,852	\$654,009
2026	\$58,500,000	\$30,000,000		\$64,098	\$312,000	\$376,098	\$113,256	\$34,486	\$60,372	\$584,212
2027	\$45,000,000	\$30,000,000		\$49,306	\$312,000	\$361,306	\$87,120	\$26,528	\$46,440	\$521,394
2028	\$36,000,000	\$30,000,000		\$39,445	\$312,000	\$351,445	\$69,696	\$21,222	\$37,152	\$479,515
2029	\$31,500,000	\$30,000,000		\$34,514	\$312,000	\$346,514	\$60,984	\$18,569	\$32,508	\$458,575
2030	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$37,139	\$65,016	\$586,237
2031	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$37,139	\$65,016	\$586,237
2032	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$37,139	\$65,016	\$586,237
2033	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$37,139	\$65,016	\$586,237
2034	\$31,500,000	\$31,500,000		\$34,514	\$327,600	\$362,114	\$121,968	\$37,139	\$65,016	\$586,237
			Total	\$1,060,080	\$4,758,000	\$5,818,080	\$1,083,192		\$577,404	\$7,808,501
			Diff	\$0	\$5,304,000	\$5,304,000	\$2,662,968		\$1,419,516	\$12,802,819

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$312,000	\$312,000	\$1,123,200	\$1,123,200
	2021	\$312,000	\$624,000	\$998,400	\$2,121,600
	2022	\$312,000	\$936,000	\$873,600	\$2,995,200
	2023	\$312,000	\$1,248,000	\$733,200	\$3,728,400
	2024	\$312,000	\$1,560,000	\$592,800	\$4,321,200
	2025	\$312,000	\$1,872,000	\$452,400	\$4,773,600
	2026	\$312,000	\$2,184,000	\$296,400	\$5,070,000
	2027	\$312,000	\$2,496,000	\$156,000	\$5,226,000
	2028	\$312,000	\$2,808,000	\$62,400	\$5,288,400
	2029	\$312,000	\$3,120,000	\$15,600	\$5,304,000
Maintain Viable Presence (5 Years)	2030	\$327,600	\$3,447,600	\$0	\$5,304,000
	2031	\$327,600	\$3,775,200	\$0	\$5,304,000
	2032	\$327,600	\$4,102,800	\$0	\$5,304,000
	2033	\$327,600	\$4,430,400	\$0	\$5,304,000
	2034	\$327,600	\$4,758,000	\$0	\$5,304,000
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$327,600	\$5,085,600	\$0	\$5,304,000
	2036	\$327,600	\$5,413,200	\$0	\$5,304,000
	2037	\$327,600	\$5,740,800	\$0	\$5,304,000
	2038	\$327,600	\$6,068,400	\$0	\$5,304,000
	2039	\$327,600	\$6,396,000	\$0	\$5,304,000
	2040	\$327,600	\$6,723,600	\$0	\$5,304,000
	2041	\$327,600	\$7,051,200	\$0	\$5,304,000
	2042	\$327,600	\$7,378,800	\$0	\$5,304,000
	2043	\$327,600	\$7,706,400	\$0	\$5,304,000
	2044	\$327,600	\$8,034,000	\$0	\$5,304,000

\$8,034,000
 is greater than **\$5,304,000**

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, Oberon Solar, 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 Oberon Solar 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 Oberon Solar LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Property taxes are the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bi-lateral contract. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.”
 - B. “Without the tax incentive, the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis. This is true even if the entity is able to contract with an off-taker under a power purchase agreement because the low rate contracted for is not financeable without the tax incentives. More specifically, a signed power purchase agreement in the Texas market is at a much lower rate than other states because of competitively low electricity prices... Without the tax incentives in Texas, a project with a power purchase agreement would lose its ability to be financed.”
- Per Comptroller research:
 - A. On September 12, 2018 the *Odessa American* reported that “The Ector County Hospital District board of directors also approved a tax abatement agreement Tuesday for Oberon Solar, LLC... the [project] is scheduled to break ground on the project in December and it's expected to completed in one year. The agreement states it would be a 10-year tax abatement.”
 - B. On September 13, 2018 the *Odessa American* stated 174 Power Global “is looking at possibly building a solar project in Ector County- a potential \$50 million investment. The Project, called

Oberon Solar, would consist of a 50 megawatt solar power plant on unused land." Jason Garewal, 174 Power Global Director of Project Development said "Very simply, there's a lot of sun..., There's good transmission infrastructure and there's a demand for renewable energy in Texas in general," when asked about the company's interest in Texas.

- Supplemental information provided by the applicant:
 - A. List any other names by which this project may have known in the past--in media reports, investor presentations, or any listings with any federal or state agency. None
 - B. The IGNR number is 19INR0083 and assigned on February 2018

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**

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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

The applicant's parent company for this project is a national solar developer with the ability to locate projects of this type in other countries and states in the US with strong solar characteristics. The applicant is actively developing and constructing other projects throughout the US and internationally. The applicant requires this appraised value limitation in order to move forward with constructing this project in Texas. Specifically, without the available tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project in Texas becomes unlikely.

Property taxes are the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bi-lateral contract. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement. As such, the applicant is not able to finance and build its project in Texas even with a signed power purchase agreement because of the low price in the power purchase agreement. Without the tax incentive, the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis.

This is true even if the entity is able to contract with an off-taker under a power purchase agreement because the low rate contracted for is not financeable without the tax incentives. More specifically, a signed power purchase agreement in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Other states have high electricity prices where a developer can obtain a PPA with a much higher contracted rate, combined with state subsidies, the other states offer a much higher rate of return for the project financiers. Without the tax incentives in Texas, a project with a power purchase agreement would lose its ability to be financed.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Ector County ISD– Oberon Solar, LLC App. #1276

Comptroller Questions (via email on September 13, 2018):

- 1. List any other names by which this project may have known in the past--in media reports, investor presentations, or any listings with any federal or state agency.*
- 2. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and date it was assigned.*

Applicant Response (via email on September 13, 2018):

- 1. None*
- 2. Yes, 19INR0083. February 2018*



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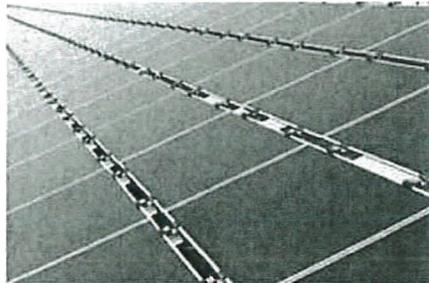
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Solar company investing in Permian Basin

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[AP Photo/Susan Montoya Bryan,File] This April 20, 2011, file photo shows some of the 30,000 solar panels that make up the Public Service Company of New Mexico's new 2-megawatt photovoltaic array in Albuquerque, N.M.

Posted: Wednesday, February 21, 2018 5:30 am

By Paul Wedding pwedding@oaoa.com



Posted on Feb 21, 2018 by Paul Wedding

One of the largest manufacturers of solar panels and solar cells in the country is looking at possibly building a solar project in Ector County — a potential \$50 million

investment.

The project, called Oberon Solar, would consist of a 50 megawatt solar power plant on unused land in western Ector County. Each megawatt would require around \$1 million in capital investment. The company behind the project, 174 Power Global, is seeking tax abatements from various county entities.

Officials met with both the Ector County Commissioners' Court and the Ector County Independent School District school board recently to discuss the project. The tax abatement they're seeking means a break in their property taxes. Odessa Chamber of Commerce Director of Economic Development Wesley Burnett, who spoke to commissioners on behalf of 174 Power Global, said a typical tax abatement for a project like this would be an 80 percent tax break for 10 years.

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Burnett pointed out to commissioners that, as the property is now, it's only generating around \$1,500 a year due to an agricultural exemption. Ector County could see much more money generated from that property in the future should the company choose to invest here.

"They would be generating a lot of investment in the county, which goes to the tax base," Burnett said. "Once the abatements are timed out or even, the percentage the entities are going to collect on the agreements are exponentially more than they're getting now."

Outside of just investment in the county, Burnett said the city would also benefit from an increase in construction jobs and a diversification of power.

Ector County isn't the only area in Texas where 174 is looking to develop solar projects. They've already broken ground on a project in Pecos County, a 236 megawatt project which they say will be the largest installed photovoltaic project in Texas, with the capability to power around 50,000 homes annually.

The project in Pecos County is expected to be completed in late 2018, and officials said they're looking all over Texas for potential new solar projects.

"Very simply, there's a lot of sun," 174 Power Global Director of Project Development Jason Garewal said about the company's interest in Texas. "There's good transmission infrastructure and there's a demand for renewable energy in Texas in general."

Today's Edition



Burnett also pointed out to commissioners that there are several solar projects in the area, and to expect a lot more attention in the area from solar companies for similar projects.

One local solar company, Heartland Solar, is working on their own solar panel device that will be a power source for the city's downtown hotel and conference center once it opens in spring of 2019.

Bob Zarbos, co-owner of Heartland Solar, said there is a great deal of potential for solar energy in the region. One caveat, he said, would be if the oil boom collapses, there could be less interest in consumer spending on solar energy.

His company is currently selling smaller commercial and residential solar projects in the areas, and is currently expanding, talking with Midland Memorial Hospital and the Permian Basin Area Foundation.

"The more people that are educated, the more infrastructure is educated," Zarbos said.

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Posted in Business, Ector County on Wednesday, February 21, 2018 5:30 am | Tags: Structural Basin, Permian Basin, Solar, Permian, Jason Garewal, Renewable Energy, Downtown Hotel, Director Of Project Development, Odessa Chamber Of Commerce, Solar Energy, Solar Panel Device, Oil Boom Collapses, Heartland Solar, Permian Basin Area Foundation, Pecos County, Wesley Burnett, Ector County Independent School District School Board, Ector County, Bob Zarbos

It's been 10 years since Odessa's 'Darkest Day'
OPD: It's illegal to use left turn lane for merging
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Posted: Wednesday, September 5, 2018 5:34 pm

By Jessica Wilkinson jwilkinson@oaoa.com



Posted on Sep 5, 2018
by Jessica Wilkinson

A productivity team that's been analyzing every department at Medical Center Hospital within a 100-day

timeframe presented information to the board of directors that they're already seeing a savings of about \$3.7 million as a result of the project.

Christen Timmons, RN, MSN and associate chief nursing officer, presented the information to the board with her team during a regular meeting Tuesday night. Timmons said they focused on working to decrease incentive in overtime usage, flex staffing and schedules and review each department for efficiency projects.

Looking at variable numbers, where staffing adjusts based on the need, and static numbers, where the numbers are the same no matter what is going on, they worked closely with the top 10 departments where salary dollars were quite a bit over budget, she said.

The ancillary department ended up seeing overall savings in variable staffing of \$3 million and static savings of about \$59,000, she said. The nursing department also saw significant savings.

"So our team total, we added that up and we have a savings of \$3.7 million and some change," Timmons said. "So what we're going to do moving forward is, we're gonna work on some efficiency projects like we talked about for our top 10 departments and then we're going to consider rolling out those efficiencies for every single department within the hospital."

Medical Center Health System President and CEO Rick Napper said he gave the team 100 days for the project and the results impressed him.

"They even had (CFO) Robert (Abernethy) baffled because we continued to say \$3.7 million is not possible, but when you go back and look at the FTE drop, it actually is possible," Napper said.

Abernethy said the number of Full Time Equivalents has reduced in the last couple of months, but the departments are still maintaining productivity. A graph of salaries, wages, benefits and temp labor as a percentage of total operating expenses year-to-date, presented to the finance committee prior to the board meeting Tuesday, showed a steady decline from March to July.

Another graph showing blended FTE's including contract labor and management services also showed a small decrease in June and July, compared to prior months.

OBERON SOLAR

The Ector County Hospital District board of directors also approved a tax abatement agreement Tuesday for Oberon Solar, LLC.

Today's Edition



SOCIAL

The agreement has already been approved by other local taxing entities including the Ector County Independent School District, Ector County Commissioners Court and Odessa College. Wes Burnett, director of economic development for the Odessa Chamber of Commerce, told the board Tuesday the company is expected to make a minimum capital investment in the project of \$50 million.

Burnett said they are scheduled to break ground on the project in December and it's expected to be completed in one year. The agreement states it would be a 10-year tax abatement. The company is seeking abatement on property taxes, which would not include personal property or equipment, among other items.

Burnett also said the project may end up being the largest solar project in the state of Texas, consisting of a 50 megawatt solar power plant in western Ector County.

IN OTHER BUSINESS, THE BOARD

- Approved Finance and Joint Conference Committee reports.
- Heard a presentation on the quarterly quality report.
- Heard a presentation on a Human Resources report.
- Approved the Annual Organization Wide Performance Improvement Plan.
- Approved the Annual Organization Risk Management Plan.
- Approved an agreement with NRC Health.

SPECIAL MEETING

The board will meet again this week for a special meeting to discuss the proposed fiscal year 2019 budget and proposed ad valorem tax rate.

The meeting will begin at 5 p.m. Thursday at Medical Center Hospital, 500 W. Fourth St., in the board room.

The board will also set dates, times and the place for public hearings on the 2018 ad valorem tax rate, if required, and a public hearing to accept comments from the public on the proposed operating and capital budget. In separate items, the board will also set meetings to vote on the budget and tax rate.

More Coverage

- Hospital board sets public hearings for tax rate, budget

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Posted in Ector County Hospital District on Wednesday, September 5, 2018 5:34 pm. | Tags: Ector County Commissioners Court, Nuclear Regulatory Commission, Wes Burnett, Christen Timmons, Ector County Independent School District, Odessa Chamber Of Commerce, Rick Napper, Oberon Solar Lic, Medical Center Health System President And Ceo, Ector County Hospital District Board, Nrc Health, Ector County, Medical Center Hospital, Economic Growth

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Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED OBERON SOLAR
LLC PROJECT IN THE ECTOR COUNTY INDEPENDENT
SCHOOL DISTRICT
(PROJECT # 1276)**

PREPARED BY



NOVEMBER 30, 2018

Executive Summary

Oberon Solar, LLC (Company) has requested that the Ector County Independent School District (ECISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to ECISD on July 24, 2018 the Company plans to invest \$138 million in taxable value to construct a solar renewable electric energy generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, ECISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2020-21 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

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

Total Revenue Loss Payment owed to ECISD	\$1.27 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$4.0 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for the Oberon Solar project was issued on September 13, 2018.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The Certificate for the Oberon Solar project was released on October 15, 2018.

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

Prior to final board meeting, O'Hanlon, McCollom & Demerath will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings-of-Fact document that detail the project's conformance with state law. The school board will be asked to consider a job waiver as part of the board's consideration of the Oberon Solar application.

How the 313 Agreement Interacts with Texas School Finance

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

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

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

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

Underlying School District Data Assumptions

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

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

ADA: 30,544
 Local Tax Base: \$12.55 billion
 M&O Tax Rate: \$1.04 per \$100
 I&S Tax Rate: \$0.1096 per \$100
 Wealth per WADA: \$304,925

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

Table 1 – Base District Information with Oberon Solar Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2018-19	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,550,616,547	\$12,550,616,547	\$12,907,761,222	\$12,907,761,222	\$329,519	\$329,519
QTP1	2019-20	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,550,616,547	\$12,550,616,547	\$12,907,761,222	\$12,907,761,222	\$329,519	\$329,519
QTP2/VL1	2020-21	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,688,616,547	\$12,580,616,547	\$12,907,761,222	\$12,907,761,222	\$329,519	\$329,519
VL2	2021-22	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,676,616,547	\$12,580,616,547	\$13,045,761,222	\$12,937,761,222	\$333,042	\$330,285
VL3	2022-23	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,664,616,547	\$12,580,616,547	\$13,033,761,222	\$12,937,761,222	\$332,736	\$330,285
VL4	2023-24	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,651,116,547	\$12,580,616,547	\$13,021,761,222	\$12,937,761,222	\$332,429	\$330,285
VL5	2024-25	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,637,616,547	\$12,580,616,547	\$13,008,261,222	\$12,937,761,222	\$332,085	\$330,285
VL6	2025-26	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,624,116,547	\$12,580,616,547	\$12,994,761,222	\$12,937,761,222	\$331,740	\$330,285
VL7	2026-27	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,609,116,547	\$12,580,616,547	\$12,981,261,222	\$12,937,761,222	\$331,395	\$330,285
VL8	2027-28	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,595,616,547	\$12,580,616,547	\$12,966,261,222	\$12,937,761,222	\$331,012	\$330,285
VL9	2028-29	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,586,616,547	\$12,580,616,547	\$12,952,761,222	\$12,937,761,222	\$330,668	\$330,285
VL10	2029-30	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,582,116,547	\$12,580,616,547	\$12,943,761,222	\$12,937,761,222	\$330,438	\$330,285
VP1	2030-31	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,582,116,547	\$12,582,116,547	\$12,939,261,222	\$12,937,761,222	\$330,323	\$330,285
VP2	2031-32	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,582,116,547	\$12,582,116,547	\$12,939,261,222	\$12,939,261,222	\$330,323	\$330,323
VP3	2032-33	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,582,116,547	\$12,582,116,547	\$12,939,261,222	\$12,939,261,222	\$330,323	\$330,323
VP4	2033-34	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,582,116,547	\$12,582,116,547	\$12,939,261,222	\$12,939,261,222	\$330,323	\$330,323
VP5	2034-35	30,544.44	39,171.54	\$1.0400	\$0.1096	\$12,582,116,547	\$12,582,116,547	\$12,939,261,222	\$12,939,261,222	\$330,323	\$330,323

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

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

M&O Impact of the Oberon Solar project on ECISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$1.27 million over the course of the Agreement, with all the loss reflected in the first limitation year (2020-21). Nearly all reduction in M&O taxes under the limitation agreement is offset through increased state aid under current law, as highlighted in Table 4.

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$119,257,368	\$84,345,241	\$0	\$7,301,472	\$16,257,640	\$0	\$0	\$699,879	\$227,861,600
QTP1	2019-20	\$119,257,368	\$84,345,241	\$0	\$7,301,472	\$16,257,640	\$0	\$0	\$699,879	\$227,861,600
QTP2/VL1	2020-21	\$120,603,888	\$84,345,241	\$0	\$7,383,912	\$16,429,983	\$0	\$0	\$699,775	\$229,462,799
VL2	2021-22	\$120,486,288	\$82,992,841	\$0	\$7,376,712	\$16,150,947	\$0	\$0	\$699,784	\$227,706,572
VL3	2022-23	\$120,368,688	\$83,110,441	\$0	\$7,369,512	\$16,157,727	\$0	\$0	\$699,793	\$227,706,161
VL4	2023-24	\$120,236,388	\$83,228,041	\$0	\$7,361,412	\$16,164,507	\$0	\$0	\$699,803	\$227,690,151
VL5	2024-25	\$120,104,088	\$83,360,341	\$0	\$7,353,312	\$16,172,134	\$0	\$0	\$699,813	\$227,689,688
VL6	2025-26	\$119,971,788	\$83,492,641	\$0	\$7,345,212	\$16,179,762	\$0	\$0	\$699,824	\$227,689,227
VL7	2026-27	\$119,824,788	\$83,624,941	\$0	\$7,336,212	\$16,187,389	\$0	\$0	\$699,835	\$227,673,165
VL8	2027-28	\$119,692,488	\$83,771,941	\$0	\$7,328,112	\$16,195,864	\$0	\$0	\$699,845	\$227,688,250
VL9	2028-29	\$119,604,288	\$83,904,241	\$0	\$7,322,712	\$16,203,492	\$0	\$0	\$699,852	\$227,734,585
VL10	2029-30	\$119,560,188	\$83,992,441	\$0	\$7,320,012	\$16,237,264	\$0	\$0	\$699,855	\$227,809,760
VP1	2030-31	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095
VP2	2031-32	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095
VP3	2032-33	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095
VP4	2033-34	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095
VP5	2034-35	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$119,257,368	\$84,345,241	\$0	\$7,301,472	\$16,257,640	\$0	\$0	\$699,879	\$227,861,600
QTP1	2019-20	\$119,257,368	\$84,345,241	\$0	\$7,301,472	\$16,257,640	\$0	\$0	\$699,879	\$227,861,600
QTP2/VL1	2020-21	\$119,545,488	\$84,345,241	\$0	\$7,319,112	\$16,286,364	\$0	\$0	\$699,849	\$228,196,054
VL2	2021-22	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,849	\$227,856,350
VL3	2022-23	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,850	\$227,856,351
VL4	2023-24	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,851	\$227,856,352
VL5	2024-25	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,852	\$227,856,353
VL6	2025-26	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,853	\$227,856,354
VL7	2026-27	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,854	\$227,856,355
VL8	2027-28	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,855	\$227,856,356
VL9	2028-29	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,856	\$227,856,357
VL10	2029-30	\$119,545,488	\$84,051,241	\$0	\$7,319,112	\$16,240,660	\$0	\$0	\$699,856	\$227,856,357
VP1	2030-31	\$119,559,894	\$84,051,241	\$0	\$7,319,994	\$16,240,660	\$0	\$0	\$699,855	\$227,871,644
VP2	2031-32	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095
VP3	2032-33	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095
VP4	2033-34	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095
VP5	2034-35	\$119,559,894	\$84,036,541	\$0	\$7,319,994	\$16,239,811	\$0	\$0	\$699,855	\$227,856,095

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

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @		Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
		Compressed Rate	State Aid							
QTP0	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2020-21	-\$1,058,400	\$0	\$0	-\$64,800	-\$143,619	\$0	\$0	\$74	-\$1,266,745
VL2	2021-22	-\$940,800	\$1,058,400	\$0	-\$57,600	\$89,713	\$0	\$0	\$65	\$149,778
VL3	2022-23	-\$823,200	\$940,800	\$0	-\$50,400	\$82,933	\$0	\$0	\$57	\$150,190
VL4	2023-24	-\$690,900	\$823,200	\$0	-\$42,300	\$76,153	\$0	\$0	\$48	\$166,201
VL5	2024-25	-\$558,600	\$690,900	\$0	-\$34,200	\$68,526	\$0	\$0	\$39	\$166,665
VL6	2025-26	-\$426,300	\$558,600	\$0	-\$26,100	\$60,898	\$0	\$0	\$29	\$167,127
VL7	2026-27	-\$279,300	\$426,300	\$0	-\$17,100	\$53,271	\$0	\$0	\$19	\$183,190
VL8	2027-28	-\$147,000	\$279,300	\$0	-\$9,000	\$44,796	\$0	\$0	\$10	\$168,106
VL9	2028-29	-\$58,800	\$147,000	\$0	-\$3,600	\$37,168	\$0	\$0	\$4	\$121,772
VL10	2029-30	-\$14,700	\$58,800	\$0	-\$900	\$3,396	\$0	\$0	\$1	\$46,597
VP1	2030-31	\$0	\$14,700	\$0	\$0	\$849	\$0	\$0	\$0	\$15,549
VP2	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$5.3 million over the life of the agreement. The ECISD revenue losses are expected to total approximately \$1.27 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$4.0 million, prior to any negotiations with Oberon Solar on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with ECISD currently levying a \$0.1096 per \$100 I&S rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the Oberon Solar project to the local I&S tax roll. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 5 - Estimated Financial Impact of the Oberon Solar Project Property Value Limitation Request Submitted to ECISD at \$1.04 per \$100 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2018-19	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2020-21	\$138,000,000	\$30,000,000	\$108,000,000	\$1.040	\$1,435,200	\$312,000	\$1,123,200	-\$1,266,745	-\$143,545
VL2	2021-22	\$126,000,000	\$30,000,000	\$96,000,000	\$1.040	\$1,310,400	\$312,000	\$998,400	\$0	\$998,400
VL3	2022-23	\$114,000,000	\$30,000,000	\$84,000,000	\$1.040	\$1,185,600	\$312,000	\$873,600	\$0	\$873,600
VL4	2023-24	\$100,500,000	\$30,000,000	\$70,500,000	\$1.040	\$1,045,200	\$312,000	\$733,200	\$0	\$733,200
VL5	2024-25	\$87,000,000	\$30,000,000	\$57,000,000	\$1.040	\$904,800	\$312,000	\$592,800	\$0	\$592,800
VL6	2025-26	\$73,500,000	\$30,000,000	\$43,500,000	\$1.040	\$764,400	\$312,000	\$452,400	\$0	\$452,400
VL7	2026-27	\$58,500,000	\$30,000,000	\$28,500,000	\$1.040	\$608,400	\$312,000	\$296,400	\$0	\$296,400
VL8	2027-28	\$45,000,000	\$30,000,000	\$15,000,000	\$1.040	\$468,000	\$312,000	\$156,000	\$0	\$156,000
VL9	2028-29	\$36,000,000	\$30,000,000	\$6,000,000	\$1.040	\$374,400	\$312,000	\$62,400	\$0	\$62,400
VL10	2029-30	\$31,500,000	\$30,000,000	\$1,500,000	\$1.040	\$327,600	\$312,000	\$15,600	\$0	\$15,600
VP1	2030-31	\$31,500,000	\$31,500,000	\$0	\$1.040	\$327,600	\$327,600	\$0	\$0	\$0
VP2	2031-32	\$31,500,000	\$31,500,000	\$0	\$1.040	\$327,600	\$327,600	\$0	\$0	\$0
VP3	2032-33	\$31,500,000	\$31,500,000	\$0	\$1.040	\$327,600	\$327,600	\$0	\$0	\$0
VP4	2033-34	\$31,500,000	\$31,500,000	\$0	\$1.040	\$327,600	\$327,600	\$0	\$0	\$0
VP5	2034-35	\$31,500,000	\$31,500,000	\$0	\$1.040	\$327,600	\$327,600	\$0	\$0	\$0
\$10,062,000							\$4,758,000	\$5,304,000	-\$1,266,745	\$4,037,255

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

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

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

Attachment E

Taxable Value of Property


Taxes

Property Tax

School and Appraisal Districts Property Value Study 2015 Report
2015 ISD Summary Worksheet
068/Ector
068-901/Ector County ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	5,051,145,581	N/A	5,051,145,581	5,051,145,581
B. Multi-Family Residences	427,836,693	N/A	427,836,693	427,836,693
C1. Vacant Lots	160,708,862	N/A	160,708,862	160,708,862
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	3,322,378	N/A	3,322,378	3,322,378
D2. Real Prop Farm & Ranch	7,943,997	N/A	7,943,997	7,943,997
E. Real Prop NonQual Acres	72,775,877	N/A	72,775,877	72,775,877
F1. Commercial Real	1,906,119,487	N/A	1,906,119,487	1,906,119,487
F2. Industrial Real	541,185,781	N/A	541,185,781	541,185,781
G. Oil, Gas, Minerals	3,016,471,626	N/A	3,016,471,626	3,016,471,626
J. Utilities	399,497,275	N/A	399,497,275	399,497,275
L1. Commercial Personal	3,271,730,874	N/A	3,271,730,874	3,271,730,874
L2. Industrial Personal	132,760,881	N/A	132,760,881	132,760,881

M. Other Personal	239,808,364	N/A	239,808,364	239,808,364
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	18,409,440	N/A	18,409,440	18,409,440
S. Special Inventory	97,380,610	N/A	97,380,610	97,380,610
Subtotal	15,347,097,726		15,347,097,726	15,347,097,726
Less Total Deductions	1,598,602,919		1,598,602,919	1,598,602,919
Total Taxable Value	13,748,494,807		13,748,494,807	13,748,494,807 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4
13,999,723,538	13,748,494,807	13,630,698,482	13,379,469,751

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
251,228,731	369,025,056

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

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

ceiling reduction

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

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

Value Taxable For I&S Purposes

T7	T8	T9	T10
13,999,723,538	13,748,494,807	13,630,698,482	13,379,469,751

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

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

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

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

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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

and

OBERON SOLAR LLC

(Texas Taxpayer ID #32063848157)

Comptroller Application #1276

Dated

December 18, 2018

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)*

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 October 17, 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 District's Superintendent granted an extension of the statutory deadline by which the District must consider the Application until December 31, 2018, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

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 18, 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 18, 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 18, 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 14, 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 18, 2018, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary, or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

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

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

“Applicant” means OBERON SOLAR LLC, 32063848157, the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on July 24, 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 Ector County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Ector County Independent School District.

“Commercial Operation” means the date on which the Project has installed or constructed Qualified Property on the Land having a value that equals or exceeds \$30,000,000, is able to generate electricity, and is connected to the grid with an interconnection agreement.

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

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

“County” means Ector County, Texas.

“District” or “School District” means the Ector County 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 days 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 313.054 of the TEXAS TAX CODE.

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

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

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

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller’s Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

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

“Aggregate Limit” means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and for all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI.

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

“M&O Amount” means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

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

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

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

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is September 13, 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 18, 2018.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on December 18, 2018, the Application Approval Date;
 - ii. Ends on December 31, 2020, the last day of the second complete Tax Year following the Qualifying Time Period start date
- D. The Tax Limitation Period for this Agreement:
 - i. Starts on January 1, 2020, first complete Tax Year that begins after the date of commencement of Commercial Operations; and
 - ii. Ends on December 31, 2029
- E. The Final Termination Date for this Agreement is December 31, 2034
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Thirty Million Dollars (\$30,000,000) based on Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 based on whether Subchapter B or C, respectively, applies 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 \$30,000,000 during the Qualifying Time Period;

- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,110 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b) of the TEXAS TAX CODE as property used for Renewable Energy Electric Generation.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, to which the execution of this Agreement contributed in any manner, will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue

resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

- B. In making the calculations required by this Section 4.2 of this Agreement:
 - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
 - ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
 - iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
 - iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") approved each year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the

calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2 and/or 4.3, 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 4.7, 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 the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary 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 which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the Tax Limitation Period shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00). For no Tax Year prior to or after the Tax Limitation Period shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Seven Thousand Five Hundred Dollars (\$7,500.00).

Section 4.7. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the

Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.8. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

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

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

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

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. The total of the Supplemental Payments made pursuant to this Article shall: not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period:

C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

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 prior school year.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT – SUBJECT TO AGGREGATE LIMIT

In addition to the Supplemental Payment limitation set forth in Section 6.2 of this Agreement, during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

(a) the “Applicant’s Stipulated Supplemental Payment Amount,” which is hereby defined as forty percent (40%) of the Applicant’s “Net Tax Benefit,” as such term is defined in Section 1.2, above; or

(b) the “Aggregate Limit,” as such term is defined in Section 1.2, above.

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT.

The Parties agree that for each Tax Year during the term of this Agreement beginning with the Tax Year 2018, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i., the Applicant’s Stipulated Supplemental Payment Amount, as defined in Section 6.3, will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the formula set forth in the definition of “Net Tax Benefit” set out in Section 1.2. In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 4.3 above shall adjust the Applicant’s Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 6.5. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT.

For each Tax Year during the term of this Agreement beginning with the Tax Year 2018, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i, and ending with Tax Year 2032, which is the third Tax Year following the end of the Tax Limitation Period, the District, or its successor beneficiary should one be designated under Section 6.7 below shall not be entitled to receive Supplemental Payments, computed under Sections 6.2, 6.3, and 6.4 above, that exceed the Aggregate Limit. If, for any Tax Year during the term of this Agreement the amount of the Applicant’s Stipulated Supplemental Payment Amount, calculated under Sections 6.2, 6.3, and 6.4 above for such Tax Year, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant’s Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. If there are changes in Chapter 313 of the Texas Tax Code that increase or decrease

the limit on the amount of the Supplemental Payments that may be made to or on behalf of the District by the Applicant under this Article VI, any higher or lower amount of Supplemental Payments that first became due hereunder prior to the effective date of any such statutory change will not be adjusted. Any of the Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of the third full Tax Year following the end of the Tax Limitation Period, as defined in Section 2.3(D)(ii), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 6.6. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

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

C. The payment of all amounts due under this Article shall be made shall be paid on the same date established by Section 4.6 for such Tax Year.

Section 6.7. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to

a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

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

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

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

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

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

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to

the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS

GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement. C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

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

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the

Application are true and correct to the best of its knowledge;

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

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX **MATERIAL BREACH OR EARLY TERMINATION**

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

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

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

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

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance

with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

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

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

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Ector County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Ector 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 sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney’s fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant’s Qualified Property and the Applicant’s Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

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

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior

to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

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

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

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation

Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS
Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

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

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

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

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

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with

notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

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

Jim Nelson
Superintendent
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 7971461
Phone: (432) 456-9879
Email: jim.nelson@ectorcountysd.org

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

Jason Kim
President
174 Power Global Corp
3000 Spectrum Center Drive., #1220
Irvine, California 92618
Phone: (949) 748-5996
Email: Jason.kim@174powerglobal.com

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

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

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

- i. The Applicant shall submit to the District and the Comptroller:

- a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
 - ii. 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 Ector 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:

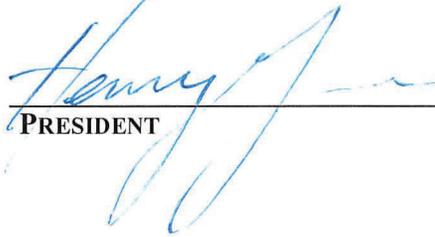
- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of 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).

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of December, 2018.

OBERON SOLAR LLC

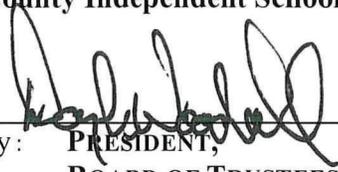
By:



PRESIDENT

Ector County Independent School District

By:



**PRESIDENT,
BOARD OF TRUSTEES**

ATTEST:



**By: SECRETARY
BOARD OF TRUSTEES**

IN CASE OF CONFLICT:

**By: VICE PRESIDENT
BOARD OF TRUSTEES**

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Legal Description of Property

At the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Ector County Commissioner's Court had created the reinvestment zone described on this **EXHIBIT 1**. A map of this Reinvestment Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment that is subject to this Agreement will be located within the boundaries of the this reinvestment zone and the boundaries of the Ector County Independent School District.

THE FOLLOWING REAL PROPERTY LOCATED IN ECTOR COUNTY, TX:

OBERON SOLAR LEGAL DESCRIPTION

The East half of Section 11, Block 14, PSL, Ector County, Texas, more particularly described by metes and bounds description recorded as an exhibit to that certain Warranty Deed dated December 31, 1991, recorded in Volume 1102, Page 568, Deed Records, Ector County, Texas, further described as follows:

The East half of Section 11, Block 14, PSL, more particularly described by metes and bounds description attached as follows:

BEGINNING at a 2-inch iron pipe in the Northeast corner of Section 11, Block B-14, P.S.L Ector County, Texas, and being patented Southeast corner of Section 10 this block, for the Northeast corner of this tract;

THENCE S 15° 15' 58" E, with the East line of Section 11, 5281.26 feet to a 2-inch iron pipe, being the patented Northeast corner of Section 20 this block and being the Southeast corner of Section 11, for the Southeast corner of this tract;

THENCE S 74° 50' 58" W, with the North line of Section 20 and the South line of Section 11, 2704.4 feet to a 3/4-inch iron pipe set for the Southwest corner of this tract, from which point a 1-inch Iron pipe at the Southwest corner of Section 11, being the patented Southeast corner of Section 12 bears S 74° 50' 58" W, 2704.4 feet;

THENCE N 15° 16' 02" W, 5279.7 feet to a 1/2-inch iron pipe set in the North line of Section 11 and the South line of Section 10 for the Northwest corner of this tract, from which point a 1-1/4-inch iron pipe at the Northwest corner of Section 11 and being the patented Southwest corner of Section 10 bears S 74° 49' W, 2704.5 feet;

THENCE N 74° 49' E, 2704.5 feet to the PLACE OF BEGINNING and containing 327.84 acres of land, more or less.

(continued next page)

Sections 20, 21 and 30, Block-14, PSL, Ector County, Texas; Sections 21, 29 and 30, Block-15, PSL, Ector County, Texas; and the West one-quarter (W/4) of Section 22, and the West one-quarter (W/4) of Section 28, Block-15 PSL, Ector County Texas.

Sections 19, 22, and 29, Block 14, PSL, Ector County, Texas, to the extent that they lie East of the boundary line shown on the survey plat and the metes and bounds as follows:

Field note description of the survey of a boundary agreement dividing Tracts "A" and "B" of a partition deed of properties included in an Exhibit "A" between Helen Ann and McDaniel and Allen Lee Williams, as Co-Trustees of the Trust created by Helen Allen Williams and F.L. Williams, Jr. on May 1, 1972 (hereinafter referred to as the 'Grandchildren's Trust'), Helen Allen Williams and Nations Bank of Texas, N.A., Midland, Texas, as Co-Trustees of the Glenn Allen Trust (hereinafter referred to as the "Glenn Allen Trust"), and Madeline Williams McLain, situated in Public School Land Survey, Sections 12, 19, 22 and 29, Block B-14, Ector County, Texas, and being described more fully by metes and bounds as follows:

BEGINNING at a point in the North right-of-way line of Texas & Pacific Railroad in the South part of Section 29 of said Block B-14, said point located 5773.33 feet S.05°01'04"W of the NE corner of said Section 29;

THENCE N.15°25'53"W, at 5415.00 feet cross the North line of said Section 29, same being the South line of Section 22, at a point dividing the East 1/2 and the West 1/2 of said Section 22, continuing for a total distance of 7502.00 to a point in an existing fence line running diagonally Northwesterly/Southeasterly;

THENCE N.47°57'33"W. 3520.95 feet along the existing fence to a deflection to the right, continuing

N.16°05'33"W. 5507.09 feet along an existing fence to its intersection with the North line of Section 19, same being the South line of Section 12;

THENCE N.74°44'27"E. 4596.85 feet along above said common section line to an iron rod marked "X", the common corner, SW11-SE12-NE19-NW20 in said Block B-14;

THENCE N.15°25'34"W, 4999.00 feet along the East line of said Section 12, same being the west line of Section 11 to a point for the end of this survey in an existing fence running generally east and west, said point located 278.86 feet S.15°25'34"E. from the common corner SE9-SW10-NW11-NE12 in said Block B-14.

The South half (S/2) of the West one-eight (W/8) of Section 19 and All of Section 20, Block 15, PSL, Ector County, Texas

CONFIDENTIAL

REV. NO.	DESCRIPTION	DATE	DESIGNER	CHECKED	DATE
1	ISSUED FOR PERMITTING	09/14/2018			



LEGEND

	RZ Boundary
	Panels
	Battery
	Substation and M&M Building

2 AREA MAP
NOT TO SCALE

SYSTEM SUMMARY

MODULE	MANUFACTURER: HANWHA Q-CELLS USA
MODULE MODEL	Q.PEAK L415 211 445
MODULE OUTPUT	145W
MODULE COUNT	781,200
STRING SIZE	24
NUMBER OF STRINGS	27,600
DC SYSTEM OUTPUT	200,765,000W
DC SYSTEM VOLTAGE	1500V
DESIGN TEMPERATURES	High Temp: 65°C / 147°C
EXTREME MIN	-10°C
INVERTER	MANUFACTURER: SUNGROW
INVERTER MODEL	SG2500U
INVERTER NOMINAL OUTPUT POWER	2500kW
AC SYSTEM RATING @ 120V 2500kW AC	
QUANTITY TOTAL	100
RACKING	MANUFACTURER: INSETRACKER
GTCL	24.8%*
PITCH	10BT
FOUNDATION	PILE DRIVEN POSTS
CONFIGURATION	1-UP PORTRAIT
AZIMUTH	10BT
WARRANTIES	DUAL STRINGS
PROJECT SITE	AREA INSIDE PERIMETER 2140ACR15
INTERCONNECTION VOLTAGE	15KV

1 PV SITE PLAN (CLOSE-UP)
1"=50'-0"

CONFIDENTIAL

OBORON SOLAR, LLC
PHOTOVOLTAIC POWER PLANT
129 FRONTAGE ROAD, HWY 1055
ECTOR COUNTY, TEXAS 79759

POWER GLOBAL
100 Spectrum Center Dr
Houston, TX 77056

HANWHA Q CELLS
100 Spectrum Center Dr
Houston, TX 77056

PV
SITE PLAN
(CLOSE-UP)
SHEET NO. C-200

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

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

EXHIBIT 3
APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment that is subject to this Agreement shall be all tangible personal property first placed in service after September 13, 2018, owned by the Applicant, as more fully described in Tab 7 of the Application and **EXHIBIT 4** below, and located within the project area located within Ector County ISD and the reinvestment zone depicted on the map attached to **EXHIBIT 1**.

Oberon Solar LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant, which will be located entirely within the Ector County Independent School District.

The project is estimated to be of 50 megawatt (MW) minimum and potentially larger as feasibility is improved via economic development incentives. The project is to be constructed on approximately 6,000 acres, which is part of a long-term lease agreement with local landowners.

The proposed project will include, but is not limited to, the following:

- Minimum, nominal 50 MW-AC in size;
- Hanwha Q CELLS PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid; and a
- Security fence.

EXHIBIT 4
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within the project area located within Ector County ISD and the reinvestment zone depicted on the map attached to this **EXHIBIT 4** necessary for the commercial operations of a total of 50 MW wind farm in Ector County.

Oberon Solar LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant, which will be located entirely within the Ector County Independent School District.

The project is estimated to be of 50 megawatt (MW) minimum and potentially larger as feasibility is improved via economic development incentives. The project is to be constructed on approximately 6,000 acres, which is part of a long-term lease agreement with local landowners.

The proposed project will include, but is not limited to, the following:

- Minimum, nominal 50 MW-AC in size;
- Hanwha Q CELLS PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid; and a
- Security fence.

CONFIDENTIAL

REV	DATE	DESCRIPTION	BY
A	09/14/2018	ISSUED FOR PERMIT	MM
B			MM
C			MM
D			MM
E			MM
F			MM
G			MM
H			MM
I			MM
J			MM
K			MM
L			MM
M			MM
N			MM
O			MM
P			MM
Q			MM
R			MM
S			MM
T			MM
U			MM
V			MM
W			MM
X			MM
Y			MM
Z			MM



LEGEND

- RZ Boundary
- Panels
- Battery Substation and M&M Building

2 AREA MAP NOT TO SCALE

PROJECT COORDINATES
LAT: 30°08'46.70"N
LONG: 98°04'28.26"W

SYSTEM SUMMARY

MODULE	MANUFACTURER: HANWHA Q-CELLS USA
MODULE MODEL	IQ PPAK 140 21 R5
MODULE OUTPUT	340W
MODULE LENGTH	70.200
STRING SIZE	28
NUMBER OF STRINGS	27,000
DC SYSTEM OUTPUT	9180 KW
DC SYSTEM VOLTAGE	1500V
DESIGN TEMPERATURES	10°C (50°F) - 45°C (103°F)
INVERTER	MANUFACTURER: SUNGROW
INVERTER MODEL	SG2500
INVERTER NOMINAL OUTPUT POWER	2500 kW
INVERTER EFFICIENCY	97.5%
QUANTITY TOTAL	100
AC SYSTEM RATING @ 2500WAC	100
RACKING	MANUFACTURER: SEXTACRACKER
RACKING	GCR 14 34%
PITCH	10FT
FOUNDATION	PILE DRIVEN POSTS
CONFIGURATION	1-UP PORTAIT
AZIMUTH	100°
HARNESSES	100AL STRINGS
PROJECT SITE	AREA INSIDE FENCELINE 214ACRES
INTERCONNECTION VOLTAGE	15KV

1 PV SITE PLAN (CLOSE-UP)
C-200

CONFIDENTIAL

OBERON SOLAR, LLC
PHOTOVOLTAIC POWER PLANT
129 FRONTAGE ROAD, HWY 1053
ECTOR COUNTY, TEXAS 79750

IZA POWER GLOBAL
10000 WOODWAY
SUITE 100
HOUSTON, TX 77055

Managers Q CELLS
10000 WOODWAY
SUITE 100
HOUSTON, TX 77055

PV SITE PLAN (CLOSE-UP)
C-200

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 18, 2018

President and Members
Board of Trustees
Ector County Independent School District
802 N. Sam Houston
Odessa, Texas 79761

Re: Recommendations and Findings of the firm Concerning Application of Oberon Solar LLC (#1276) for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

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

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

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

Sincerely,

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878

901 S. Mopac Expressway ★ Bldg. III ★ Suite 310 ★ Austin, TX 78746

Fax 512-485-7888

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

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

JUSTIN DEMERATH

BENJAMIN CASTILLO

December 18, 2018

President and Members
Board of Trustees
Ector County Independent School District
802 N. Sam Houston
Odessa, Texas 79761

Re: Recommendations and Findings of the Firm Concerning Application of Oberon Solar LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

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

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

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

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

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

December 14, 2018

Jim Nelson
Superintendent
Ector County Independent School District
802 N. Sam Houston
Odessa, Texas 79761

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and Oberon Solar, LLC, Application 1276

Dear Superintendent Nelson:

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 Ector County Independent School District and Oberon Solar, 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 at 1-800-531-5441, ext. 5-5626, or at 512-475-5626.

Sincerely,

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

Will Counihan
Director
Data Analysis & Transparency Division

cc: Mali Hanley, O'Hanlon, Demerath & Castillo, PC
Jason Kim, 174 Power Global Corp.
Jason Garewal, 174 Power Global Corp.
Kirk Glasby, DuCharme McMillen and Associates, Inc.

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

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

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

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

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

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

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